COMPREHENSIVE ANNUAL FINANCIAL REPORT

For the Year Ended June 30, 2018

County of Dare, North Carolina

(inside cover)

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For the Year Ended
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Prepared by:

Department of Finance

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Dare County, North Carolina
Comprehensive Annual Financial Report
For the Fiscal Year Ended June 30, 2017

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

COUNTY OF DARE
P.O. Box 1000, Manteo, North Carolina 27954

(252) 475-5000

November 29, 2018

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

The North Carolina State Treasurer's Office requires all general-purpose local governments to file with their office by December 1 of each year a complete set of financial statements. This report is published to fulfill that requirement for the fiscal year ended June 30, 2018.

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, 2018. The independent auditor's report is located at the front of the financial section of this report.

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

Profile of the County

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

The county has a permanent population of approximately 36,200. 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, garbage collection, recycling, planning, recreation and water.

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

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

The annual budget serves as the foundation of Dare County's financial planning and control. All agencies and departments of Dare County are required to submit requests to the manager, as the budget officer per State law, on or before the last day of February of each year. The manager then uses these requests as the starting point for developing a proposed budget which must be submitted to the Board of Commissioners by each June 1. The Board is required to hold at least one public hearing on the proposed budget and must adopt a final budget by no later than each July 1, the day after the close of the prior fiscal year. The County uses a biennial budget process, preparing a first year budget and a planned second year budget once every two years. 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 2.13 percent of the tax base.

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

Fiscal Year	Occupancy Tax	Local Sales Tax	State-wide Sales Tax
2009	(0.53)%	(5.62)%	(12.77)%
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%

The County is one of six counties in North Carolina to have the ability to levy a one percent local land transfer tax. The tax is accounted for in the Capital Reserve Capital Projects Fund and is used to fund the County's capital improvements plan. Annual revenue changes are subject to volatility with annual increases as high as 50.4 percent and annual decreases as much as 34.3 percent. Recent annual changes have been increases of 2.76 percent in 2016, 4.11 percent in 2017, and 7.40 percent in 2018.

Due to the county's tourism based economy, monthly unemployment rates are highly variable and seasonal. The annual average for 2017 was 6.2 percent. The July 2018 monthly rate of 3.5 percent was the lowest since July of 2008.

Per capita personal income within Dare County is significantly higher than for the State as a whole, staying within a range of 115 to most recently 119 percent of that of the State and increasing from $38,386 in 2010 to $49,248 in 2017. Estimated taxable value of property within the county is $14.9 billion in 2018.

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

Unrestricted fund balance (the total of the committed, assigned, and unassigned components of fund balance) in the General Fund was 26.78 percent of total General Fund expenditures. Unassigned fund balance in the General Fund at year end was 23.77 percent of total General Fund expenditures, up from 19.86 percent in the prior year, which exceeds current policy guidelines adopted by the Board of Commissioners for budgetary and planning purposes (19 to 21 percent). Exceeding the policy guidelines was the result of conservative budgeting of revenues, lower appropriated fund balance levels, and an improved economy. Total fund balance increases were $1,585,223 in fiscal year 2014, $1,771,914 in fiscal year 2015, $2,167,003 in fiscal year 2016, $2,391,169 in fiscal year 2017, and $5,898,118 in fiscal year 2018.

The available fund balance, comprised of unassigned of $24,991,118 plus Stabilization per State statute of $11,174,583 (a measure of fund balance not realized in cash as of the end of the fiscal year), was 34.39 percent of total General Fund expenditures.

Long-term financial planning

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

The County also prepares a five year General Fund projection which is presented to the Board prior to the start of each annual budget calendar.

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

Relevant Financial policies

The Board has had a comprehensive set of financial policies in place since fiscal year 2006. The financial policies, updated in 2007, 2009, 2010, 2013 and 2014, cover the operating budget, fund balances, capital improvements and planning, debt, debt compliance, accounting, auditing and financial reporting, cash

management, and investments. Particularly relevant for the current year was the fund balance policy as discussed in the prior section.

Major initiatives

The towns of Kill Devil Hills, Kitty Hawk, Southern Shores, and Duck completed the planning, permitting, and construction contracting process for a beach nourishment project covering portions of each of the towns. Construction was completed on October 3, 2017. The project totaled $41,966,886 with the County contributing $20,045,000 or approximately 48 percent of the project cost. Construction activity is recorded in the Capital Projects Fund and County debt service for the project is recorded in the Beach Nourishment (Special Revenue) Fund.

The County completed construction of a $24,186,825 beach nourishment project in the Buxton area in February 2018. Beach nourishment funding for the related debt service comes from the Beach Nourishment Fund and construction activity is recorded in the Capital Projects Fund.

The County received a $7,002,795 grant from the North Carolina 911 Board for the Dare-Tyrrell-Hyde Counties Regional Emergency Communications Center Project, which consolidated the E911 centers of the three counties (Capital Project Fund). The $14.9 million project which began operations on April 3, 2017, and also includes an Emergency Operations Center for Dare County. Tyrrell County ($345,041) and Hyde County ($212,160) transferred their E911 restricted fund balances to the County during the fiscal year which must be used for the operations of the Regional Emergency Communications Center and is accounted for in the E911 (Special Revenue) Fund.

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 sixteenth 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, 2017. This was the twenty-seventh consecutive year that the County has received this prestigious award. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized CAFR. That report satisfied both GAAP and applicable legal requirements.

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

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

Respectively submitted,

Robert L. Outten
County Manager

J. David Clawson
Deputy County Manager/Finance Director

Government Finance Officers Association

Certificate of Achievement for Excellence in Financial Reporting

Presented to

County of Dare

North Carolina

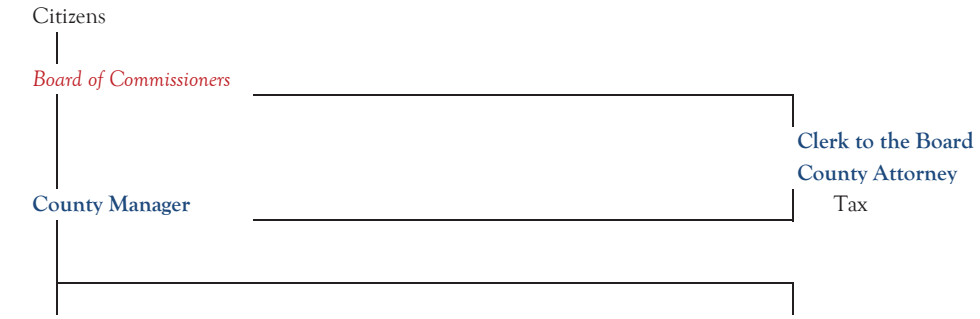
For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

June 30, 2017

Christopher P. Morrill

Executive Director/CEO

DARE COUNTY, NORTH CAROLINA
Organizational Chart



General Government:
- Administration
- Public Relations
- *Board of Elections*
- Finance
  - Purchasing
- Human Resources
  - Insurance
  - General Services
- Information Technology
- *Register of Deeds*
- Building & Grounds
  - Turf Maintenance

Public Safety:
- *Sheriff*
  - Jail
  - Communications
- *Court Facilities*
- Emergency Medical Services
  - Emergency Medical Helicopter
- Emergency Management
  - Fire Marshal
- ***Animal Shelter***

Economic and Physical Development:
- Planning
  - ***Oregon Inlet & Waterways Commission***
- Cooperative Extension

Health and Human Services:
- Health
- Social Services
- **Mental Health**
- Veterans Services

Cultural and Recreational:
- Parks and Recreation
- ***Library***
- Older Adult Services
- Transportation
- Youth Services

Environmental Protection:
- Administration
- Sanitation
- Sanitary Landfill
- Recycling
- C & D Landfill
- Landfill Dirt Pit
- Rubble Transfer Sites
- Wastewater Treatment Plants
- Mosquito Control
- Fleet Maintenance

Education:
- *Board of Education*
- ***College of the Albemarle***

Airport

Water:
- Reverse Osmosis Plant
- RWS Reverse Osmosis Plant
- Skyco Plant
- Distribution

Legend:
- *Elected*
- **Appointed**
- ***Additional Board***

DARE COUNTY, NORTH CAROLINA
List of Elected and Appointed Officials
June 30, 2018

Elected Officials

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

Appointed Officials

Manager	Robert Outten
Airport Director	David Daniels
Attorney	Robert Outten
Board of Elections Director	Michelle Barnes
Clerk to the Board of Commissioners	Gary Gross
Director of Health and Human Services	Jay Burrus
Tax Collector	Rebecca Huff

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

POTTER & COMPANY
CERTIFIED PUBLIC ACCOUNTANTS

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, 2018, and the related notes to the financial statements, which collectively comprise the County's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinions

In our opinion, based upon our audit and the report of the other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component unit, each major fund, and the aggregate remaining fund information of the Dare County, North Carolina, as of June 30, 2018, and the respective changes in financial position and, where applicable, cash flows thereof and the respective budgetary comparison for the General Fund and Beach Nourishment Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis, on pages 15 to 27, the Local Government Employees' Retirement System Schedules of the County's Proportionate Share of Net Pension Asset (liability) and County Contributions, the Register of Deeds' Supplemental Pension Fund Schedule of the County's Proportionate Share of the Net Pension Asset and Schedule of County Contributions, the other Postemployment Healthcare Benefit's Schedule of Changes in the Net OPEB Liability and Related Ratios and the Schedule of County Contributions:, and the Law Enforcement Officers' and Special Separation Allowance Schedule of Changes in Total Pension Liability and Schedule of Total Pension Liability as a Percentage of Covered Payroll, on pages 112 to 116, respectively, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We and other auditors have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary and Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Dare County, North Carolina's basic financial statements. The introductory section, combining and individual nonmajor fund financial statements, budgetary schedules, other schedules, statistical section as well as the accompanying schedule of expenditures of 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 29, 2018 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 29, 2018
Mooresville, North Carolina

Dare County, North Carolina

MANAGEMENT'S DISCUSSION AND ANALYSIS

Year Ended June 30, 2018

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, 2018. 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 $35,246,464 (*net position*).
- The County's total net position increased by $19,407,393, primarily due to a decrease in total debt, a decrease in pension liability, an increase in deferred outflows related to OPEB, and favorable fund performance, notably the General Fund and the Internal Service funds, offset by an increase in the OPEB liability.
- The County's beginning net position was restated and increased by $2,763,003 due to the implementation of a new accounting implementation guide relating to OPEB ($2,519,444 governmental and $243,559 business-type).
- As of the close of the current fiscal year, Dare County's governmental funds reported combined ending fund balances of $77,492,472, a decrease of $20,808,057 in comparison with the prior year. The decrease resulted from:
    - A General Fund increase of $5,898,459 from favorable expenditure performance of $6,414,095 under budget (unconsolidated), and revenue performance over budget of $297,696 (unconsolidated); reduced by appropriated fund balance;
    - A planned increase of $2,065,615 in the Beach Nourishment Fund; and
    - A decrease of $29,816,067 in the Capital Projects Fund from expending proceeds of debt issued in the prior fiscal year for beach nourishment projects.
- After restrictions, commitments and assignments, approximately 32 percent of the total fund balances, or $24,991,118, is available for spending at the government's discretion (*unassigned fund balance*) and $26,452,948 is available for beach nourishment.
- At the end of the current fiscal year, unassigned fund balance in the General Fund was $24,991,118 or 23.77 percent of General Fund expenditures (consolidated) for the current fiscal year, exceeding the County's current policy range of 19 to 21 percent.
    - Unassigned fund balance plus fund balance restricted for stabilization by State statute (available fund balance) is $36,165,701 or 34.39 percent of General Fund expenditures (consolidated) for the current fiscal year.

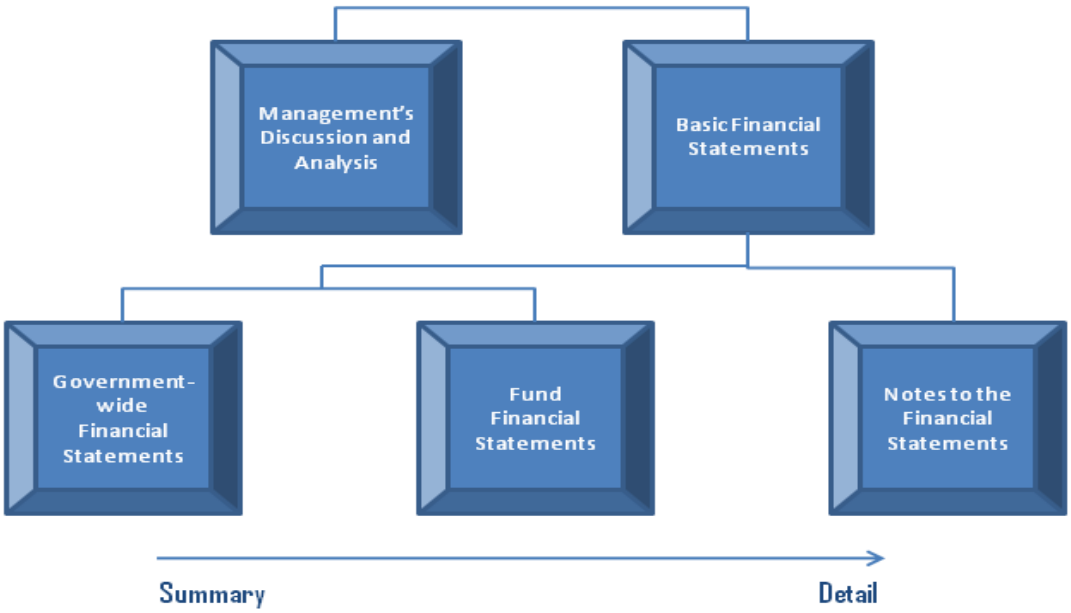
- Dare County's total debt increased by $18,216,137 (par value) (11.75 percent) during the current fiscal year. Principal payments for the fiscal year were $20,193,668. New debt issuances consisted of one capitalized lease of $1,977,531.

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



Basic Financial Statements

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

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

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

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

Government-wide Financial Statements

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

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

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

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

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

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

Fund Financial Statements

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

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

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

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

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

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

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

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 eleven fiduciary funds, one of which is a pension trust fund, two of which are private purpose trust funds, and seven of which are agency funds.

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

Notes to the Financial Statements – The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 45-109 of this report.

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

Government-Wide Financial Analysis

Net position may serve over time as one useful indicator of a government's financial condition. The County's assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by $35,246,464 as of June 30, 2018. The County's net position increased by $19,407,393 for the fiscal year ended June 30, 2018.

The County implemented Governmental Accounting Standards Board (GASB) Statement No. 73 relating to pension accounting for the Law Enforcement Officers' Special Separation Allowance (LEOSSA) in the prior fiscal year, resulting in a restatement of beginning governmental net position (2016), a decrease of $1,547,313. The County implemented GASB Statement No. 75 relating to accounting for other post-employment benefits (OPEB) for retiree health benefits in the prior fiscal year resulting in a restatement of beginning net position (2016), a decrease of $107,799,161 ($98,276,171 governmental and $9,522,990 business-type).

The County implemented GASB Implementation Guide No. 2017-3, issued in November 2017 and relating to OPEB Plan accounting and reporting. This required a restatement related to the prior year implementation of GASB Statement No. 75, resulting in a restatement of beginning net position, an increase of $2,763,003 ($2,519,444 governmental and $243,559 business-type).

The largest portion of net position reflects the County's net investment in capital assets (e.g. land, buildings, machinery and equipment), less any related debt still outstanding issued to acquire or construct those items. Dare County uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although Dare County's net investment in its capital assets is reported net of the outstanding related debt, the resources needed to repay that debt must be provided by other sources, since the capital assets cannot be used to liquidate these liabilities. The County has recorded $54,567,130 of school related debt, which decreases net position, but does not record the related asset as, 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 external restrictions on how they may be used. The unrestricted portion of ($172,814,177) is negative due to the school debt previously discussed, due to the amount restricted for stabilization by State statute of $14,719,390, due to the amount restricted by revenue bond covenants of $16,697,282, due to the amount restricted for beach nourishment of $24,481,653, 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
	2018	2017	2018	2017	2018	2017
Current and other assets	$ 84,389,260	$ 115,370,199	$ 31,148,559	$ 28,885,734	$ 115,537,819	$ 144,255,933
Capital assets	165,655,345	139,929,968	69,045,916	72,197,737	234,701,261	212,127,705
Total assets	$ 250,044,605	$ 255,300,167	$ 100,194,475	$ 101,083,471	$ 350,239,080	$ 356,383,638
Deferred outflows of resources	$ 24,419,520	$ 13,767,845	$ 6,047,365	$ 5,341,922	$ 30,466,885	$ 19,109,767
Long-term liabilities outstanding	$ 257,512,487	$ 259,225,319	$ 42,851,604	$ 42,960,246	$ 300,364,091	$ 302,185,565
Other liabilities	23,832,260	36,437,702	4,953,840	4,694,430	28,786,100	41,132,132
Total liabilities	281,344,747	295,663,021	47,805,444	47,654,676	329,150,191	343,317,697
Deferred inflows of resources	$ 14,078,145	$ 16,194,118	$ 2,231,165	$ 2,905,522	$ 16,309,310	$ 19,099,640
Net position:						
Net investment in capital assets	$ 109,726,856	$ 107,555,911	$ 41,520,916	$ 43,127,737	$ 151,247,772	$ 150,683,648
Restricted	40,115,587	46,500,533	16,697,282	15,257,272	56,812,869	61,757,805
Unrestricted	(170,801,210)	(196,845,571)	(2,012,967)	(2,519,814)	(172,814,177)	(199,365,385)
Total net position	$ (20,958,767)	$ (42,789,127)	$ 56,205,231	$ 55,865,195	$ 35,246,464	$ 13,076,068

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

- Continued diligence in the collection of property taxes by increasing the current year collection percentage to 99.49 percent, well above the statewide average for like-sized counties of 97.90 percent (2017);
- Continued low cost of debt due to maintenance and improvement of the County's debt ratings, and debt principal retirement levels from aggressive principal amortizations.
- Continuing accumulation of funds for beach nourishment projects of $26,452,948; and
- Management's proactive stance on monitoring spending across departments to ensure budget compliance and promote expenditure savings from budget (5.75 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, 2018 of $54,567,130, and recognition of revised liability amounts for the pensions (LGERS & LEOSSA) and for retiree healthcare (OPEB).

Dare County Changes in Net Position
Figure 3

	Governmental Activities		Business-type Activities		Total	Total
	2018	2017	2018	2017	2018	2017
Revenues:						
Program revenues:						
Charges for services	$ 13,553,751	$ 12,985,375	$ 13,167,723	$ 13,141,786	$ 26,721,474	$ 26,127,161
Operating grants and contributions	5,946,253	7,931,129	-	-	5,946,253	7,931,129
Capital grants and contributions	10,366,018	20,119,188	-	14,945	10,366,018	20,134,133
General revenues:						
Property taxes	66,880,879	60,930,602	-	-	66,880,879	60,930,602
Other taxes	40,894,900	38,354,549	-	-	40,894,900	38,354,549
Investment earnings	1,108,457	720,606	308,302	142,497	1,416,759	863,103
Other	1,867,907	3,891,192	-	-	1,867,907	3,891,192
Total revenues	140,618,165	144,932,641	13,476,025	13,299,228	154,094,190	158,231,869
Expenses:						
General government	11,037,049	10,955,429	-	-	11,037,049	10,955,429
Public safety	31,945,928	34,815,732	-	-	31,945,928	34,815,732
Transportation	754,943	710,950	-	-	754,943	710,950
Economic and physical development	14,854,739	13,801,658	-	-	14,854,739	13,801,658
Human services	17,549,059	17,960,744	-	-	17,549,059	17,960,744
Cultural and recreation	6,358,781	6,018,676	-	-	6,358,781	6,018,676
Education	24,596,556	23,947,542	-	-	24,596,556	23,947,542
Interest on long-term debt	3,652,243	3,737,618	-	-	3,652,243	3,737,618
Environmental protection	10,557,951	9,765,572	-	-	10,557,951	9,765,572
Water	-	-	13,379,548	12,345,589	13,379,548	12,345,589
Total expenses	121,307,249	121,713,921	13,379,548	12,345,589	134,686,797	134,059,510
Increase (decrease) in net position before transfers and special items	19,310,916	23,218,720	96,477	953,639	19,407,393	24,172,359
Transfers	-	-	-	-	-	-
Increase (decrease) in net position	19,310,916	23,218,720	96,477	953,639	19,407,393	24,172,359
Net positon, July 1	(42,789,127)	33,815,637	55,865,195	65,141,832	13,076,068	98,957,469
Net positon, July 1 - restated	(40,269,683)	(66,007,847)	56,108,754	54,911,556	15,839,071	(11,096,291)
Net position, June 30	$ (20,958,767)	$ (42,789,127)	$ 56,205,231	$ 55,865,195	$ 35,246,464	$ 13,076,068

Governmental activities. Governmental activities increased the County's net position by $19,310,916. Key elements of this change were:

- Net Position:
  - An increase from the activities of internal service funds of $2,118,803;
  - An increase from the activities of the General Fund of $5,898,458 (modified accrual basis);
  - An increase from the activities of the Beach Nourishment Fund of $2,065,615 (modified accrual basis).
- Revenues:
  - Increased property tax collections from a General Fund rate increase; and
  - Increased investment income.
- Expenses:
  - The absence of significant disaster recovery expenditures;
  - Management's proactive stance and emphasis on monitoring spending across departments to ensure budget compliance and promote savings from budget; and
  - An increase in operating funding for the Dare County Board of Education (education), as the County continued to rank first in the State in local operating funding per pupil.

Business-type activities: Business-type activities increased Dare County's net position by $96,477. Key elements of this increase were:

- Continued growth in the existing customer base of 0.87 percent, now totaling over 20,000;
- Continued reductions in per account and per capita water consumption;
- A 3.00% water rate increase effective July 1, 2017;
- A significant increase in depreciation expense from the Roanoke Island system expansion moving from construction in progress to a depreciable asset;
- Limited increases in budgeted operating costs and efficiency gains with the start of operations of a nanofiltration treatment process; and
- Prudent management of expenses.

Financial Analysis of the County's Funds

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

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

The General Fund is the chief operating fund of Dare County. At the end of the current fiscal year, fund balance unassigned in the General Fund was $24,991,118 (an increase of $4,946,165), while total fund balance increased by $5,898,459 to $40,077,957. If fund balance required to be shown as restricted by State statute for stabilization is included with unassigned fund balance, the amount is $36,165,701 (available fund balance) or 34.39 percent of current year expenditures, an increase of $3,350,198. The County's actions to increase the percentage of unassigned fund balance has succeeded, with that measure at 23.77 percent at fiscal year-end, exceeding the County's current policy range of 19 to 21 percent of General Fund expenditures.

At June 30, 2018, the governmental funds of Dare County reported a combined fund balance of $77,492,472, a $20,808,057 or 21.17 percent decrease from last year. The primary reasons are:

- An increase in the General Fund of $5,898,459 from favorable revenue performance and expenditure controls and performance;
- A planned increase of $2,065,615 in the Beach Nourishment Fund;
- A decrease of $29,816,067 in the Capital Projects Fund from expending the proceeds of debt issued in the prior fiscal year for beach nourishment projects;
- An increase of $637,123 in the Emergency Telephone System Fund from the transfer of E911 funds from Hyde County of $212,160 and from Tyrrell County of $345,041 due to the completion of their transition into the Regional Emergency Communications Center; and
- An increase of $239,645 in the Inlet Maintenance Fund from the net of activities for Hatteras Inlet – a transfer from the General Fund of $236,082, grant revenue of $189,591, and expenditures of $186,028.

After restrictions, commitments and assignments, approximately 32 percent of the total fund balances, or $24,991,118, is available for spending at the government's discretion (*unassigned fund balance*). $26,452,948 is available for beach nourishment.

General Fund Budgetary Highlights: During the fiscal year, the County revised the budget on several occasions. Generally, budget amendments fall into one of three categories: 1) amendments made to adjust the estimates that are used to prepare the original budget ordinance once exact information is available; 2) amendments made to recognize new funding amounts from external sources, such as federal and State grants; and 3) increases in appropriations that become necessary to maintain services. Total amendments to the General Fund increased revenues by $184,397.

Revenues were $297,696 over budget. Without budgetary offsets (see Sales and services below), revenues were $1,475,464 over budget.

Ad valorem taxes were $280,631 over budget due to an increase in the current year collection percentage and to better than anticipated collections of prior years' taxes at $298,666 over budget, mainly from motor vehicles.

Other taxes were $662,603 over budget due to sales taxes being over budget by $509,902. The County's share of county-wide point of distribution sales tax (a measure of local activity) increased 4.56 percent which was budgeted at 3.23 percent. The County's share of population distribution sales tax (a measure of state-wide activity) increased 7.05 percent which was budgeted at an 8.90 percent increase. Occupancy tax collections were $159,005 over budget after an increase of 5.21 percent which was budgeted at 2.50 percent.

Unrestricted intergovernmental revenues were $101,820 over budget due to federal payments in lieu of taxes being $63,648 over budget from a conservative budget amount due to uncertainty with the federal budget, and ABC profits being over budget by $34,563 after a strong first quarter performance.

Restricted intergovernmental revenues were $714,896 under budget. The amount changes to $463,242 under budget when a $251,654 budgeted but not received Governor's Highway Safety Program grant for the Sheriff Department is removed. Social Services administrative revenue was over budget by $130,312 due to increased administrative reimbursements from increased eligible administrative costs, and Social Services Medicaid transportation reimbursements were $150,844 over budget from an unanticipated increase in demand and a change in the eligibility of staff time. Foster Care grant revenue was $86,332 under budget due to a decreased service population, and Day Care grant revenue was $652,046 under budget after the State took over payments to providers from counties.

Permits and fees were $195,642 over budget with building permit fees $66,532 over budget from a 72.5 percent increase. Register of Deeds fees were $76,640 over budget from a 6.35 percent increase in revenue stamps with no budgeted increase.

Sales and services revenues were $306,258 under budget. Without $1,187,768 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 $881,510 over budget due to the following:

- Health Department revenues $296,551 over budget from:
  - Medicaid cost settlement $53,125 under budget due to a lower than anticipated settlement amount resulting from unit of service measurement changes;
  - Maternal and Women's Health fee revenue $57,909 over budget due to increased caseload;
  - Hospice fee revenue $378,915 over budget due a significant increase in caseload; and
  - Dental program revenue $110,376 under budget due to a position vacancy which is offset by lower related expenditures;
- Detention Center revenues $271,498 over budget from an unbudgeted continuance of elevated boarding fees due to boarding detainees from three other counties within the region that have space or construction issues; and
- Emergency Medical Services revenue $358,001 over budget from:
  - Ground transport revenue $165,710 over budget due to a conservative budget amount which anticipated a smaller increase than the actual 6.48 percent; and
  - Air transports $167,541 over budget due to a conservative budget amount which anticipated a smaller increase than the actual of 11.07 percent.

Interest earnings were $194,015 over budget from Federal Reserve rate increases and a conservative budget amount relating to those anticipated but unknown rate increases.

Other revenue was $115,861 under budget due to $74,477 of budgetary offsets (budget with no actuals) used to show the amount of indirect costs supplied to support the College of the Albemarle, and to lower than expected Hospice donations of $23,432 under budget.

Expenditures were $6,414,095 under budget (5.75 percent). Without the budgetary offsets mentioned above under Sales and Services of $1,187,768; without other budgetary offsets of $74,477; without outstanding purchase orders at year-end of $555,139; without unused Contingency appropriation of $26,884; and without a budgetary carryover into fiscal year 2019 for unspent deferred maintenance funds for the Board of Education of $503,339; expenditures were $4,066,488 under budget (3.65 percent) due to the following:

- Non-departmental Department (General Government) expenditures were under budget by $895,567. After deducting the unused Contingency appropriation (above) of $26,884 and an appropriation to increase fund balance of $688,527, the department was $180,156 under budget. That amount resulted from $91,303 of unused compensation related appropriations for part-time pay adjustments, longevity, termination pay, and merit pay, with the variance due to uncertain budget estimates for newly enacted policies, and from $43,724 of unused legal and professional fees budget due to lower than expected audit, legal and lobbying expenditures;
- Emergency Medical Services (Public Safety) expenditures were $654,796 under budget and $561,636 under budget when $93,160 of outstanding purchase orders are removed. $617,498 of that amount was from salaries, overtime, and fringes due to turnover and unfilled positions;
- Health Department (Human Services) expenditures were $343,060 under budget and $258,661 under budget when $84,399 of outstanding purchase orders are removed. Amounts under budget were spread over salaries and fringes, contracted services, supplies, operating expenses and travel, and were driven by budget levels which were set by anticipated program activity, and equal 3.22 percent of the budget;
- Social Services (Human Services) expenditures were $1,242,401 under budget from $45,595 of outstanding purchase orders, from reduced or lower expenditures of $591,175 for day care that resulted from a State takeover of provider payments for all counties, of $83,044 for Medicaid transportation due to activity levels, of $381,182 for Foster Care due to a decrease in the number of children in care, and of $35,137 for economic independence due to an improved economy; and
- Other departments with favorable budget variances of more than $50,000 were:
    - Rubble Transfer of $85,427 from intentional vacancies;
    - Elections of $79,703 from one less primary election than planned;
    - Solid Waste Management of $76,296 from retirements;
    - Communications of $64,166 from salaries and fringes due to turnover and vacancies;
    - Facilities Maintenance of $64,055 from salaries and fringes due to turnover and vacancies;
    - Mosquito Control of $59,078 from supplies and fuel due to lower than normal need; and
    - Recycling of $56,339 from salaries and fringes due to intentional vacancies.

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 $354,789, an improvement of $2,118,803.

The Insurance Fund, primarily supported by the General Fund and the Water Fund (proprietary), ended the fiscal year with a net position of $86,047, an improvement of $2,007,278 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. The fiscal year 2013 loss resulted from an increase in the number of retirees under the age of sixty-five on the Health Plan, growing from 78 for 2011 to 133 for 2013.

The fiscal year 2014 budget was adopted with a 7.5% estimated rate increase for the Health Plan along with additional wellness program initiatives. Fiscal year 2015 saw Health Plan changes, including offering a health savings account option, in order to arrive at no projected cost increase. Fiscal year 2016 provided an additional $1,748,600 of funding into the Insurance Fund for the costs of retirees under the age of 65 and to reduce the fund deficit. Fiscal year 2017 added an employee health clinic and $243,496 of funding over the fiscal year 2016 amount for deficit reduction. Fiscal year 2018 expanded the employee health clinic and continued the increased funding levels.

Proprietary Funds. Dare County's proprietary funds provide the same type of information found in the government-wide statements but in more detail. The previously discussed restatements of beginning net position increased beginning unrestricted and total net position equally. Unrestricted net position of the proprietary funds at the end of the fiscal year was a deficit of $1,610,326 which is negative directly due to the implementation of GASB Statements No. 68 and 75. Total net position was $56,205,231 and net position increased by $2,000,836. Revenue bond debt service coverage was improved at 4.29 times. The revenue bond rating from Standard and Poor's was maintained at AA after being affirmed in

October 2016. 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, 2018, total $234,701,261 (net of accumulated depreciation). These assets include buildings, land, machinery and equipment and vehicles.

Major capital asset transactions during the year include:

- Purchased replacement equipment and vehicles for the public works, Sheriff and Emergency Medical Services departments;
- Completion of construction of construction and demolition landfill cell #5; and
- The completion of construction of a beach nourishment project covering portions of Duck, Southern Shores, Kitty Hawk, and Kill Devil Hills (with the County capitalizing its share); and
- Completion of a beach nourishment project for Buxton, except for demobilization and payment of retainage.

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	
	2018	2017	2018	2017	2018	2017
Land	$ 26,351,491	$ 26,351,491	$ 4,573,941	$ 4,573,941	$ 30,925,432	$ 30,925,432
Buildings	75,302,351	62,136,098	30,113,156	31,417,748	105,415,507	93,553,846
Improvements	24,589,787	6,611,776	33,437,372	9,029,679	58,027,159	15,641,455
Equipment	2,111,779	3,637,272	608,646	556,058	2,720,425	4,193,330
Machinery	12,784,647	13,206,449	245,113	316,861	13,029,760	13,523,310
Construction in progress	24,515,290	27,986,882	67,688	26,303,450	24,582,978	54,290,332
Total	$ 165,655,345	$ 139,929,968	$ 69,045,916	$ 72,197,737	$ 234,701,261	$ 212,127,705

Long-term Debt. As of June 30, 2018, Dare County had no bonded debt outstanding backed by the full faith and credit of the County (general obligation).

Dare County's total debt increased by $18,216,137 (par value) or 11.75 percent during the past fiscal year, due to principal payments of $20,193,668 (par value) and new debt consisting of $1,977,531 of a capitalized lease for vehicles and equipment. Total debt stood at $136,853,312 (par value) at June 30, 2018.

Dare County's general obligation bond rating was upgraded to AA+ by Standard and Poor's Global Ratings in February 2016. Dare County maintained its general obligation bond ratings of AA from Fitch Ratings (affirmed in May 2016) and Aa2 from Moody's Investors Service (affirmed in November 2017).

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 $954,206,021 as of June 30, 2018. The County had $109,328,312 of outstanding debt subject to the limitation. Additional information regarding Dare County's long-term debt can be found in note 13 of the Basic Financial Statements.

Economic Factors and Next Year's Budgets and Rates

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

- The county had an annual average unemployment rate of 6.20 percent, above the State average for calendar year 2016 but down from 6.70 percent of the prior year and 7.50 percent from two years before. The County experiences significant seasonality in monthly rates with a high of 10.5 percent in January (2018) and a low of 3.5 percent in August (2018).
- The county's per capita income was $49,248 or 119 percent of that of the State for calendar year 2017.
- Taxable retail sales for fiscal year 2018 totaled $1.551 billion and total sales tax collections (State and local) were $73,855,485.
- Locally collected sales taxes increased 3.41 percent while those collected statewide increased 5.66 percent.
- The local 1 percent realty transfer tax for fiscal year 2017 increased by 7.40 percent.
- Occupancy tax collections increased by 5.21 percent even with the effects of the Hatteras Island power outage and evacuation from July 28 through August 5, 2017.
- For calendar year 2017, the number of building permits increased 7.79 percent and the dollar value of the building permits increased 10.15 percent with the same trend continuing through calendar year 2017 to date.
- The sales to assessment ratio as measured by the NC Department of Revenue, decreased to 88.93 percent as of July 2017 (assessed tax values averaged 88.93 percent of sampled actual sales values).

Budget Highlights for the Fiscal Year Ending June 30, 2019

Governmental Activities: The County maintained programs currently in place without service or program changes. The total operating budget decreased 0.91 percent with a 3.48 percent increase in the General Fund budget and a 30.7 percent decrease in the Beach Nourishment Fund. The General Fund budget increased by $3,857,942 with an unchanged property tax rate of $0.47 per $100 of valuation.

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

- The effect of a salary study approved in the prior year for the second one-half of implementation at $2,306,893;
- An increase in the EMS budget necessitated by increased demand for services (other than salary study) at $1,302,530;
- An increase in local current expense to Dare County Schools under the school funding formula of $763,211;
- Costs for a new Office of Rural Health Community Health grant of $161,300;
- Capital outlay for Facilities Maintenance at $197,567;
- Removal of $711,919 of Day Care payments as the State has assumed that responsibility (the State removed an equal amount of grant funding);
- Funding for a Health Plan specific stop loss laser at $508,830;
- Removal of the 2018 appropriation to increase fund balance at $688,527; and
- Removal of Governor's Highway Safety grant expenditures at $134,634;

Business – type Activities: Budgeted expenditures increased $564,610 or 4.35 percent. Items included in the budget were: increases for the second one-half of implementation of the salary study, costs for 13.7 percent increase in utility costs on Hatteras Island, and additional capital outlay of $181,000.

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 2019 was the fourth year of the new rate structure and per the study, a rate increase of 2.0% was included in the 2019 budget.

Debt Outlook

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

- $1,266,611 of debt for public safety portable radios, a skid boom unit, and a roll-off truck in fiscal year 2019 with a four year term;
- $605,000 of debt for Manteo High School improvements in early fiscal year 2019 over a five year term, to be done in conjunction with County debt issuance of $9,573,000 per the Beach Nourishment Model for the 2019 Nags Head beach nourishment maintenance project (see Note 1.R);
- $7,175,000 of debt for College of the Albemarle campus consolidation, $2,075,000 for Health and Human Services facility improvements or consolidation, and $2,050,000 for a new Animal Shelter facility, in fiscal year 2020 over a twenty year term.

The adopted business-type (water) CIP for 2019 through 2025 does not include any debt issuances.

Requests for Information

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

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

DARE COUNTY, NORTH CAROLINA
Statement of Net Position
June 30, 2018

	Primary Government			Component Units
	Governmental Activities	Business-type Activities	Total	
ASSETS				
Cash and cash equivalents	$ 66,538,315	$ 8,257,739	$ 74,796,054	$ 17,946,298
Receivables (net of allowance for uncollectibles)	14,912,496	3,717,533	18,630,029	1,592,454
Due from component unit	525,232	-	525,232	-
Internal balances	180,221	(180,221)	-	-
Inventories	460,601	666,814	1,127,415	1,379,800
Prepaids	-	-	-	103,072
Restricted assets:				
Cash and cash equivalents	-	18,663,178	18,663,178	6,610,145
Cash with fiscal agent	1,619,622	23,516	1,643,138	-
Net pension asset	152,773	-	152,773	-
Capital assets:				
Land and construction in progress	50,866,781	4,641,629	55,508,410	16,500,610
Other capital assets, net of depreciation	114,788,564	64,404,287	179,192,851	14,769,718
Total assets	250,044,605	100,194,475	350,239,080	58,902,097
DEFERRED OUTFLOWS OF RESOURCES	24,419,520	6,047,365	30,466,885	568,344
LIABILITIES				
Accounts payable and current liabilities	2,970,713	317,407	3,288,120	1,759,634
Accrued liabilities	1,448,156	121,912	1,570,068	39,698
Accrued interest payable	387,866	434,669	822,535	-
Due to primary government	-	-	-	525,232
Unearned revenues	1,159	745,709	746,868	700
Customer deposits	-	1,989,412	1,989,412	14,057
Noncurrent liabilities:				
Due within one year	19,024,366	1,344,731	20,369,097	20,905
Due in more than one year	257,512,487	42,851,604	300,364,091	5,299,161
Total liabilities	281,344,747	47,805,444	329,150,191	7,659,387
DEFERRED INFLOWS OF RESOURCES	14,078,145	2,231,165	16,309,310	(63,254)
NET POSITION				
Net investment in capital assets	109,726,856	41,520,916	151,247,772	31,270,328
Restricted for:				
Stabilization by State statute	14,719,390	-	14,719,390	8,576,096
Bond covenants	-	16,697,282	16,697,282	-
Economic and physical development	24,481,653	-	24,481,653	-
Public safety	784,472	-	784,472	833,727
Human services	125,983	-	125,983	-
General government	4,089	-	4,089	-
Unrestricted	(170,801,210)	(2,012,967)	(172,814,177)	11,194,157
Total net position	$ (20,958,767)	$ 56,205,231	$ 35,246,464	$ 51,874,308

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, 2018

Functions/Programs	Expenses	Program Revenues: Charges for Services	Program Revenues: Operating Grants and Contributions	Program Revenues: Capital Grants and Contributions	Net (Expense) Revenue and Changes in Net Position: Primary Government: Governmental Activities	Primary Government: Business-type Activities	Primary Government: Total	Total Component Units
Primary government:								
Governmental activities:								
General government	$ 11,037,049	$ 1,846,691	$ 10,044	$ -	$ (9,180,314)	$ -	$ (9,180,314)	$ -
Public safety	31,945,928	5,701,477	379,193	201,810	(25,663,448)	-	(25,663,448)	-
Economic and physical development	14,854,739	471,196	228,050	10,134,438	(4,021,055)	-	(4,021,055)	-
Human services	17,549,059	3,487,228	4,552,446	-	(9,509,385)	-	(9,509,385)	-
Cultural and recreational	6,358,781	376,160	423,320	29,770	(5,529,531)	-	(5,529,531)	-
Environmental protection	10,557,951	1,670,999	28,200	-	(8,858,752)	-	(8,858,752)	-
Education	24,596,556	-	325,000	-	(24,271,556)	-	(24,271,556)	-
Transportation	754,943	-	-	-	(754,943)	-	(754,943)	-
Interest on long-term debt	3,652,243	-	-	-	(3,652,243)	-	(3,652,243)	-
Total governmental activities	121,307,249	13,553,751	5,946,253	10,366,018	(91,441,227)	-	(91,441,227)	-
Business-type Activities:								
Water	13,379,548	13,167,723	-	-	-	(211,825)	(211,825)	-
Total business-type activities	13,379,548	13,167,723	-	-	-	(211,825)	(211,825)	-
Total primary government	$ 134,686,797	$ 26,721,474	$ 5,946,253	$ 10,366,018	(91,441,227)	(211,825)	(91,653,052)	-
Total component units	$ 25,623,096	$ 1,059,454	$ 768,114	$ 257,840				(23,537,688)
General revenues:								
Property taxes					66,880,879	-	66,880,879	573,454
Sales taxes					20,056,532	-	20,056,532	-
Occupancy taxes					14,636,850	-	14,636,850	4,945,508
Alcoholic beverage taxes					223,428	-	223,428	-
Other taxes					5,978,090	-	5,978,090	2,552,091
Alcoholic beverage sales					1,381,112	-	1,381,112	17,727,401
Other revenues					486,795	-	486,795	911
Unrestricted investment earnings					1,108,457	308,302	1,416,759	209,482
Total general revenues					110,752,143	308,302	111,060,445	26,008,847
Change in net postion					19,310,916	96,477	19,407,393	2,471,159
Net position-beginning					(42,789,127)	55,865,195	13,076,068	50,583,185
Restatement					2,519,444	243,559	2,763,003	(1,180,036)
Net position-beginning, restated					(40,269,683)	56,108,754	15,839,071	49,403,149
Net position-ending					$ (20,958,767)	$ 56,205,231	$ 35,246,464	$ 51,874,308

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

DARE COUNTY, NORTH CAROLINA
Balance Sheet
Governmental Funds
June 30, 2018

	General	Beach Nourishment	Capital Projects	Other Governmental Funds	Total Governmental Funds
ASSETS					
Cash and cash equivalents	$ 31,217,417	$ 24,517,029	$ 3,166,196	$ 6,216,457	$ 65,117,099
Cash with fiscal agent - restricted	172,722	1,624	1,335,750	109,526	1,619,622
Receivables (net of allowance for uncollectibles)	11,681,582	1,937,529	96,162	643,268	14,358,541
Due from other governments	182,332	50	-	16,809	199,191
Due from component unit - ABC	271,147	-	-	254,085	525,232
Inventories	14,354	-	-	-	14,354
Total assets	$ 43,539,554	$ 26,456,232	$ 4,598,108	$ 7,240,145	$ 81,834,039
LIABILITIES					
Accounts payable	$ 728,138	$ -	$ 402,362	$ 223,463	$ 1,353,963
Accrued liabilities	1,382,690	-	-	34,510	1,417,200
Unearned revenues	1,159	-	-	-	1,159
Total liabilities	2,111,987	-	402,362	257,973	2,772,322
DEFERRED INFLOWS OF RESOURCES	1,349,610	3,284	-	216,351	1,569,245
FUND BALANCES					
Nonspendable:					
Inventories	14,354	-	-	-	14,354
Restricted for:					
Stabilization by State statute	11,174,583	1,971,295	801,798	771,714	14,719,390
Beach nourishment	-	24,481,653	-	-	24,481,653
Emergency telephone system	-	-	-	730,855	730,855
Social services foster care	-	-	-	15,983	15,983
Capital or debt service	-	-	-	818,682	818,682
Capital	-	-	3,393,948	109,526	3,503,474
Register of deeds	4,089	-	-	-	4,089
Sheriff	53,617	-	-	-	53,617
Health department	110,000	-	-	-	110,000
Committed for:					
Disaster recovery	606,355	-	-	-	606,355
Hospice	6,495	-	-	-	6,495
C & D landfill	-	-	-	1,709,235	1,709,235
Sanitation	-	-	-	2,104,787	2,104,787
Inlet maintenance	-	-	-	216,285	216,285
School capital projects	-	-		288,754	288,754
Assigned for:					
Subsequent year's exenditures	3,117,346	-	-	-	3,117,346
Unassigned:	24,991,118	-	-	-	24,991,118
Total fund balances	40,077,957	26,452,948	4,195,746	6,765,821	77,492,472
Total liabilities, deferred inflows of resources, and fund balances	$ 43,539,554	$ 26,456,232	$ 4,598,108	$ 7,240,145	

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.	165,522,977
Net pension asset	152,773
Contributions to pension plans in the current fiscal year are deferred outflows of resources on the Statement of Net Position	2,359,399
Benefit payments and pension administration costs for LEOSSA are deferred outflows of resources on the Statement of Net Position	98,691
Other long-term assets are not available to pay for current-period expenditures and, therefore, are unavailable in the funds.	1,010,315
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.	535,010
Pension related deferrals - LGERS and RODSPF	3,047,953
Pension related deferrals - LEOSSA	13,588
OPEB related deferrals	1,946,788
Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the funds.	(273,138,733)
Net position of governmental activities	$ (20,958,767)

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, 2018

	General	Beach Nourishment	Capital Projects	Other Governmental Funds	Total Governmental Funds
REVENUES					
Ad valorem taxes	$ 62,735,371	$ 105,565	$ -	$ 4,195,078	$ 67,036,014
Other taxes	24,916,108	9,890,970	-	5,552,409	40,359,487
Unrestricted intergovernmental	1,183,570	-	-	-	1,183,570
Restricted intergovernmental	5,451,804	-	231,580	936,140	6,619,524
Permits and fees	2,612,544	-	-	85,899	2,698,443
Sales and services	9,181,888	-	-	1,510,848	10,692,736
Investment income	512,887	323,395	196,796	75,379	1,108,457
Other revenue	625,070	-	10,134,438	54,021	10,813,529
Total revenues	107,219,242	10,319,930	10,562,814	12,409,774	140,511,760
EXPENDITURES					
Current:					
General government	9,710,505	-	43,850	44	9,754,399
Public safety	27,489,182	-	223,487	341,890	28,054,559
Economic and physical development	1,199,910	1,741,185	10,135,688	1,307,071	14,383,854
Human services	16,568,297	-	-	15,230	16,583,527
Cultural and recreational	5,457,916	-	5,457	7,043	5,470,416
Environmental protection	2,463,340	-	-	5,363,348	7,826,688
Education	22,769,255	-	82,216	1,751,308	24,602,779
Airport	763,061	-	-	-	763,061
Debt service:					
Principal	13,194,064	4,915,000	-	539,604	18,648,668
Interest	3,901,148	498,087	-	11,949	4,411,184
Capital outlay:					
General government	198,694	-	185,529	-	384,223
Public safety	1,081,723	-	958,354	-	2,040,077
Economic and physical development	25,737	-	29,615,896	-	29,641,633
Human services	193,581	-	-	-	193,581
Cultural and recreational	57,744	-	37,213	-	94,957
Environmental protection	77,111	-	57,995	457,008	592,114
Total expenditures	105,151,268	7,154,272	41,345,685	9,794,495	163,445,720
Excess (deficiency) of revenues over (under) expenditures	2,067,974	3,165,658	(30,782,871)	2,615,279	(22,933,960)
OTHER FINANCING SOURCES (USES)					
Transfers from other funds	2,708,859	-	966,804	3,093,125	6,768,788
Transfers to other funds	(486,082)	(1,100,043)	-	(5,182,663)	(6,768,788)
Installment financings issued	1,459,336	-	-	518,195	1,977,531
Insurance recoveries	22,516	-	-	-	22,516
Sale of surplus property	125,856	-	-	-	125,856
Total other financing sources and (uses)	3,830,485	(1,100,043)	966,804	(1,571,343)	2,125,903
Net change in fund balances	5,898,459	2,065,615	(29,816,067)	1,043,936	(20,808,057)
Fund balances-beginning	34,179,498	24,387,333	34,011,813	5,721,885	98,300,529
Fund balances-ending	$ 40,077,957	$ 26,452,948	$ 4,195,746	$ 6,765,821	$ 77,492,472

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, 2018

Amounts reported for governmental activities in the statement of activities are difference because:	
Net change in fund balances - total governmental funds	$ (20,808,057)
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.	25,988,576
The net effect of various miscellaneous transactions involving capital assets (i.e., sales, trade-ins, and donations) is to increase net position.	(214,116)
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.	16,223,641
Contributions to the pension plan in the current fiscal year are not included on the Statement of Activities	2,359,399
Benefit payments and pension administration costs for LEOSSA are deferred outflows of resources on the of resources on the Statement of Net Position	98,691
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.	(6,241,577)
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.	1,904,359
Change in net position of governmental activities	$ 19,310,916

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, 2018

	Budgeted Amounts			Variance with Final Budget - Positive
	Original	Final	Actual Amounts	(Negative)
REVENUES				
Ad valorem taxes	$ 62,454,740	$ 62,454,740	$ 62,735,371	$ 280,631
Other taxes	24,253,505	24,253,505	24,916,108	662,603
Unrestricted intergovernmental	1,081,750	1,081,750	1,183,570	101,820
Restricted intergovernmental	5,941,587	6,033,495	5,318,599	(714,896)
Permits and fees	2,416,902	2,416,902	2,612,544	195,642
Sales and services	9,423,196	9,488,146	9,181,888	(306,258)
Investment income	318,250	318,250	512,265	194,015
Other revenue	713,392	740,931	625,070	(115,861)
Total revenues	106,603,322	106,787,719	107,085,415	297,696
EXPENDITURES				
Current:				
General government	11,509,717	10,968,140	9,710,505	1,257,635
Public safety	27,811,016	28,111,240	27,326,978	784,262
Economic and physical development	1,324,539	1,361,506	1,199,910	161,596
Human services	17,843,202	18,039,886	16,568,297	1,471,589
Cultural and recreational	5,498,659	5,552,553	5,457,916	94,637
Environmental protection	2,809,035	2,783,229	2,463,340	319,889
Education	24,009,739	24,544,306	22,769,255	1,775,051
Airport	752,410	763,061	763,061	-
Debt service:				
Principal	13,205,970	13,205,970	13,194,064	11,906
Interest	3,894,619	3,894,619	3,901,148	(6,529)
Capital outlay:				
General government	171,395	199,336	198,694	642
Public safety	1,186,800	1,281,256	1,081,723	199,533
Economic and physical development	27,456	27,456	25,737	1,719
Human services	169,507	410,939	193,581	217,358
Cultural and recreational	79,860	107,860	57,744	50,116
Environmental protection	45,744	151,802	77,111	74,691
Total expenditures	110,339,668	111,403,159	104,989,064	6,414,095
Excess (deficiency) of revenues over (under) expenditures	(3,736,346)	(4,615,440)	2,096,351	6,711,791
OTHER FINANCING SOURCES (USES)				
Transfers from other funds	2,713,092	2,713,092	2,708,859	(4,233)
Transfers to other funds	(486,082)	(486,082)	(486,082)	-
Installment financing issued	1,459,336	1,459,336	1,459,336	-
Sale of surplus property	50,000	50,000	125,856	75,856
Total other financing sources (uses)	3,736,346	3,736,346	3,807,969	71,623
Net change in fund balances*	-	(879,094)	5,904,320	6,783,414
Fund balance -- beginning	33,567,282	33,567,282	33,567,282	-
Fund balance -- ending	$ 33,567,282	$ 32,688,188	39,471,602	$ 6,783,414
A legally budgeted Disaster Recovery Fund is consolidated into the General Fund for reporting purposes:				
Restricted intergovernmental			133,205	
Investment income			622	
Insurance recoveries			22,516	
Expenditures			(162,204)	
Fund balance -- beginning Disaster Recovery Fund			612,216	
Fund balance -- ending consolidated General Fund			$ 40,077,957	

*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, 2018

	Budgeted Amounts			Variance with Final Budget - Positive
	Original	Final	Actual Amounts	(Negative)
REVENUES				
Property taxes	$ 100,000	$ 100,000	$ 105,565	$ 5,565
Other taxes	9,199,992	9,199,992	9,890,970	690,978
Investment income	396,802	396,802	323,395	(73,407)
Total revenues	9,696,794	9,696,794	10,319,930	623,136
EXPENDITURES				
Current:				
Economic & physical development	10,348,083	10,348,083	1,741,185	8,606,898
Debt service:				
Principal	4,915,000	4,915,000	4,915,000	-
Interest	498,087	498,087	498,087	-
Total expenditures	15,761,170	15,761,170	7,154,272	8,606,898
Excess (deficiency) of revenues over (under) expenditures	(6,064,376)	(6,064,376)	3,165,658	9,230,034
OTHER FINANCING SOURCES (USES)				
Transfers to other funds	(3,000,000)	(3,000,000)	(1,100,043)	1,899,957
Installment financing issued	8,500,000	8,500,000	-	(8,500,000)
Total other financing sources (uses)	5,500,000	5,500,000	(1,100,043)	(6,600,043)
Net change in fund balances*	(564,376)	(564,376)	2,065,615	2,629,991
Fund balance -- beginning	24,387,333	24,387,333	24,387,333	-
Fund balance -- ending	$ 23,822,957	$ 23,822,957	$ 26,452,948	$ 2,629,991

*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, 2018

	Business-type Activities	Governmental Activities
	Major Enterprise Fund-Water	Internal Service Funds
ASSETS		
Current assets:		
Cash and equivalents	$ 8,257,739	$ 1,421,216
Restricted cash and cash equivalents:		
Customer deposits	1,989,412	-
Revenue bond covenant accounts:		
Extension & replacement	13,741,509	-
Extension & replacement NRO membrane reserve	319,200	-
Restricted surplus	2,613,057	-
Debt service account	23,516	-
Total revenue bond covenant accounts	16,697,282	-
Total restricted cash and cash equivalents	18,686,694	-
Interest receivable	30,491	-
Accounts receivable (net of allowance for uncollectibles)	3,687,042	106,988
Due from other funds	-	78,311
Inventories	666,814	446,247
Total current assets	31,328,780	2,052,762
Noncurrent assets:		
Capital assets:		
Land	4,573,941	-
Buildings	56,815,317	117,042
Improvements other than buildings	52,442,260	28,050
Equipment	4,946,442	525,083
Machinery	1,170,837	1,385,436
Construction in progress	67,688	-
Less accumulated depreciation	(50,970,569)	(1,923,242)
Total capital assets (net of accumulated depreciation	69,045,916	132,369
Total noncurrent assets	69,045,916	132,369
Total assets	100,374,696	2,185,131
DEFERRED OUTFLOWS OF RESOURCES	6,047,365	125,070

(continued)

DARE COUNTY, NORTH CAROLINA
Statement of Net Position
Proprietary Funds
June 30, 2018

	Business-type Activities	Governmental Activities
	Major Enterprise Fund- Water	Internal Service Funds
LIABILITIES		
Current liabilities:		
Accounts payable	317,407	139,527
Accrued liabilities	121,912	30,956
Accrued claims incurred but not reported:		
Health insurance	-	1,477,223
Compensated absences	74,731	18,714
Unearned revenues	26,271	-
Due to other funds	-	78,311
Accrued interest payable	434,669	-
Current liabilities payable from restricted assets:		
Customer utility deposits	1,989,412	-
Revenue bonds payable	1,270,000	-
Total current liabilities	4,234,402	1,744,731
Noncurrent liabilities:		
Unearned revenues	719,438	-
Compensated absences	202,051	50,596
Net pension liability	636,723	155,678
Other postemployment benefits	13,783,655	-
Revenue bonds payable (net of unamortized premium)	28,229,175	-
Total noncurrent liabilities	43,571,042	206,274
Total liabilities	47,805,444	1,951,005
DEFERRED INFLOWS OF RESOURCES	2,231,165	4,407
NET POSITION		
Net investment in capital assets	41,520,916	132,369
Restricted for bond covenants	16,697,282	-
Unrestricted	(1,832,746)	222,420
Total net position	56,385,452	$ 354,789
Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds.	(180,221)	
Net position of business-type activities	$ 56,205,231	

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, 2018

	Business-type Activities		Governmental Activities
	Major Water	Total Enterprise Funds	Internal Service Funds
Operating revenues:			
Charges for sales and services:			
Water sales	$ 11,514,887	$ 11,514,887	$ -
Wastewater charges	64,679	64,679	-
Connection fees	73,730	73,730	-
Expanding area policy fees	500	500	-
Initial impact fees	426,380	426,380	-
Water assessments	394,156	394,156	-
Penalties	116,282	116,282	-
Service revenue	-	-	2,621,054
Internal funding	-	-	18,243,722
Other revenue	577,109	577,109	161,133
Total operating revenues	13,167,723	13,167,723	21,025,909
Operating expenses:			
Hatteras water system	1,799,825	1,799,825	-
RWS reverse osmosis plant	753,728	753,728	-
North reverse osmosis plant	1,654,061	1,654,061	-
Skyco water plant	1,484,011	1,484,011	-
Water distribution system	3,045,741	3,045,741	-
Stumpy Point water and sewer system	191,358	191,358	-
Insurance	-	-	16,293,231
Fleet maintenance	-	-	2,555,649
Depreciation	3,841,499	3,841,499	58,226
Total operating expenses	12,770,223	12,770,223	18,907,106
Operating income	397,500	397,500	2,118,803
Nonoperating revenues (expenses):			
Investment income	308,302	308,302	-
Interest expense	(1,140,730)	(1,140,730)	-
Bond issuance costs	(3,295)	(3,295)	-
Amortization of net original issue premium	320,256	320,256	-
Total nonoperating revenue (expenses)	(515,467)	(515,467)	-
Change in net position	(117,967)	(117,967)	2,118,803
Net position-beginning	56,259,860		(1,764,014)
Restatement	243,559		-
Net position-beginning, restated	56,503,419		-
Net position-ending	$ 56,385,452		$ 354,789
Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds.		214,444	
Change in net position of business-type activities		$ 96,477	

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, 2018

	Business-type Activities	Governmental Activities
	Major Enterprise Fund-Water	Internal Service Funds
CASH FLOWS FROM OPERATING ACTIVITIES		
Receipts from customers	$ 12,465,958	$ 2,929,064
Receipts from interfund charges for insurance services	-	16,889,547
Receipts from interfund charges for fleet maintenance services	-	1,354,175
Other receipts	596,912	-
Payments to suppliers and service providers	(3,993,084)	(17,783,678)
Payments to employees for salaries and benefits	(4,494,890)	(1,168,760)
Net cash provided by operating activities	4,574,896	2,220,348
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES		
Advances (to) from other funds	823,897	(823,897)
Net cash provided by (used for) noncapital financing activities	823,897	(823,897)
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES		
Acquisition and construction of capital assets	(642,816)	(9,144)
Principal paid on capital debt	(1,545,000)	-
Interest paid on capital debt	(785,119)	-
Debt issuance costs	(3,295)	-
Net cash used for capital and related financing activities	(2,976,230)	(9,144)
CASH FLOWS FROM INVESTING ACTIVITIES		
Interest received	294,268	-
Net cash provided by investing activities	294,268	-
Net increase in cash and cash equivalents	2,716,831	1,387,307
Cash and cash equivalents, July 1	24,227,602	33,909
Cash and cash equivalents, June 30	$ 26,944,433	$ 1,421,216
Reconciliation of operating income to net cash provided by operating activities:		
Operating income	$ 397,500	$ 2,118,803
Adjustments to reconcile operating income to net cash provided by operating activities:		
Depreciation expense	3,841,499	58,226
(Increase) decrease in accounts receivable	(152,752)	146,877
(Increase) decrease in inventories	30,769	(76,699)
Decrease in deferred outflows of resources-pensions	279,062	68,230
(Decrease) in net pension liability	(264,311)	(64,500)
(Decrease) in deferred inflows of resources-pensions	(13,428)	(3,283)
Increase in deposits payable	33,296	-
Increase (decrease) in accounts payable	64,398	(62,922)
(Decrease) in accrued liabilities	(79)	(1,762)
Increase in accrued claims incurred but not reported:		
Health insurance	-	35,856
Increase in compensated absences payable	1,071	1,522
Increase in unearned revenues	19,803	-
(Decrease) in deferred revenues	(5,200)	-
(Increase) in deferred outflows of resources-other postemployment benefits	(1,408,695)	-
Increase in net other postemployment benefits liability	1,736,366	-
Increase in deferred inflows of resources-other postemployment benefits	15,597	-
Total adjustments	4,177,396	101,545
Net cash provided by operating activities	$ 4,574,896	$ 2,220,348

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, 2018

	OPEB Trust Fund	Private Purpose Trust Funds	Agency Funds
ASSETS			
Cash and cash equivalents	$ -	$ 65,592	$ 2,439,358
Cash with fiscal agent - restricted	1,424,215	-	-
Accounts receivable (net of allowance for uncollectibles)	-	4,636	3,494,319
Due from component unit	-	-	116,172
Total assets	1,424,215	70,228	6,049,849
LIABILITIES AND NET POSITION			
Liabilities:			
Accounts payable	-	-	496,005
Intergovernmental payable - Other Agencies	-	-	3,623,331
Intergovernmental payable - Dare County Board of Education	-	-	33,019
Due to component unit	-	-	1,897,494
Total liabilities	-	-	6,049,849
Net position			
Net position restricted for postemployment benefits other than pensions	1,424,215	-	-
Net position held in trust	-	70,228	-
Total net position	$ 1,424,215	$ 70,228	$ -

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, 2018

	OPEB Trust Fund	Private Purpose Trust Funds
ADDITIONS		
Contributions:		
Employer	$ 4,142,367	$ -
Private donations	-	15,943
Sales and services	-	29,197
Total contributions	4,142,367	45,140
Investment earnings:		
Interest	13,345	1,213
Net increase in the fair value of investments	66,522	1,830
Total investment earnings	79,867	3,043
Investment expense	240	525
Net investment earnings	79,627	2,518
Total additions	4,221,994	47,658
DEDUCTIONS		
Benefits	4,081,013	-
Cultural and recreational programs	-	40,185
Human service programs	-	4,099
Total deductions	4,081,013	44,284
Change in net position	140,981	3,374
NET POSITION		
Beginning of year	1,283,234	66,854
End of year	$ 1,424,215	$ 70,228

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, 2018

	Dare County Airport Authority	Dare County ABC Board	Dare County Tourism Board	Rodanthe, Waves, Salvo Community Center	Stumpy Point Community Center	Wanchese Community Center	Hatteras Village Community Center	Total Component Units
ASSETS								
Cash and cash equivalents	$ 4,184,850	$ 5,190,557	$ 7,037,921	$ 1,073,801	$ 24,049	$ 51,750	$ 383,370	$ 17,946,298
Receivables (net of allowance for uncollectibles)	79,874	-	1,360,508	5,271	2,026	5,092	139,683	1,592,454
Inventories	59,872	1,300,906	19,022	-	-	-	-	1,379,800
Prepaids	-	47,372	-	-	-	-	55,700	103,072
Restricted assets:								
Cash and cash equivalents	-	-	6,610,145	-	-	-	-	6,610,145
Capital assets:								
Land and construction in progress	5,498,370	302,012	10,087,382	555,246	-	-	57,600	16,500,610
Other capital assets, net of depreciation	4,604,407	3,751,229	4,108,385	723,882	4,004	123,613	1,454,198	14,769,718
Total assets	14,427,373	10,592,076	29,223,363	2,358,200	30,079	180,455	2,090,551	58,902,097
DEFERRED OUTFLOWS OF RESOURCES	210,677	194,256	163,411	-	-	-	-	568,344
LIABILITIES								
Accounts payable and current liabilities	118,843	1,407,348	75,081	11,265	338	6,181	140,578	1,759,634
Accrued liabilities	17,287	22,411	-	-	-		-	39,698
Due to primary government	-	525,232	-	-	-	-	-	525,232
Unearned revenue	-	-	700	-	-	-	-	700
Customer deposits	11,682	-	-	-	-	-	2,375	14,057
Noncurrent liabilities:								
Due within one year	-	-	20,905	-	-	-	-	20,905
Due in more than one year	2,544,140	1,908,540	846,481	-	-	-	-	5,299,161
Total liabilities	2,691,952	3,863,531	943,167	11,265	338	6,181	142,953	7,659,387
DEFERRED INFLOWS OF RESOURCES	2,380	(129,435)	63,801	-	-	-	-	(63,254)
NET POSITION								
Net investment in capital assets	10,102,777	4,053,241	14,195,767	1,279,128	4,004	123,613	1,511,798	31,270,328
Restricted for:								
Stabilization by state statue	-	-	8,385,178	860	1,526	1,295	187,237	8,576,096
Law enforcement	-	833,727	-	-	-	-	-	833,727
Capital improvements	-	790,156	-	-	-	-	-	790,156
Working capital	-	520,441	-	-	-	-	-	520,441
Unrestricted	1,840,941	854,671	5,798,861	1,066,947	24,211	49,366	248,563	9,883,560
Total net position	$ 11,943,718	$ 7,052,236	$ 28,379,806	$ 2,346,935	$ 29,741	$ 174,274	$ 1,947,598	$ 51,874,308

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, 2018

Functions/Programs	Expenses	Program Revenues: Charges for Services	Program Revenues: Operating Grants and Contributions	Program Revenues: Capital Grants and Contributions	Net (Expense) Revenue and Changes in Net Position: 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	$ 1,765,191	$ 837,948	$ 763,061	$ 257,840	$ 93,658	$ -	$ -	$ -	$ -	$ -	$ -	$ 93,658
Dare County ABC Board	17,411,799	-	-	-	-	(17,411,799)	-	-	-	-	-	(17,411,799)
Dare County Tourism Board	6,026,941	215,331	-	-	-	-	(5,811,610)	-	-	-	-	(5,811,610)
Rodanthe, Waves, Salvo Community Center	83,575	-	1,120	-	-	-	-	(82,455)	-	-	-	(82,455)
Stumpy Point Community Center	6,271	350	1,431	-	-	-	-	-	(4,490)	-	-	(4,490)
Wanchese Community Center	35,470	-	2,502	-	-	-	-	-	-	(32,968)	-	(32,968)
Hatteras Village Community Center	293,849	5,825	-	-	-	-	-	-	-		(288,024)	(288,024)
Total component units	$ 25,623,096	$ 1,059,454	$ 768,114	$ 257,840	93,658	(17,411,799)	(5,811,610)	(82,455)	(4,490)	(32,968)	(288,024)	(23,537,688)
General revenues:												
Property taxes					-	-	-	200,573	6,412	44,057	322,412	573,454
Occupancy taxes					-	-	4,945,508	-	-	-	-	4,945,508
Other taxes					-	-	2,552,091	-	-	-	-	2,552,091
Alcoholic beverage sales					-	17,727,401	-	-	-	-	-	17,727,401
Other revenues					-	-	-	-	-	-	911	911
Unrestricted investment earnings					46,799	12,853	143,265	4,615	275	-	1,675	209,482
Total general revenues					46,799	17,740,254	7,640,864	205,188	6,687	44,057	324,998	26,008,847
Change in net position					140,457	328,455	1,829,254	122,733	2,197	11,089	36,974	2,471,159
Net position-beginning					12,589,528	6,975,237	26,692,865	2,224,202	27,544	163,185	1,910,624	50,583,185
Restatement					(786,267)	(251,456)	(142,313)	-	-	-	-	(1,180,036)
Net position-beginning, restated					11,803,261	6,723,781	26,550,552	2,224,202	27,544	163,185	1,910,624	49,403,149
Net position-ending					$ 11,943,718	$ 7,052,236	$ 28,379,806	$ 2,346,935	$ 29,741	$ 174,274	$ 1,947,598	$ 51,874,308

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

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 (Agency) 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 (Agency) 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 (Agency) 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, 1965 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 (Agency) 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 (Agency) 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 Statement 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 statement of activities.

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

Fund Financial Statements: The fund financial statements provide information about the 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 one other legally budgeted fund, the Disaster Recovery Fund which is consolidated into the General Fund in accordance with GASB statement No. 54.

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

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

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

The County reports the following major enterprise fund:

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

The County also reports the following fund types:

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

Private Purpose Trust Funds. These funds account for resources held in trust that, per donation or other instructions, must be used for specified purposes. There is no requirement that any portion of these resources be preserved as capital. The County has two Private Purpose Trust Funds, the General Trust Fund and the Library Trust Fund.

Pension Trust Fund. The County maintains one Pension Trust Fund, the Other Post-employment Benefit Fund. Pension trust funds are used to report resources that are required to be held in trust for the members and beneficiaries of defined benefit pension plans, defined contribution plans, or other post-employment benefit plans. The Other Post-employment Benefit Fund accounts for the County's contribution for health care coverage provided to qualified retirees (the healthcare benefits plan) and for contributions made to finance future benefits, which are held in an irrevocable trust.

Agency Funds. Agency funds are custodial in nature and do not involve the measurement of operating results. Agency funds are used to account for assets the County holds on behalf of others. The County maintains seven Agency 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 foods 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 administered 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 other agencies; 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 Dare Day Fund that accounts for funds held by Dare County for the Dare Day Committee (Note 18); and the Government Access Fund that accounts for funds held for the Government Access Committee (Note 18).

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 of accounting.

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

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

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

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

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

Sales taxes collected and held by the State 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 Fund. 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. 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 (Note 11.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 Postemployment Benefit (OPEB) Trust Fund managed by the staff of the Department of the State Treasurer and operated in accordance with state laws and regulations. It is not registered with the SEC and G.S. 159-30 (g) allows the County to make contributions to the Trust. 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 Fund (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, the 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 NCCMT Government Portfolio, a SEC-registered 2a-7 external investment pool is measured at amortized cost, which is the share price. The NCCMT Term Portfolio's securities are valued at fair value.

Ownership interest of the STIF is determined on a fair market valuation basis as of fiscal year end in accordance with STIF operating procedures. Valuation of the underlying assets is performed by the custodian. Per G.S. 147-69.3, no unrealized gains or losses of the STIF are distributed to participants of the fund. The BIF is valued at $1 per share. The MSCI ACWI EQ Index Non-Lendable Class B Fund is priced at market values as of June 30, 2018.

F. Cash and Cash Equivalents

The County pools monies from all funds, except the Library Trust (Private-Purpose Trust) Fund, the Social Services (Agency) Fund, the Inmate Banking (Agency) Fund, the Wanchese Community Center (Agency) Fund and the Post-employment Benefit (Pension 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 2007 and Series 2009 Certificates of Participation (COPs), the Series 2012B, Series 2012C, Series 2012D, Series 2013, Series 2014, Series 2015, Series 2016A, Series 2016B, and Series 2016C Limited Obligation Bonds (LOBs) are classified as restricted assets as their use is limited by applicable contract provisions (Note 13).

Certain proceeds of the County's 2010 installment financing contract are classified as restricted assets as their use is limited by applicable contract provision (Note 14).

Certain assets of the Capital Reserve Capital Projects fund are classified as restricted assets as their use is restricted per G.S. 159-18 through 22.

Certain assets of the Water (Enterprise) Fund are classified as restricted assets on the balance sheet because their use is limited by applicable bond covenants of the County's Series 2009, Series 2011, and Series 2017 utilities (water) system revenue bonds (Note 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 21), have agreed to fund a reserve for membrane replacement through the wholesale water rate. The membrane replacement reserve is a portion of the revenue bond extension and replacement account. Cash held from customer security deposits is also classified as restricted assets.

Certain proceeds of the County's Series 2009, Series 2011, and Series 2017 utilities (water) system revenue bonds (Note 14), as well as certain resources set aside for their repayment, are classified as restricted assets on the Water (Enterprise) Fund 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, 2018 were based on assessed values as of January 1, 2017. 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 value 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:

	Useful Life
Buildings	50 years
Improvements other than buildings	15 years
Furniture and appliances	10 years
Vehicles and machinery	6 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:

	Useful Life
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:

	Useful Life
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:

	Useful Life
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 Inflows 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 (except for law enforcement, detention, telecommunications and emergency medical personnel), 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 40 hours per week) 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, overtime compensation is paid to law enforcement, detention, telecommunications and emergency medical personnel at time and one half (for hours worked over 40 hours per week).

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 yearend 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 Fund Balances

Net Position

Net position in government-wide and proprietary fund financial statements are classified as net investment in capital assets; restricted; and unrestricted. Restricted net 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 amount 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 - portion of fund balance that is restricted by G.S. 159-8(a).

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 telephone system.

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

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

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

Restricted for Register of Deeds - portion of fund balance that is restricted by revenue source 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 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 by the governing body.

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

Committed for Hospice – portion of fund balance that can only be used by the Health Department for hospice operations.

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 remaining after restrictions in the Inlet Maintenance Fund.

Committed for School Capital Projects – portion of fund balance that can only be used for capital outlay and capital projects for Dare County Schools.

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

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

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

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

The County has a revenue spending policy that provides guidance for programs with multiple revenue sources. Revenue sources are used in the following order: bond proceeds, federal funds, State funds, local non-County funds, and County funds. For purposes of fund balance classification, expenditures are to be made from restricted fund balance

first, followed by committed fund balance, then assigned fund balance and lastly unassigned fund balance. A deviation from the policy is authorized if in the best interest of the County.

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

P. Defined Benefit Pension Plans

The County participates in two cost-sharing, multiple-employer, defined benefit pension plans that are administered by the State: the Local Governmental Employees' Retirement System (LGERS) and the Registers 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 Benefits Plan (HCB Plan) (Note 7.A) and additions to or deductions from the HCB Plan's fiduciary net position have been determined on the same basis as they are reported by the HCB Plan. For this purpose, the HCB Plan recognizes benefit payments when due and payable in accordance with the benefit terms. Investments are reported at fair value, except for money market investments which are reported at cost.

R. Subsequent Events

On July 19, 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). $10,295,000 of bonds were sold to a financial institution over a term of 5 years at a true interest rate of 2.67%. This agreement, the County of Dare NC Limited Obligation Bonds Series 2018, provided $9,700,000 of financing of the County's share of the Town of Nags Head 2019 beach nourishment maintenance project and $595,000 of financing of improvements to Manteo High School.

S. Reconciliation of Government-wide and Fund Financial Statements

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

The governmental fund balance sheet includes reconciliation between fund balance - total governmental funds and net position – governmental activities as reported in the government-wide statement of net position. The net adjustment of $(98,451,239) 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)		$ 232,932,070
Less accumulated depreciation		(67,409,093)
Net capital assets		165,522,977
Net pension asset - RODSPF		152,773
Contributions to the pension plans in the current fiscal year		2,359,399
Benfit payments and pension administrative costs for LEOSSA		98,691
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 acitivities in the statement of net position.		535,010
Pension related deferrals - LGERS and RODSPF		3,047,953
Pension related deferrals - LEOSSA		13,588
OPEB related deferrals		1,946,788
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	$ (109,328,312)	
Issuance premium (to be amortized against interest expense)	(5,007,554)	
Deferred charges on refunding	3,560,998	
Compensated absences	(2,522,621)	
Net OPEB liability	(142,582,254)	
Accrued landfill closure and post-closure costs	(7,558,232)	
Net pension liability - LGERS	(6,907,434)	
Total pension liability - LEOSSA	(2,405,458)	
Accrued interest payable	(387,866)	
		(273,138,733)
Other long-term assets are not available to pay for current period expenditures and, therefore, are deferred in the funds.		1,010,315
Net adjustment		$ (98,451,239)

ii. Explanation of certain differences between the governmental fund statement of revenues, expenditures, and changes in fund balance and the government-wide statement 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. There are several elements of that total adjustment of $40,118,973 as follows:

Description			Amount
Governmental funds report capital outlays as expenditures. However, in the statement of acitivites 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	$ 32,946,585		
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.	(6,958,009)		
			$ 25,988,576
The net effect of various miscellaneous transactions involving capital assets (i.e., sales, trade-ins, and donations) is to increase net position.			(214,116)
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:			
Capitalized lease financing	(1,977,531)		
Amortization of deferred charge on refunding	(868,933)		
Amortization of premiums and discounts	1,579,536		
Accrued interest payable	48,337		
Accrued landfill closure and post-closure costs	(1,350,568)		
Compensated absences	144,132		
		$ (2,425,027)	
Principal payments		18,648,668	
			16,223,641
Contributions to the pension plan in the current fiscal year are not included on the Statement of Activities			2,359,399
Benefit payments and administrative costs for LEOSSA are deferred outflows of resources on the Statement of Net Position			98,691
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		$ (155,135)	
County's portion of collective pension expense - LGERS and RODSPF		(2,436,452)	
Pension expense - LEOSSA		(99,124)	
OPEB expense		(3,550,866)	
			(6,241,577)
Internal service funds are used by management to charge the costs of fleet management and insurance to individual funds.			1,904,359
Net adjustment			$ 40,118,973

Note 2. Deposits and Investments

A. Deposits

All of the County's, the Airport's, the ABC Board's and the Tourism Board's deposits are either insured or collateralized by using one of two methods. Under the Dedicated Method, all deposits exceeding the federal depository insurance coverage are collateralized with securities held by the County's, the Airport's, the ABC Board's or the Tourism Board's agents in these units' names. Under the Pooling Method, which is a collateral pool, all uninsured deposits are collateralized with securities held by the state treasurer's agent in the name of 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 $10,725,941 and a bank balance of $10,794,110. Of the bank balance, $956,751 was covered by federal depository insurance; $114,835 in non-interest bearing deposits and $9,722,524 in interest-bearing deposits was covered by collateral held under the Pooling Method; and $2,000 was held under the County's inmate banking contract in the County's name.

At June 30, 2018 the County had $2,683 cash on hand.

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

At year-end, the ABC Board's deposits had a carrying value of $5,185,457 and a bank balance of $5,852,308. Of the bank balance, $358,823 was covered by federal depository insurance and $5,493,485 was covered by collateral held under the Pooling Method.

At June 30, 2018 the Tourism Board's deposits had a carrying value of $7,688,634 and a bank balance of $7,800,246. Of the bank balance, $1,250,000 was covered by federal depository insurance and $6,550,246 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 $1,073,801 and a bank balance of $1,073,801. Of the bank balance, $250,000 was covered by federal depository insurance and $1,039,964 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, 2018:

Governmental Activities		
General Fund	Unexpended capitalized lease proceeds	$ 124,576
General Fund	Unexpended debt service funds	48,146
Beach Nourishment Fund	Unexpended debt service funds	1,624
Capital Projects Fund	Unexpended installment financing proceeds	1,335,750
Non-major Funds		
Sanitation Fund	Unexpended capitalized lease proceeds	61,709
School Capital Projects Fund	Unexpended installment financing proceeds	47,817
	Total Governmental Activities	$ 1,619,622
Business-type Activities		
	Restricted per bond covenants	$ 16,697,284
	Customer deposits	1,989,412
	Total Business-type Activities	$ 18,686,696

C. Investments

The net decrease in the fair value of investments during fiscal year 2018 was $207,053. This amount takes into account all changes in fair value (including purchases and sales) that occurred during the year. The unrealized loss on investments held at year end was $168,640. During fiscal year 2018, the County sold no investments.

During fiscal year 2018, investment income of $1,459,953 was realized. When combined with the $207,053 decrease in the fair value of investments, total investment income for the year 2018 was $1,252,900.

As of June 30, 2018, the County had the following investments and maturities. This schedule assumes that callable investments remain outstanding until maturity.

		Investment Maturities (in Years)						
Investment Type	Fair Value	<= 1/2	>1/2 to 1	>1 to 3	>3 to 5	>5 to 10	>10 to 15	>15 to 20
U.S. Government Agencies	$ 22,445,440	$ 19,478,820	$ 994,140	$ 1,972,480				
Commercial Paper	30,833,067	26,890,454	3,942,613					
Municipal Bonds	1,016,005		1,016,005					
US Treasury Bills	4,977,460	3,987,890	989,570					
US Treasury Note	2,961,330			2,961,330				
NC Capital Management Trust Term Portfolio[1]	15,524,465	15,524,465						
NC Capital Management Trust Government Portfolio[2]	11,945,688	11,945,688						
Investment Totals	89,703,455	77,827,317	6,942,328	4,933,810				
For policy compliance add items shown as deposits:								
Certificates of Deposit	1,319,200	1,319,200						
Money Market Accounts	230,790	230,790						
Policy Totals	$ 91,253,445	$ 79,377,307	$ 6,942,328	$ 4,933,810				
Actual % of portfolio		86.99%	7.61%	5.41%	0.00%	0.00%	0.00%	0.00%
Actual cumulative % of portfolio		100.00%			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 0.09 years and is therefore presented as an investment with a maturity of less than 1/2 of 1 year.

[2] Includes $4,184,499 held for the Airport and $24,049 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, the NC Capital Management Trust Term 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. Investments in the NC Capital Management Trust Government Portfolio use the Amortized Cost 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, 2018, the County had the following investments and maturities of debt proceeds:

	Investment Maturities (in years)
Investment type	<=1/2
North Carolina Capital Management Trust Cash Portfolio	$ 1,383,567

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 to incur any 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, 2018, the County's investment in the NC Capital Management Trust Government Portfolio carried a credit rating of AAAm 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 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 that 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 Home Loan Mortgage Corporation securities (14.8%), US Treasury securities (8.8%) and the NC Capital Management Trust (30.0%).

Other Post-employment Benefit Fund. At June 30, 2018 the County's Healthcare Benefits Plan, accounted for as a Pension Trust Fund, had $1,424,215 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) 18.19%; State Treasurer's Bond Index Fund (BIF) 24.18%; and BlackRock's MSCI ACWI EQ Index Non-Lendable Class B Fund 57.63%.

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 1.4 years at June 30, 2018.

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 8.24 years at June 30, 2018.

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 to be 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, 2018 the fair value of the funds was $21.27 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.

At June 30, 2018 the ABC Board had no investments.

At June 30, 2018 the Tourism Board's investments consisted of $3,191,048 in the NC Capital Management Trust Government Portfolio and $2,787,984 in the NC Capital Management Trust Term Portfolio.

At June 30, 2018 the Airport's investment consisted of $3,784,685 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, 2018 is as follows:

Governmental activities:		
Cash and cash equivalents	$	66,538,315
Cash with fiscal agent - restricted		1,619,622
Business-Type activities:		
Cash and cash equivalents		8,257,739
Cash and cash equivalents - restricted		18,663,178
Cash with fiscal agent - restricted		23,516
Fiduciary:		
OPEB Trust Fund - cash with fiscal agent -restricted		1,424,215
Private Purpose Trust funds - cash and cash equivalents		65,592
Agency funds - cash and cash equivalents		2,439,358
Total cash and cash equivalents, and cash with fiscal agents	$	99,031,535
Deposits	$	10,725,941
Cash on hand		2,683
Investments - net of DCAA & SPCC		85,495,129
OPEB Trust Fund		1,424,215
Debt proceeds held by trustee		1,383,567
Total cash and investments	$	99,031,535

Note 3. Receivables

A. Allowances for Doubtful Accounts

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

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 present-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 for 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, 2018 if present use-value eligibility is lost. These amounts have not been recorded in the financial statements.

Fiscal Year Levied	Deferred Value	Tax	Interest	Total
2015	$ 9,408,425	$ 36,196	$ 9,954	$ 46,150
2016	$ 9,809,025	37,918	7,015	44,933
2017	$ 10,081,825	42,728	4,059	46,787
2018	$ 11,366,125	48,895	-	48,895
		$ 165,737	$ 21,028	$ 186,765

C. Receivables

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

	Accounts	Taxes and Related Accrued Interest	Due from Other Governments	Interest	Other	Total
Governmental Activities	$ 5,433,264	$ 8,304,763	$ 1,990,307	$ 70,259	$ 439,557	$ 16,238,150
Allowance for doubtful accounts	(1,015,654)	(310,000)	-	-	-	(1,325,654)
Total governmental activities	$ 4,417,610	$ 7,994,763	$ 1,990,307	$ 70,259	$ 439,557	$ 14,912,496
Business-type activities (Water)	$ 3,167,046	$ -	$ 208,140	$ 30,491	$ 493,238	$ 3,898,915
Allowance for doubtful accounts	(181,382)	-	-	-	-	(181,382)
Total business-type activities (Water)	$ 2,985,664	$ -	$ 208,140	$ 30,491	$ 493,238	$ 3,717,533

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

Note 4. Capital Assets

A. Capital asset activities

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

Primary Government	Beginning Balances	Increases	Decreases	Ending Balances
Governmental activities:				
Capital assets, not being depreciated:				
Land and easements	$ 26,351,491	$ -	$ -	$ 26,351,491
Construction in progress	27,986,882	41,358,696	(44,830,288)	24,515,290
Total capital assets, not being depreciated	54,338,373	41,358,696	(44,830,288)	50,866,781
Capital assets, being depreciated:				
Buildings	83,852,725	14,970,963	(84,572)	98,739,116
Improvements other than buildings	16,736,706	19,044,960	-	35,781,666
Equipment	20,081,645	462,272	(173,503)	20,370,414
Machinery	28,801,848	1,774,216	(1,346,361)	29,229,703
Total capital assets, being depreciated	149,472,924	36,252,411	(1,604,436)	184,120,899
Less accumulated depreciation for:				
Buildings	(21,716,627)	(1,770,035)	49,897	(23,436,765)
Improvements other than buildings	(10,124,930)	(1,066,949)	-	(11,191,879)
Equipment	(16,444,373)	(1,983,447)	169,185	(18,258,635)
Machinery	(15,595,399)	(2,195,804)	1,346,147	(16,445,056)
Total accumulated depreciation	(63,881,329)	(7,016,235)	1,565,229	(69,332,335)
Total capital assets, being depreciated, net	85,591,595	29,236,176	(39,207)	114,788,564
Governmental activities capital assets, net	$ 139,929,968	$ 70,594,872	$ (44,869,495)	$ 165,655,345
Business-type activities:				
Capital assets, not being depreciated:				
Land	$ 4,573,941	$ -	$ -	$ 4,573,941
Construction in progress	26,303,450	121,334	(26,357,096)	67,688
Total capital assets, not being depreciated	30,877,391	121,334	(26,357,096)	4,641,629
Capital assets, being depreciated:				
Buildings	56,815,317	-	-	56,815,317
Improvements other than buildings	25,745,718	26,696,542	-	52,442,260
Equipment	4,778,674	200,998	(33,230)	4,946,442
Machinery	1,170,751	27,900	(27,814)	1,170,837
Total capital assets, being depreciated	88,510,460	26,925,440	(61,044)	115,374,856
Less accumulated depreciation for:				
Buildings	(25,397,569)	(1,304,592)	-	(26,702,161)
Improvements other than buildings	(16,716,039)	(2,288,849)	-	(19,004,888)
Equipment	(4,222,616)	(148,410)	33,230	(4,337,796)
Machinery	(853,890)	(99,648)	27,814	(925,724)
Total accumulated depreciation	(47,190,114)	(3,841,499)	61,044	(50,970,569)
Total capital assets, being depreciated, net	41,320,346	23,083,941	-	64,404,287
Business-type activities capital assets, net	$ 72,197,737	$ 23,205,275	$ (26,357,096)	$ 69,045,916

The governmental activities section of the preceding schedule includes $132,368 of net capital assets of Internal Service Funds consisting of $2,055,610 of capital assets and $1,923,242 of accumulated depreciation.

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

Governmental activities:	
General government	$ 745,900
Public safety	3,413,166
Economical and physical development	324,141
Human services	426,486
Culture and recreation	730,983
Environmental protection	1,317,333
Capital assets held by the government's internal service funds are charged to the various functions based on their usage of the assets	58,226
Total depreciation expense - governmental activities	$ 7,016,235
Business-type activities:	
Water	$ 3,841,499

B. Construction Commitments

The County has active construction projects as of June 30, 2018 as follows:

Project	Spent-to-Date	Remaining Commitment
Roanoke Trails	$ 371,554	$ 5,852
Rodanthe Beach Access and Park	$ 808,730	$ 75,123
Construction & Demolition Landfill Cell #5	$ 629,161	$ 147,116
EMS Helicopter	$ 9,245,610	$ 18,190
EMS Facilities	$ 122,547	$ 44,453
Regional Emergency Call Center and Dare County Emergency Operations Center	$ 14,970,963	$ 264,479
Outer Banks Scenic Byway- Interpretive and Wayshowing	$ 87,519	$ 177,481
Facilities Maintenance Projects	$ 318,989	$ 35,712
Detention Center HVAC Units	$ 119,717	$ 110,283
Beach Nourishment - Duck, Kitty Hawk, Kill Devil Hills, and Southern Shores	$ 41,966,886	$ 1,431,488
Beach Nourishment - Buxton	$ 23,465,994	$ 720,831
Beach Nourishment - Nags Head	$ -	$ 9,573,356
FEMA Hazard Mitigation Home Elevation Projects	$ 1,940,722	$ 610,138
Hatteras Secondary School HVAC	$ 676,851	$ 5,149
Manteo High School Improvements	$ -	$ 590,000
Dare County Schools Capital Improvements Program	$ 1,519,099	$ 330,901
College of the Albemarle Renovattions	$ 144,832	$ 47,668
College of the Albemarle Expansion	$ -	$ 35,000
Water - Hatteras Well Field	$ -	$ 250,000
Water - Automated Meter Reading System	$ -	$ 400,000
Water - Collington Road - Line Improvements	$ 46,862	$ 418,538

C. Discretely Presented Component Units

Airport

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

	Beginning Balances	Increases	Decreases	Ending Balances
Capital assets not being depreciated:				
Land	$ 5,444,538	$ -	$ -	$ 5,444,538
Construction in Progress	20,831	33,001	-	53,832
Total capital assets not being depreciated	5,465,369	33,001	-	5,498,370
Capital assets being depreciated:				
Buildings and improvements	4,106,453	255,761	-	4,362,214
Equipment	673,707	-	-	673,707
Runway improvements	10,316,409	-	-	10,316,409
Land improvements	335,832	-	-	335,832
Vehicles	109,184	-	-	109,184
Total capital assets being depreciated	15,541,585	255,761	-	15,797,346
Less accumulated depreciation for:				
Buildings and improvements	2,495,847	136,993	-	2,632,840
Equipment	511,096	39,142	-	550,238
Runway improvements	7,342,086	364,257	-	7,706,343
Land improvements	212,403	13,457	-	225,860
Vehicles	68,105	9,554	-	77,659
Total accumulated depreciation	10,629,537	563,403	-	11,192,940
Total capital assets being depreciated, net	4,912,048	(307,642)	-	4,604,406
Capital assets, net	$ 10,377,417	$ (274,641)	$ -	$ 10,102,776

ABC Board

Capital asset activity for the ABC Board as of June 30, 2018, was as follows:

	Beginning Balances	Increases	Decreases	Ending Balances
Capital assets not being depreciated:				
Land	$ 302,012	$ -	$ -	$ 302,012
Total capital assets not being depreciated	302,012	-	-	302,012
Capital assets being depreciated:				
Buildings and improvements	4,751,145	-	-	4,751,145
Furniture/Equipment	668,737	18,588	-	687,325
Vehicles	134,996	44,844	28,108	151,732
Total capital assets being depreciated	5,554,878	63,432	28,108	5,590,202
Less accumulated depreciation for:				
Buildings and improvements	1,055,900	119,273	-	1,175,173
Furniture/Equipment	483,251	77,851	-	561,102
Vehicles	119,142	11,664	28,108	102,698
Total accumulated depreciation	1,658,293	208,788	28,108	1,838,973
Total capital assets being depreciated, net	3,896,585	(145,356)	-	3,751,229
Capital assets, net	$ 4,198,597	$ (145,356)	$ -	$ 4,053,241

Tourism Board

Capital asset activity for the Tourism Board for the year ended June 30, 2018, was as follows:

	Beginning Balances	Increases	Decreases	Ending Balances
Capital assets not being depreciated:				
Land	$ 9,382,584	$ 704,798	$ -	$ 10,087,382
Total capital assets not being depreciated	9,382,584	704,798	-	10,087,382
Capital assets being depreciated:				
Buildings	1,973,661	-	-	1,973,661
Event Site	3,278,013	17,500	43,093	3,252,420
Intangible assets	85,950	-	-	85,950
Computer equipment	165,385	12,729	6,569	171,545
Furniture and equipment	295,529	1,049	-	296,578
Total capital assets being depreciated	5,798,538	31,278	49,662	5,780,154
Less accumulated depreciation for:				
Buildings	740,862	42,811	-	783,673
Event Site	261,121	210,937	10,773	461,285
Intangible assets	28,855	13,890	-	42,745
Computer equipment	134,517	13,341	6,569	141,289
Furniture and equipment	231,364	11,413	-	242,777
Total accumulated depreciation	1,396,719	292,392	17,342	1,671,769
Total capital assets being depreciated, net	4,401,819	(261,114)	32,320	4,108,385
Capital assets, net	$ 13,784,403	$ 443,684	$ 32,320	$ 14,195,767

Note 5. Payables and Current Liabilities

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

	Vendors	Retainage	Claims Incurred But Not Reported	Total
Governmental Activities	$ 2,619,382	$ 352,264	$ 1,447,223	$ 4,418,869
Business-type activities (Water)	$ 317,407	$ -	$ -	$ 317,407

ABC Board

Payables and current liabilities for the ABC Board at June 30, 2018, were as follows:

	Vendors	Sales Taxes	Distributions	Accrued Liabilities	Total
ABC Board	$ 664,650	$ 606,573	$ 661,357	$ 22,411	$ 1,954,991

Note 6. Pension Plan Obligations

A. Local Governmental Employees' Retirement System

Plan Description

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

Benefits Provided

LGERS provides retirement and survivor benefits. Retirement benefits are determined as 1.85% of the member's average final compensation times the member's years of creditable service. A member's average final compensation is calculated as the average of a member's four highest consecutive years of compensation. Plan members are eligible to retire with full retirement benefits at age 65 with five years of creditable service, at age 60 with 25 years of creditable service, or at any age with 30 years of creditable service. Plan members are eligible to retire with partial retirement benefits at age 50 with 20 years of creditable service or at age 60 with five years of creditable service (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 five 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 ended June 30, 2018, was 7.50% of compensation for law enforcement officers and 8.25% 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 $2,621,945 for the year ended June 30, 2018.

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, 2018, the County reported a liability of $7,699,840 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2017. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2016. The total pension liability was then rolled forward to the measurement date of June 30, 2017 utilizing update procedures incorporating the actuarial assumptions. The 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, 2017, the County's proportion was .50401%, which was an increase of .00013% from its proportion measured as of June 30, 2016.

For the year ended June 30, 2018, the County recognized pension expense of $2,679,892. At June 30, 2018, 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	$ 443,582	$ 217,958
Changes of assumptions	1,099,643	-
Net difference between projected and actual earnings on pension plan investments	1,869,529	-
Changes in proportion and differences between County contributions and proportionate share of contributions	151,256	-
County contributions subsequent to the measurement date	2,621,945	-
Total	$ 6,185,955	$ 217,958

The $2,621,945 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, 2019.

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

Year ended June 30	
2019	$ 490,048
2020	$ 2,289,544
2021	$ 1,137,282
2022	$ (570,822)
2023	$ -

Actuarial Assumptions

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

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

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

The actuarial assumptions used in the December 31, 2016 valuation were based on the results of an actuarial experience study for the period January 1, 2010 through December 31, 2014.

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

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

The target allocation and best estimates of arithmetic real rates of return for each major asset class as of June 30, 2017 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 2016 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 3.05%. All rates of return and inflation are annualized.

Discount rate

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

Sensitivity of the 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 7.20 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 (6.20 percent) and 1 percentage point higher (8.20 percent) than the current rate:

	1% Decrease (6.20%)	Discount Rate (7.20%)	1% Increase (8.20%)
County's proportionate share of the net pension liability (asset)	$ 23,115,080	$ 7,699,835	$ (5,167,027)

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, 2018 was 7.50% of compensation. Contributions to the pension plan from the Airport were $28,626.

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

At June 30, 2018, the Airport reported a net pension liability of $84,066 for its proportionate share of the net pension liability, and the Airport's proportion of the total pension liability was 0.00550%, which was a decrease of 0.00008% from the prior year.

For the year ended June 30, 2018, the Airport recognized pension expense of $29,259 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	$ 4,843	$ 2,380
Changes of assumptions	12,006	-
Net difference between projected and actual earnings on pension plan investments	20,411	-
Changes in proportion and differences between Airport contributions and proportionate share of contributions	1,651	-
Airport contributions subsequent to the measurement date	28,626	-
Totals	$ 67,537	$ 2,380

The $28,626 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, 2019. Other amounts reported as deferred outflows and inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended June 30	
2019	$ 5,350
2020	$ 24,997
2021	$ 12,417
2022	$ (6,233)
2023	$ -

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 7.20 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 (6.20 percent) or 1 percentage point higher (8.20 percent) than the current rate:

	1% Decrease (6.20%)	Discount Rate (7.20%)	1% Increase (8.20%)
Airport's proportionate share of the net pension liability (asset)	$ 252,638	$ 84,066	$ (56,413)

II. The ABC Board

Contributions

The ABC Board's contractually required contribution rates for the year ended June 30, 2018 were 8.25% of compensation for law enforcement officials and 7.60% for general employees. Contributions to the pension plan from the ABC Board were $67,548.

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

At June 30, 2018, the ABC Board reported a total pension liability of $207,770 for its proportionate share of the net pension liability, and the ABC Board's proportion of the total pension liability was 0.01360%, which was an decrease of 0.00110% from the prior year.

For the year ended June 30, 2018, the ABC Board recognized pension expense of $71,184 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	$ 11,969	$ 5,881
Changes of assumptions	29,672	-
Net difference between projected and actual earnings on pension plan investments	50,447	-
Changes in proportion and differences between ABC Board contributions and proportionate share of contributions	8,730	12,427
ABC Board contributions subsequent to the measurement date	67,548	-
Totals	$ 168,366	$ 18,308

The $67,548 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, 2019. Other amounts reported as deferred outflows and inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended June 30	
2019	$ 10,895
2020	$ 60,999
2021	$ 28,876
2022	$ (18,260)
2023	$ -

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 7.20 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 (6.20 percent) or 1 percentage point higher (8.20 percent) than the current rate:

	1% Decrease (6.20%)	Discount Rate (7.20%)	1% Increase (8.20%)
ABC Board's proportionate share of the net pension liability (asset)	$ 623,731	$ 207,770	$ (139,426)

III. The Tourism Board

Contributions

The Tourism Board's contractually required contribution rate for the year ended June 30, 2018 was 7.50% of compensation. Contributions to the pension plan from the Tourism Board were $58,092.

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

At June 30, 2018, the Tourism Board reported a total pension liability of $198,146 for its proportionate share of the net pension liability, and the Tourism Board's proportion of the total pension liability was 0.0129%, which was a decrease of .00044% from the prior year.

For the year ended June 30, 2018, the Tourism Board recognized pension expense of $71,057 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	$ 11,415	$ 5,610
Changes of assumptions	28,298	-
Net difference between projected and actual earnings on pension plan investments	48,110	-
Changes in proportion and differences between Tourism Board contributions and proportionate share of contributions	-	17,517
Tourism Board contributions subsequent to the measurement date	58,092	-
Totals	$ 145,915	$ 23,127

The $56,368 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, 2019 Other amounts reported as deferred outflows and inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended June 30:	
2019	$ 3,615
2020	$ 52,043
2021	$ 25,286
2022	$(16,248)
2023	$ -

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 7.20 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 (6.20 percent) or 1 percentage point higher (8.20 percent) than the current rate:

	1% Decrease (6.20%)	Discount Rate (7.20%)	1% Increase (8.20%)
Tourism Board's proportionate share of the net pension liability (asset)	$ 594,838	$ 198,146	$ (132,967)

C. Law Enforcement Officers' Special Separation Allowance

Plan Description

Dare County is required by State law administers 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, 2017, the Separation Allowance's membership consisted of:

Retirees receiving benefits	11
Active plan members	64
Total	75

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 Fund, 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, 2016 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	3.16 percent

The discount rate used to measure the TPL is the S&P Municipal Bond 20 Year High Grade Rate Index. The actuarial assumptions used in the December 31, 2016 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 form 2015 using M-2015. Rates are adjusted by 104% for males and 100% for females.

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

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

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

Contributions

The County is required by Article 12D of G.S. Chapter 143 to provide these retirement benefits and has chosen to fund the amounts necessary to cover the benefits earned on a pay as you go basis through appropriations made in the General Fund operating budget. There were no contributions made by employees. The County's obligation to contribute to this plan is established and may be amended by the North Carolina General Assembly. Administration costs of the Separation Allowance are financed through investment earnings. The County paid $168,777 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, 2018, the County reported a total pension liability of $2,405,458. The total pension liability was measured as of December 31, 2017 based on a December 31, 2016 actuarial valuation. The total pension liability was rolled forward to December 31, 2017 utilizing update procedures incorporating the actuarial assumptions. For the year ended June 30, 2018, the County recognized pension expense of $99,124.

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ -	$ 64,966
Changes of assumptions	112,983	34,429
County benefit payments and plan administrative expense made subsequent to the measurement date	98,691	-
Total	$ 211,674	$ 99,395

$98,691 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, 2019. Other amounts reported as deferred outflows and inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended June 30:	
2019	$ 1,749
2020	$ 1,749
2021	$ 1,749
2022	$ 2,724
2023	$ 5,617

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 3.16 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 (2.16 percent) or 1 percentage-point higher (4.16 percent) than the current rate:

	1% Decrease (2.16%)	Discount Rate (3.16%)	1% Increase (4.16%)
Total pension liability	$ 2,600,169	$ 2,405,458	$ 2,227,945

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

	2018
Total pension liability as of December 31, 2017	$ 2,347,298
Service cost	80,972
Interest	87,348
Change in benefit terms	-
Difference between expected and actual experience	(79,307)
and other inputs	137,924
Benefit payments	(168,777)
Other	-
Total pension liability as of December 31, 2018	$ 2,405,458

Changes in Assumptions and Benefit Terms

The discount rate changed from 3.86 percent at December 31, 2016 to 3.16 percent at December 31, 2017 due to a change in the municipal bond index used. Mortality tables used were updated from RP-2000 tables to MP-2015 tables as previously disclosed. 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, 2018 were $239,523, which consisted of $162,473 from the County and $77,050 from the law enforcement officers.

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

The County has a supplemental retirement 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, 2018 consisted $377,881 from the employees.

F. Registers 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 North Carolina Department of State Treasurer. RODSPF provides supplemental pension benefits to any eligible county register of deeds who is retired under the Local Government Employees' Retirement System (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 State Superintendent, who serve as ex-officio members. The Registers of Deeds' Supplemental Pension Fund 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 Resisters of Deeds' Supplemental Pension Fund. 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 Article 1 of Chapter 161 of the North Carolina General Statutes. 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. Registers of Deeds do not contribute. Contribution provisions are established by General Statute 161-50 and may be amended only by the North Carolina General Assembly. Contributions to the pension plan from the County were $7,282 for the year ended June 30, 2018.

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

At June 30, 2018, the County reported an asset of $152,773 for its proportionate share of the net pension asset. The net pension asset was measured as of June 30, 2017. The total pension liability used to calculate the net pension asset was determined by an actuarial valuation as of December 31, 2016. The total pension liability was then rolled forward to the measurement date of June 30, 2017 utilizing update procedures incorporating the actuarial assumptions. The 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, 2017, the County's proportion was .90%, which was a decrease of .05% from its proportion measured as of June 30, 2016.

For the year ended June 30, 2018, the County recognized pension expense of $28,160. At June 30, 2018, 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	$ 2,622	$ 492
Changes of assumptions	25,777	-
Net difference between projected and actual earnings on pension plan investments	12,987	-
Changes in proportion and differences between County contributions and proportionate share of contributions	9,256	3,901
County contributions subsequent to the measurement date	7,282	-
Totals	$ 57,924	$ 4,393

The $7,282 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, 2019.

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

Year ended June 30	
2019	$ 25,643
2020	$ 15,809
2021	$ 1,486
2022	$ 3,311
2023	$ -

Actuarial Assumptions

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

Inflation	3.0 percent
Salary increases	3.50 to 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, 2016 valuation were based on the results of an actuarial experience study for the period January 1, 2010 through December 31, 2014.

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

The projected long-term investment returns and inflation assumptions are developed through review of current and historical capital markets data, sell-side investment research, consultant whitepapers, and historical performance of investment strategies. Fixed income return projections reflect current yields across the U.S. Treasury yield curve and market expectations of forward yields projected and interpolated for multiple tenors and over multiple year horizons. 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, 2017 is 1.4%:

The information above is based on 30 year expectations developed with the consulting actuary for the 2016 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 3.05%. 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)	$ (120,077)	$ (152,773)	$ (180,268)

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 Pensions

The net pension liabilities for LGERS and RODSPF were measured as of December 31, 2016 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 June 30, 2017 with an actuarial valuation date of December 31, 2016.

Following is information related to proportionate shares, pension labilities and pension expense as of June 30, 2018 and for the year ended that same date:

	LGERS	LEOSSA	RODSPF	Totals
Proportionate share of net pension liability (asset)	$ 7,699,835	N/A	$ (152,773)	$ 7,547,062
Proportion of the net pension liability (asset)	0.50401%	N/A	0.89503%	N/A
Total pension liability	N/A	$ 2,405,458	N/A	$ 2,405,458
Pension expense	$ 2,679,892	$ 170,825	$ 28,160	$ 2,878,877

At June 30, 2018 the County reported deferred outflows of resources and deferred inflows of resources related to pensions as follows:

	LGERS	LEOSSA	RODSPF	Totals
Deferred Outflows of Resources				
Differences between expected and actual experience	$ 443,582	$ -	$ 2,622	$ 446,204
Changes of assumptions	1,099,643	112,983	25,777	1,238,403
Net difference between projected and actual earnings on pension plan investments	1,869,529	-	12,987	1,882,516
Changes in proportion and differences between County contributions and proportionate share of contributions	151,256	-	9,256	160,512
County contributions subsequent to the measurement date	2,621,945	-	7,282	2,629,227
County benefit payments and administration costs subsequent to the measurement date	-	98,691	-	98,691
Deferred Inflows of Resources				
Differences between expected and actual experience	$ 217,958	$ 64,966	$ 492	$ 283,416
Changes of assumptions	-	34,429	-	34,429
Changes in proportion and differences between County contributions and proportionate share of contributions	-	-	3,901	3,901

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 Airport have complied with changes in laws which govern the deferred compensation plan, requiring all assets of the plan to be held in trust for the exclusive benefit of the participants and their beneficiaries. Formerly, the undistributed amounts, which had been deferred by the plan participants, were required to be reported as assets of the County or component unit. Effective for the fiscal year ended June 30, 1999 and in accordance with GASB Statement 32, "Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans", the plan is not included as an Agency fund. The balance held in trust for County and Airport participants as of June 30, 2018 was $882,857.

Note 7. Other Post-Employment Benefits – Health Benefits

A. The County

General Information About the OPEB Plan

Plan Description. Under prior County Board resolutions and those of September 8, 2008 and June 20, 2011, the County elected to provide post-employment healthcare benefits plan through the Post-employment Healthcare Benefits Plan (HCB Plan), a single-employer defined benefit plan that covers employees retired under the LGERS. The County administers the HCB Plan through an irrevocable trust agreement dated June 20, 2011. A Board resolution of the same date appointed the County Manager, the Finance Director, and the Human Resources Director as trustees and granted the trustees the authority necessary to perform all duties and obligations related to the trust. Management of the HCB Plan is vested in the trust trustees. The County does not issue separate HCB Plan financial statements, and all required statements and disclosures have been included within this report with the HCB Plan and irrevocable trust accounted for as a Pension Trust Fund. The significant accounting policies of the HCB Plan are disclosed in Note1.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 provision of the entire healthcare plan.

Employees Covered by Benefit Terms. At June 30, 2018, the HCB Plan membership consisted of the following:

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

Contributions. The County Board of Commissioners 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 pay the same rate as shown above for non-disabled plan members. Disabled plan members hired on or after June 19, 2007 who have less than 20 years of service upon disablement pay the same contribution as a plan members with 20 years of service.

The County contributes based on projected pay-as-you-go financing requirements with an additional amount to prefund benefits as determined annually during the budget process, currently 0.175% of salaries subject to the LGERS. There are no contractual terms requiring a specific funding level. The County has historically funded more than the amount needed under the pay-as-you-go funding mechanism. For the current year, The County contributed $4,081,013 of pay-as-you-go funding and an additional $61,354 for a total of $4,142,367.

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 class allocations are maintained over long-term time spans as managed by the trustees. Investments are valued a 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, 2018:

	Target Allocation	Actual Allocation
Equity Index Fund	55%	57.63%
Bond Index Fund	25%	24.18%
STIF Fund	20%	18.19%

Net OPEB Liability

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

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

Inflation	2.50 %
Salary increases	4.00 %
Investment rate of return	7.00 %, net of HCB Plan investment expense
Healthcare cost trend rates	7.50 % for 2018 to an ultimate rate of 4.50% for 2038 and later years

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

The actuarial assumptions used in the January 1, 2018 valuation were based on the results of an actuarial experience study for the period July 1, 2016 through June 30, 2018.

Long-term Expected Rate of Return. An expected real rate of return was not proved for the asset profile. The average annual rate of return for the portfolio from inception through June 30, 2018 is 8.72%. The money-weighted rate of return for the year ended June 30, 2018 was 5.93%. The actual return was adjusted to 7.0% based upon the county's expectation of a long-term rate of return using portfolio performance divided by an inflation assumption per a LGERS survey.

Discount rate. The discount rate used to measure the total OPEB liability was 2.98 %. The projection of cash flows used to determine the discount rate assumed that contributions from the County will continue at the same level and therefore, the HCB plan's assets are expected to be exhausted in future years. For the period for which the assets and contributions are enough to cover the projected outflows, the cash flows were discounted at the expected rate of return of 7.0%. Once the assets are projected to be depleted, cash flows were discounted on municipal bond rates taken from the Bond Buyer 20-Bond GO index as of the measurement dates. The blended discount rates used as of June 30, 2018 and 2017 were 2.98% and 3.58%.

Changes in the Net OPEB Liability

	Total OPEB Liability (a)	Plan Fiduciary Net Postion (b)	Net OPEB Liability (a)-(b)
Balances as of June 30, 2017	$ 137,951,286	$ 1,283,234	$ 136,668,052
Changes for the year:			
Service cost	3,876,642	-	3,876,642
Interest	4,865,606	-	4,865,606
Difference between expected and actual experience	(3,512,677)	-	(3,512,677)
Contributions - employer	-	4,142,367	(4,142,367)
Net investment income	-	79,627	(79,627)
Benefit payments	(4,081,013)	(4,081,013)	-
Changes in assumptions	18,690,280	-	18,690,280
Balances as of June 30, 2018	$ 157,790,124	$ 1,424,215	$ 156,365,909

Changes of Assumptions.
Since the last valuation the following assumptions were changed: the discount rate was updated from 3.58% to 2.98%; the salary increase rate was updated from 5.00% to 4.00% per year; the marriage assumptions were updated from 50% for all participants to 50% for 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 health care trend rate was updated from 7.50% in calendar year 2016 trending down to 4.50% in calendar year 2036 and beyond to 7.50% in calendar year 2018 trending down to 4.50% 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.

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 1.98%) or 1 percentage-point higher (3.98%) than the current discount rate:

	1% Decrease (1.98%)	Discount Rate (2.98%)	1% Increase (3.98%)
Net OPEB liability (asset)	$ 185,513,521	$ 156,365,909	$ 133,510,370

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. 05% 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	$ 131,606,445	$ 156,365,909	$ 188,214,382

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

For the year ended June 30, 2018 the County recognized OPEB expense of $8,036,501. At June 30, 2018 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	$ 299,760	$ 3,015,834
Changes of assumptions	16,046,676	11,179,835
Net differences between projected and acutal earnings on OPEB investments	9,878	25,658
	$ 16,356,314	$ 14,221,327

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

Year ended June 30	
2019	$ (613,773)
2020	$ (613,773)
2021	$ (613,772)
2022	$ (467,493)
2023	$ 2,146,761
Thereafter	$ 2,297,037

B. The Airport

General Information about the Plan

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

Benefits Provided. The Airport provides benefits to retirees who participate in the LGERS, have at least five years of creditable service with the Airport and were hired prior to June 19, 2007. For all employees hired on or after June 19, 2007, 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, 2018, 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	7
	11

Contributions. The Airport contributes on a pay-as-you-go basis, contributing $33,049 for the current year.

Total OPEB Liability

The Airport's total OPEB liability of $2,406,495 was measured as of December 31, 2017 and was determined by an actuarial valuation as of that date.

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

Inflation	3.0 percent
Salary increases	3.25 percent, average, including inflation
Discount rate, prior to measurement date	3.18 percent
Discount rate, at measurement date	3.08 percent
Healthcare cost trend:	
Pre-Medicare	7.50 percent

The discount rate was based on the June average of the S&P Municipal Bond 20 year High Grade Index.

Changes in the Total OPEB Liability

	Total OPEB Liability
Balances at June 30, 2017	$ 2,219,933
Service cost	51,148
Interest	68,967
Changes of benefit terms	-
Differences between expected and actual experience	-
Changes in assumptions or other inputs	99,496
Benefit payments	(33,049)
Net change	186,562
Balances at June 30, 2018	$ 2,406,495

Changes in Assumptions

Changes in assumptions and other inputs reflect a change in the discount rate from 3.01% to 3.56%.

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 December 31, 2017 valuation were based on the results of an actuarial experience study for the period January 1, 2010 through December 31, 2014.

Sensitivity of the total OPEB liability to changes in the discount rate and Healthcare Trend Rates. The following presents the total OPEB liability, as well as what the Airport's total OPEB liability would be if it if it were calculated using a discount rate that is 1-percentage-point lower (2.56 percent) or 1-percentage-point higher (4.56 percent) than the current discount rate:

	1% Decrease (2.13%)	Discount Rate (3.13%)	1% Increase (4.13%)
Total OPEB liability	$ 2,821,430	$ 2,406,495	$ 2,074,930

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	$ 2,047,119	$ 2,406,495	$ 2,462,909

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

For the year ended June 30, 2018, the Airport recognized OPEB expense of $93,031. At June 30, 2018, the Airport 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	$ -	$ -
Changes of assumptions	99,496	-
Benefit payments made subsequent to the measurement date	43,644	-
	$ 143,140	$ -

$43,644 reported as deferred outflows of resources related to OPEB resulting from benefit payments made and administrative expenses incurred subsequent to the measurement date will be recognized as a decrease of the total OPEB liability in the year to end June 30, 2019. Other amounts reported as deferred outflows and inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year ended June 30	
2019	$ (25,643)
2020	$ (25,643)
2021	$ (25,643)
2022	$ (22,567)
2023	$ -
Thereafter	$ -

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 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 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 for the September 1, 2012, are not eligible for Medicare supplements.

Employees Covered by the Benefit Terms. At June 30, 2018, plan membership consisted of the following:

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

Contributions. The Board contributes on a pay-as-you-go basis, contributing $26,804 for the current year.

Total OPEB Liability

The Board's total OPEB liability of $1,683,505 was measured as of June 30, 2017 and was determined by an actuarial valuation as of that date.

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

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

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

Changes in the Total OPEB Liability

	Total OPEB Liability
Balances at June 30, 2016	$ 1,765,340
Service cost	64,253
Interest	52,736
Changes of benefit terms	
Differences between expected and actual experience	(4,543)
Changes in assumptions or other inputs	(167,477)
Benefit payments	(26,804)
Net change	(81,835)
Balances at June 30, 2017	$ 1,683,505

Changes in Assumptions

Changes in assumptions and other inputs reflect a change in the discount rate from 3.01% to 3.56%.

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

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

Sensitivity of the total OPEB liability to changes in the discount rate and Healthcare Trend Rates. The following presents the total OPEB liability, as well as what the Board's total OPEB liability would be if it if it were calculated using a discount rate that is 1-percentage-point lower (2.56 percent) or 1-percentage-point higher (4.56 percent) than the current discount rate:

	1% Decrease (2.56%)	Discount Rate (3.56%)	1% Increase (4.56%)
Total OPEB liability	$ 2,006,001	$ 1,683,505	$ 1,430,696

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	$ 1,402,925	$ 1,683,505	$ 2,049,771

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

For the year ended June 30, 2018, the Board recognized OPEB expense of $93,031. At June 30, 2018, 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	$ -	$ 3,910
Changes of assumptions	-	144,152
Benefit payments made subsequent to the measurement date	24,216	-
	$ 24,216	$ 148,062

$24,216 reported as deferred outflows of resources related to OPEB resulting from benefit payments made and administrative expenses incurred subsequent to the measurement date will be recognized as a decrease of the total OPEB liability in the year to end June 30, 2019.

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

Year ended June 30	
2018	$ (23,958)
2019	$ (23,958)
2020	$ (23,958)
2021	$ (23,958)
2022	$ (23,958)
Thereafter	$ (28,272)

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 July1, 2016, are not eligible for Medicare supplements.

Employees Covered by the Benefit Terms. At June 30, 2018, 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
	15

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

Total OPEB Liability

The Board's total OPEB liability of $616,673 was measured as of June 30, 2017 and was determined by an actuarial valuation as of that date.

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

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

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

Changes in the Total OPEB Liability

	Total OPEB Liability
Balances at June 30, 2016	$ 623,399
Service cost	34,484
Interest	18,582
Changes of benefit terms	
Differences between expected and actual experience	(6,341)
Changes in assumptions or other inputs	(41,273)
Benefit payments	(12,178)
Net change	(6,726)
Balances at June 30, 2017	$ 616,673

Changes in Assumptions

Changes in assumptions and other inputs reflect a change in the discount rate from 3.01% to 3.56%.

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

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

Sensitivity of the total OPEB liability to changes in the discount rate and Healthcare Trend Rates. The following presents the total OPEB liability, as well as what the Board's total OPEB liability would be if it if it were calculated using a discount rate that is 1-percentage-point lower (2.56 percent) or 1-percentage-point higher (4.56 percent) than the current discount rate:

	1% Decrease (2.56%)	Discount Rate (3.56%)	1% Increase (4.56%)
Total OPEB liability	$ 694,582	$ 616,673	$ 550,269

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	$ 581,341	$ 616,673	$ 657,283

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

For the year ended June 30, 2018, the Board recognized OPEB expense of $46,126. At June 30, 2018, 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	$ -	$ 5,417
Changes of assumptions	-	35,257
Benefit payments made subsequent to the measurement date	17,496	-
	$ 17,496	$ 40,674

$17,496 reported as deferred outflows of resources related to OPEB resulting from benefit payments made and administrative expenses incurred subsequent to the measurement date will be recognized as a decrease of the total OPEB liability in the year to end June 30, 2019.

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

Year ended June 30	
2018	$ (6,940)
2019	$ (6,940)
2020	$ (6,940)
2021	$ (6,940)
2022	$ (6,940)
Thereafter	$ (5,974)

Note 8. Other Employment Benefits – Death Benefits

The County, the Airport, the Airport 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 Airport and the Tourism Board have no liability beyond the payment of monthly contributions.

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

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

The County closed its East Lake landfill facility (facility) on October 8, 1993, at which time its waste stream went to a private, regional municipal solid waste landfill through the Albemarle Regional Solid Waste Authority. As the facility was operating on October 9, 1991, the County was required to meet closure requirements contained in the US Environmental Protection Agency (EPA) rule "Solid Waste Disposal Facility Criteria" (EPA rule). As the facility stopped accepting waste prior to October 9, 1993, the County was not required to meet thirty-year post closure and financial assurance requirements established by the EPA rule. A wastewater treatment plant was required at the facility since its first acceptance of solid waste. The County completed modifications to the wastewater treatment plant and the

installation of a leachate collection system to feed the treatment plant. The improvements were made pursuant to a consent order entered into by the County and the State while the landfill was operating. As part of the closure process, the County made application to be allowed to discontinue operation of the wastewater treatment plant. That application was approved with the State's approval of the County's Site Assessment Work Plan. The plant remained out of operation during a monitoring period of five years. Based upon the 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 $7,558,232 reported as Facility closure and post-closure care liability as of June 30, 2018 represents a cumulative amount reported to date based upon the use of 66.2332% of the estimated capacity of cells #1 through #5. The County will recognize the remaining estimated cost of closure and post closure care of $3,853,314 as the remaining capacity is filled, estimated to occur in 2028. Amounts are based on costs in current dollars. Actual costs may be higher or lower due to inflation, changes in technology or changes in regulations.

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, 2018 was $1,775,167. The County has on deposit $96,407 in an interest bearing account, assigned to the NC State Department of Environmental Quality, per that department's requirements.

Note 10. Commitments and Contingencies

A. Commitment

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

B. Contingent Liabilities

At June 30, 2018, 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, 2018, total lease expenditures were $150,044.

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

Year		
2019	$	33,990
2020		35,684
2021		37,463
2022		39,331
2023		41,293
Thereafter		89,998
Totals	$	277,760

D. Federal and State Assisted Programs

The County and the Airport have received proceeds from several federal and State grants. Periodic audits of these grants are required and certain costs may be questioned as not being appropriate expenditures under the grant agreements. Such audits could result in the refund of grant moneys to the grantor agencies. Management of the County and of the Airport believes that any required refunds would be immaterial. 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, 2018 were $555,139 in the General Fund, $705,636 in the Capital Projects Fund, and $357,215 in the Water Fund and $41,200 collectively in all Special Revenue Funds. Outstanding encumbrances in the General Fund are shown in the Stabilization by State Statute section of fund balance (Note 16).

Note 11. Risk Management

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

The County carries building and contents flood insurance for all facilities located within a Special Flood Hazard Area (SFHA) through the National Flood Insurance Program (NFIP). A SFHA is the base 100 year flood plain mapped on a Flood Insurance Rate Map (FIRM) by the Federal Emergency Management Agency (FEMA) and are shown by zones that begin with the letter "A" or "V". For facilities within a SFHA, the County carries building flood insurance for the facility's appraised value up to the NFIP coverage limit of $500,000 per structure. For facilities within a SFHA, the County carries contents flood insurance for the value of each facility's contents considered to be at risk, up to the NFIP coverage limit of $500,000 per structure. The County carries NFIP flood insurance for sixty-three buildings, five water production wells and two water pump stations at a total coverage level of $19,300,000. The County carries NFIP flood insurance for the contents of facilities at a total coverage level of $10,905,000.

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

The County and the municipalities within participate in the Community Rating System (CRS) sponsored by FEMA. The CRS credits flood hazard mitigation activities undertaken by participating communities by offering discounts in 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 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 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 $150,000 per participant per year with an unlimited lifetime maximum. The Airport and the Airport, for their employees, are participants in the County plan. At June 30, 2018, the County has accrued a provision and reported a liability for incurred but not reported claims of $1,477,223 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:

	2018	2017	2016
Estimate of unpaid claims incurred, but not reported, beginning of fiscal year	$ 1,441,367	$ 1,387,087	$ 1,331,134
Incurred but not reported	35,856	54,280	55,953
Estimate of unpaid claims incurred, but not reported, end of fiscal year	$ 1,477,223	$ 1,441,367	$ 1,387,087

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

Note 12. Deferred Outflows and Inflows of Resources

On the Statement of Net Position, deferred outflows of resources at June 30, 2018 consist of:

	Governmental Activities	Business-type Activities
Deferred charge on refunding of debt	$ 3,560,998	$ 3,134,489
Water assessments receivable	-	959,531
Pensions - difference between expected and actual experience - RODSPF	2,622	-
Pensions - changes of assumptions - RODSPF	25,777	-
Pensions - net difference between projected and actual earnings on investments - RODSPF	12,987	-
Pensions - changes in proportion and differences between County contributions and proportionate share of contributions - RODSPF	9,256	-
Pensions - County contributions subsequent to measurement date - RODSPF	7,282	-
Pensions - difference between expected and actual experience - LGERS	406,901	36,681
Pensions - changes of assumptions - LGERS	1,008,710	90,933
Pensions - net difference between projected and actual earnings on investments - LGERS	1,714,932	154,597
Pensions - changes in proportion and differences between County contributions and proportionate share of contributions - LGERS	138,748	12,508
Pensions - County contributions subsequent to measurement date - LGERS	2,405,128	216,817
Pensions - changes of assumptions - LEOSSA	112,983	-
Pensions - benefit payments and administrative costs subsequent to measurement date - LEOSSA	98,691	-
OPEB - net difference between expected and actual experience	273,336	26,424
OPEB - changes of assumptions	14,632,162	1,414,514
OPEB - net difference between projected and actual earnings on OPEB plan investments	9,007	871
	$ 24,419,520	$ 6,047,365

On the Statement of Net Position, deferred inflows of resources at June 30, 2018 consist of:

	Governmental Activities	Business-type Activities
Medicaid revenue subject to final audit	$ 336,056	$ -
Donations received but not yet earned	74,873	-
Prepaid taxes	395,777	-
Water assessments	-	959,531
Pensions - net difference between expected and actual experience -RODSPF	492	-
Pensions - changes in proportion and differences between County contributions and proportionate share of contributions - RODSPF	3,901	-
Pensions - net difference between expected and actual experience - LGERS	199,934	18,024
Pensions - net difference between expected and actual experience - LEOSSA	64,966	-
Pensions - changes of assumptions - LEOSSA	34,429	-
OPEB - changes of assumptions	10,194,333	985,502
OPEB - net difference between expected and actual experience	2,749,988	265,846
OPEB - net difference between projected and actual earnings on OPEB plan investments	23,396	2,262
	$ 14,078,145	$ 2,231,165

On the Governmental Funds Balance Sheet, deferred inflows of resources at June 30, 2018 consist of:

	Unavailable Revenue	Unearned Revenue
Taxes receivable, net (General)	$ 617,777	$ -
Prepaid taxes (General)	-	395,777
Medicaid cost settlement subject to final audit (General)	-	336,056
Taxes receivable, net (Beach Nourishment)	3,284	-
Taxes receivable, net (Special Revenue)	141,478	-
Donations not yet earned (Special Revenue)	-	74,873
	$ 762,539	$ 806,706

Note 13. Long-Term Debt

A. Revenue Bonds

In September 2009, the County issued $13,190,000 (par value) of utilities (water) system refunding revenue bonds, Series 2009, at a net interest cost of 3.55%, with net proceeds of $13,777,360, to currently refund installments for years 2010 through 2024 for the Series 1998A utilities (water) system revenue bonds and installments for years 2010 through 2024 for the Series 1998B utilities (water) system revenue bonds. Interest on the bonds is payable semiannually on June 1 and December 1. Principal is payable annually on December 1 in the following amounts (see Series 2017 below) (along with the corresponding coupon interest rate): 2017, 2018, $670,000 (5.00%) and 2019, $700,000 (5.00%).

In February 2011, the County issued $24,200,000 (par value) of utilities (water) system revenue bonds, Series 2011, at a net interest cost of 4.96%, with net proceeds of $24,487,127, for water lines, a ground storage tank, an elevated tank, and production plant improvements necessary to extend water service to all of Roanoke Island (previously only served within the Town of Manteo). Interest on the bonds is payable semiannually on August 1 and February 1. Principal is payable annually on February 1 in the following amounts (see Series 2017 below) (along with the corresponding coupon interest rate): 2019, $540,000 (5.00%); 2020, $570,000 (5.00%) and 2021, $595,000 (4.25%).

In June 2018, the County issued $24,845,000 (par value) of utilities (water) system refunding revenue bonds, Series 2018, 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): 2018, $395,000 (3.00%); 2019, $60,000 (2.00%); 2020, $60,000 (2.00%); 2021, $755,000 (3.00%); 2022, $1,400,000 (4.00%); 2023, $1,460,000 (5.00%); 2024, $1,525,000 (5.00%); 2025, $785,000 (5.00%); 2026, $825,000 (5.00%); 2027, $870,000 (5.00%); 2028, $910,000 (5.00%); 2029, $955,000 (5.00%); 2030, $1,005,000 (5.00%); 2031, $1,055,000 (4.00%); 2032, $1,095,000 (4.00%); 2033, $1,140,000 (4.00%); 2034, $1,180,000 (3.00%); 2035, $1,220,000 (3.00%); 2036, $1,255,000 (3.125%); 2037, $1,300,000 (3.125%); 2038, $1,335,000 (3.125%); 2039, $1,375,000 (3.125%); 2040, $1,420,000 (3.125%); and 2041, $1,465,000 (3.125%). The defeased Series 2009 bonds have a call date of December 1, 2019 and the defeased Series 2011 bonds have a call date of February 1, 2021.

Revenue bonds outstanding, net of unamortized original issue premium of $1,974,175, and unamortized deferred amount on refunding per GASB Statement No. 23 of $3,134,488, at June 30, 2018 were $26,364,687. The total par amount of revenue bonds outstanding at June 30, 2018 was $27,525,000.

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 2018 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 the 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 revise 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 (1) 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, 2018 as follows:

Revenues as defined per Revenue Bond Order:		
Operating revenues	$ 12,773,567	
Collections of assessments & other income	394,156	
Interest income, excluding capital projects	308,302	
		$ 13,476,025
Current Expenses as defined per Revenue Bond Order:		
Operating expenses	$ 12,770,223	
Non-operating expenses	1,144,025	
Add back interest expense & amortization	(1,140,730)	
Add back depreciation	(3,841,499)	
Add 20% of Surplus Fund	(5,463,214)	
Total adjustment		3,468,805
Net Revenues, as defined per Revenue Bond Order		$ 10,007,220
Debt service on Series 2009 and Series 2011 Revenue Bonds		$ 2,330,119
Debt service coverage		4.29
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 2018 revenue bond Series Indenture.

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

Year Ending June 30	Principal	Interest
2019	$ 1,270,000	$ 1,088,626
2020	1,330,000	1,026,176
2021	1,350,000	978,976
2022	1,400,000	931,038
2023	1,460,000	875,038
2024-2028	4,915,000	3,461,440
2029-2033	5,250,000	2,311,490
2034-2038	6,290,000	1,262,977
2039-2041	4,260,000	269,064
	$ 27,525,000	$ 12,204,825

In June 2018, 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 will be amortized as a component of interest expense over the remaining life of the refunding bonds. The unamortized deferred amount as of June 30, 2018 was $3,134,488.

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.

In March 2014, the County entered into a lease agreement with a financial institution for $806,156 payable quarterly over 48 months at 1.15%. This agreement financed a variety of equipment, including dump trucks and a bulldozer for the Public Works Department, a roll-off truck for the Rubble Transfer Department, and communications equipment for the Information Technology Department (General Fund). Payments were completed during the fiscal year ended June 30, 2018.

In March 2015, the County entered into a lease agreement with a financial institution for $1,603,000 payable quarterly over 36 months at 1.099%. This agreement financed a variety of vehicles, including vehicles for the Sheriff's Department, ambulances and response vehicles for Emergency Medical Services (General Fund) and sanitation trucks for the Sanitation Department (Sanitation Fund). Payments were completed during the fiscal year ended June 30, 2018.

In March 2016, the County entered into a lease agreement with a financial institution for $1,361,569 payable quarterly over 36 months at 1.235%. This agreement financed a variety of vehicles, including vehicles for the Sheriff's Department, ambulances for Emergency Medical Services (General Fund), and sanitation trucks for the Sanitation Department (Sanitation Fund).

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's Department, ambulances for Emergency Medical Services (General Fund), and sanitation trucks for the Sanitation Department (Sanitation Fund).

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

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

In March 2018, the County entered into a lease agreement with a financial institution for $1,977,531 payable quarterly over 36 months at 2.48 %. This agreement financed a variety of vehicles, including vehicles for the Sheriff's 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).

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

	2018	2017
Equipment	$ 2,069,239	$ 2,069,239
Transportation Equipment	6,306,823	6,155,217
	$ 8,376,062	$ 8,224,456

The future minimum lease obligations and the net present value of the minimum lease payments as of June 30, 2018, are as follows (all Governmental Activities):

Year Ending June 30	
2019	$ 1,804,737
2020	1,336,870
2021	788,160
2022	109,239
2023	-
Total minimum lease payments	4,039,006
Less: amount representing interest	(116,252)
Present value of minimum lease payments	$ 3,922,754

C. Installment Financing and Purchase Contracts and Limited Obligation Bonds

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

In July 2010, the County entered into a financing contract with a financial institution (G.S. 160A-20) for $7,695,055, over 10 years at an interest rate 3.94%. This agreement was issued as a taxable Recovery Zone Economic Development Bond under the American Recovery and Reinvestment Act with the County to receive rebates from the U.S. Treasury of 45% of interest payments resulting in an effective interest rate of 2.1725%. This agreement provided financing for a new Emergency Communications Radio System. 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 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, an 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).

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 term) (General Fund).

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 refunding reduced total debt service by $2,537,321 and resulted in an economic gain of $2,500,898. 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).

In April 2013, the County entered into an installment purchase contract with the Dare County Public Facilities Corporation for an issue of limited obligation bonds (G.S. 160A-20) for $29,285,000 over 12 years at a true interest cost of 2.32%. This agreement, the County of Dare NC Limited Obligation Bonds Series 2013, defeased the 2016 through 2025 outstanding balances of the Series 2005 Certificates of Participation, and was an advance refunding with a call date of June 1, 2015. The refunding reduced total debt service by $2,067,383 and resulted in an economic gain of $1,807,358 (General Fund). The June 1, 2013, 2014 and 2015 maturities of the 2005 Certificates were not refunded.

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.

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 limited obligation bonds were privately placed with a financial institution. The refunding reduced total debt service by $223,002 and resulted in an economic gain of $179,023 (General Fund).

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).

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 to be 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.

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, General Fund and Beach Nourishment Fund). The limited obligation bonds were privately placed with a financial institution.

Annual debt service requirements for Installment Financing and Purchase Contracts, as of June 30, 2018 are as follows (Governmental Activities):

Year Ending June 30	Principal	Interest
2019	$ 16,587,520	$ 3,861,666
2020	16,032,519	3,328,753
2021	16,002,519	2,828,512
2022	13,985,000	2,242,529
2023	13,965,000	1,773,406
2024-2028	23,825,000	3,574,713
2029-2033	4,068,000	426,402
2034-2036	940,000	56,250
	$ 105,405,558	$ 18,092,231

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, 2018:

	Balance June 30, 2017	Additions	Reductions	Balance June 30, 2018	Current Portion of Balance
Government activities:					
Installment financing contracts	$ 122,143,078	$ -	$ 16,737,520	$ 105,405,558	$ 16,587,520
Deferred amounts:					
For issuance premiums	6,587,090	-	1,579,536	5,007,554	-
Capitalized leases	3,856,371	1,977,531	1,911,148	3,922,754	1,737,025
Compensated absences	2,734,540	1,100,322	1,242,931	2,591,931	699,821
Total pension liability (LEOSSA)	2,347,298	226,937	168,777	2,405,458	-
Net pension liability (LGERS)	9,953,147	-	2,890,035	7,063,112	-
Net OPEB liability	124,620,763	21,738,708	3,777,217	142,582,254	-
C&D landfill closure and post-closure costs	6,207,664	1,350,568	-	7,558,232	-
Total governmental activities	$ 278,449,951	$ 26,394,066	$ 28,307,164	$ 276,536,853	$ 19,024,366
Business-type activities:					
Revenue bonds	$ 29,070,000	$ -	$ 1,545,000	$ 27,525,000	$ 1,270,000
Deferred amounts:					
For issuance premiums	2,285,654	-	311,479	1,974,175	-
Compensated absenses	275,711	110,750	109,679	276,782	74,731
Net pension liability (LGERS)	901,034	-	264,306	636,728	-
Net OPEB liability	12,047,289	2,101,516	365,150	13,783,655	-
Total buisness-type activities	$ 44,579,688	$ 2,212,266	$ 2,595,614	$ 44,196,340	$ 1,344,731

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, $69,310 of internal service funds compensated absences and $155,678 of net pension liability (LGERS). Also, for the governmental activities, claims and judgments 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, 2018, the RODSPF had a net pension asset.

At June 30, 2018, the County had no bonds authorized but unissued and had a legal debt margin of $954,206,021.

E. Airport Authority

The following is a summary of the changes in general long-term debt for the Airport Authority for the year ended June 30, 2018:

	Balance June 30, 2017	Additions	Reductions	Balance June 30, 2018	Current Portion of Balance
Government activities:					
Compensated absenses	$ 53,190	$ 389	$ -	$ 53,579	$ -
Total OPEB liability	2,219,933	222,702	36,140	$ 2,406,495	-
Installment financing contract	130,000	-	130,000	$ -	-
Net pension liability (LGERS)	118,505	-	34,439	$ 84,066	-
Total long-term liabilities	$ 2,521,628	$ 223,091	$ 200,579	$ 2,544,140	$ -

F. Airport

The following is a summary of the changes in general long-term debt for the ACB Board for the year ended June 30, 2018:

	Balance June 30, 2017	Additions	Reductions	Balance June 30, 2018	Current Portion of Balance
Government activities:					
Total OPEB liability	$ 1,190,956	$ 492,549	$ -	$ 1,683,505	$ -
Net pension liability (LGERS)	325,851	-	100,816	225,035	-
Total long-term liabilities	$ 1,516,807	$ 492,549	$ 100,816	$ 1,908,540	$ -

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, 2018:

	Balance June 30, 2017	Additions	Reductions	Balance June 30, 2018	Current Portion of Balance
Government activities:					
Compensated absences	$ 47,637	$ 4,930	$ -	$ 52,567	$ -
Net pension liability (LGERS)	284,605	-	86,459	198,146	-
Total OPEB liability	623,399	53,066	59,792	616,673	20,905
Total long-term liabilities	$ 955,641	$ 57,996	$ 146,251	$ 867,386	$ 20,905

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 Assets for Governmental Activities as of June 30, 2018:

Net capital assets (Note 4.A)			$ 165,655,345
Outstanding debt (Note 13.D)			
Installment financing contracts	$ 105,405,558		
Capitalized leases	3,922,754		
		$ 109,328,312	
Less outstanding debt issued for education to which the County does not hold title to the pledged property			
Series 2012B Limited Obligation Bonds	$ 10,156,035		
Series 2012D Limited Obligation Bonds	19,085,802		
Series 2013 Limited Obligation Bonds	19,890,000		
Series 2014 Limited Obligation Bonds	2,458,000		
Series 2016B Limited Obligation Bonds	495,000		
		52,084,837	
Less unexpended debt proceeds from debt issued for County capital purposes		1,314,986	
Total capital debt			55,928,489
Net investment in capital assets			$ 109,726,856

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, 2018 for Business-type Activities:

Net capital assets (Note 4.A)			$ 69,045,916
Outstanding debt (Note 13.D)			
Revenue bonds		$ 27,525,000	
Less unexpended debt proceeds		-	
Total Capital Debt			27,525,000
Net investment in capital assets			$ 41,520,916

Note 14. Interfund Transactions

A. Interfund Receivables and Payables

The following is a schedule of interfund receivables and payables as of June 30, 2018:

	Interfund Receivable	Interfund Payable
Proprietary Fund Types		
Non-major		
Fleet Maintenance Fund (Internal Service) to Insurance Fund	$ -	$ 78,311
Insurance Fund (Internal Service) from Fleet Maintenance Fund	78,311	-
	$ 78,311	$ 78,311

The balance due to the Insurance Fund from the Fleet Maintenance Fund resulted from the time lag between the dates that inter-fund goods and services were provided and reimbursement occurred.

B. Component Unit Receivables and Payables

The following is a schedule of component unit receivables and payables as of June 30, 2018:

	Receivable	Payable
Tax and ABC Pass-through Fund:		
from ABC Board – discretely presented	$ 116,172	$ -
Social Services Foster Home Fund:		
from ABC Board – discretely presented	254,085	-
General Fund:		
from ABC Board – discretely presented	271,147	-
Tax and ABC Pass-through Fund:		
to Tourism Board – discretely presented	-	1,897,494
ABC Board – discretely presented:		
to Tax and ABC Pass-through Fund	-	116,172
to Social Services Foster Home Fund	-	254,085
to General Fund	-	271,147
Tourism Board – discretely presented:		
from Tax and ABC Pass-through Fund	1,897,494	-
	$ 2,538,898	$ 2,538,898

C. Interfund Transfers

The following is a schedule of interfund transfers for the year ended June 30, 2018:

	Transfer	
	From	To
Governmental Fund Types		
Major		
General Fund		
from Social Services Foster Care Fund	$ 750,000	$ -
from Capital Reserve Capital Projects Fund	1,956,359	-
to School Capital Projects Fund	-	250,000
to Inlet Maintenance Fund		236,082
Beach Nourishment Fund		
to Inlet Maintenance Fund	-	1,100,043
Capital Projects Fund		
from Capital Reserve Capital Projects Fund	969,304	-
Non-major		
Capital Reserve Capital Projects Fund		
to General Fund	-	1,956,359
to Capital Projects Fund	-	969,304
to School Capital Projects Fund	-	1,507,000
Social Services Foster Care Fund		
to General Fund	-	750,000
Inlet Maintenance Fund		
from General Fund	236,082	-
from Beach Nourishment Fund	1,100,043	-
School Capital Projects Fund		
from General Fund	250,000	-
from Capital Reserve Capital Projects Fund	1,507,000	-
Total Governmental Funds	$ 6,768,788	$ 6,768,788

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

Note 15. Fund Balance

The following is a schedule of the calculation of fund balance available for appropriation in the General Fund as of June 30, 2018:

Total fund balance	$	40,077,957
Less:		
Inventories		14,354
Stabilization by State statute		11,174,583
Register of Deeds		4,089
Sheriff		53,617
Health Department		110,000
Hospice program		6,495
Disaster recovery		606,355
Appropriated fund balance in fiscal year 2019 budget		3,117,346
Fund Balance policy (21% of expenditures)		22,081,766
Available for appropriation	$	2,909,352

The following is a schedule of the calculation of fund balance available for appropriation in the General Fund, excluding the consolidation of the legally budgeted Disaster Recovery Fund, as of June 30, 2018, which is the intent of the fund balance policy.

Total fund balance	$	39,471,602
Less:		
Inventories		14,354
Stabilization by State statute		11,174,583
Register of Deeds		4,089
Sheriff		53,617
Health Department		110,000
Hospice program		6,495
Appropriated fund balance in fiscal year 2018 budget		3,117,346
Fund Balance policy (21% of expenditures)		22,047,704
Available for appropriation	$	2,943,414

Note 16. Joint Ventures

Trillium Health Resources

The County participates in a joint venture to operate the Trillium Health Resources (Trillium) with twenty-four other counties. Dare County appoints two board members to the seventeen Central Regional Advisory Board of Trillium. The County has an ongoing financial responsibility for the joint venture because the Center's continued existence depends on the participating governments' continued funding. None of the participating governments have any equity interest in the Center, so no equity interest has been reflected in the financial statements at June 30, 2018. In accordance with the intergovernmental agreement between the participating governments, the County appropriated $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 $170,980 to the Authority during the fiscal

year ended June 30, 2018. 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, 2018. 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 College's facilities. The County's annual appropriation is shown as a department in the General Fund, and for the year ended June 30, 2018, expenditures were $466,683. 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, 2018. Complete financial statements for the College may be obtained from the College's administrative offices at College of the Albemarle, Post Office Box 2327, Elizabeth City, NC 27906.

East Albemarle Regional Library

The County also participates in a joint venture to operate the East Albemarle Regional Library (Library) with four other counties. The Library's nine member Board of Trustees is appointed by the area county Boards of Commissioners as follows: Dare (3), Currituck (3), and Camden and Pasquotank (3). Each county is responsible for the cost of its own facilities, the maintenance and operation of those facilities and the majority of the related personnel cost. The County has an ongoing financial responsibility for the joint venture because the Library's continued existence depends on the participating governments' continued funding. The County's annual appropriation is shown as a department in the General Fund and for the year ended June 30, 2018 expenditures were $983,040. 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, 2018. Complete financial statements for the Library may be obtained from the Library's administrative offices at East Albemarle Regional Library, 205 E. Main Street, Elizabeth City, NC 27909.

Note 17. Jointly Governed Organization

Albemarle Commission

The County, in conjunction with nine other counties and fourteen municipalities, established the Albemarle Commission (Commission) to coordinate funding received from various federal and state agencies. Each participating county appoints four members and each participating municipality appoints two members of the Commission's governing board. The County paid membership fees of $25,201 to the Commission during the fiscal year ended June 30, 2018.

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 calendar year 2001 for cable television service with Charter Communications, which is accounted for in the Government Access (Agency) Fund. The County paid membership fees of $1,000 during the fiscal year ended June 30, 2018.

Dare Day Committee

The County, in conjunction with the Town of Manteo, established the Dare Day Committee, to coordinate the use of funding for an annual celebration of Virginia Dare's birthday. Dare County hold all funds, which are accounted for in the Dare Day (Agency) Fund. The County contributed $4,500 during the fiscal year ended June 30, 2018.

Note 18. Other Relationship

Dare County Board of Education

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

Note 19. Municipal Water Purchase Contracts

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

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

Note 20. Continuing Disclosure Obligation

The County is required, as a result of the issuance of the County of Dare, North Carolina Certificates of Participation Series 2007 and Series 2009, the County of Dare, North Carolina Limited Obligation Bonds Series 2012A, 2012B, 2012C, 2012D, 2013, 2014, 2015, 2016A, 2016C and 2016B, the County of Dare, North Carolina Utilities System Revenue Bonds Series 2009, Series 2011, and Series 2018, 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. Operating and Capital Budget Procedures

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

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

The County implemented Governmental Accounting Standards Board (GASB) Statement No. 73, *Accounting and Financial Reporting for Pensions and Related Assets That Are Not within the Scope of GASB Statement 68, and Amendments to Certain Provisions of GASB Statements 67 and 68*, for the prior fiscal year ended June 30, 2017. The implementation of the statement required the County to record beginning total pension liability and the effects on net position of benefit payments and administrative expenses paid by the County to the Law Enforcement Officers' Special Separation Allowance during the measurement period (Note 6.C). As a result, beginning net position for the governmental activities decreased by $1,547,313 for the prior fiscal year ended June 30, 2017.

The County implemented GASB Statement No. 74, *Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans* for the Healthcare Benefits Plan for the prior fiscal year ended June 30, 2017. The implementation of this statement had no effect on net position.

The County implemented GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefit Plans Other Than Pensions,* for the prior fiscal year ended June 30, 2017. The Statement addresses accounting and financial reporting for OPEB (Note 7.A) by establishing standards for recognizing and measuring liabilities, deferred outflows of resources, and deferred inflows of resources and expenses. The implementation of the statement required the County to revise and record the beginning OPEB liability. As a result, beginning net position of governmental activities decreased by $98,276,171 and beginning net position of business-type activities decreased by $9,522,990 for the prior fiscal year ended June 30, 2017.

The County implemented GASB Implementation Guide No. 2017-03, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions (and Certain Issues Related to OPEB Plan Reporting),* issued in November 2017, for the fiscal year ended June 30, 2018. The publication provides guidance on GASB statements No. 74 and No. 75

discussed above, stating that the first year of amortization of deferred outflows of resources and deferred inflows of resources is to be within the fiscal year of establishment rather than the following fiscal year. As a result, beginning net position of governmental activities increased by $2,519,444 and beginning net position of business-type activities increased by $243,559 for the fiscal year ended June 30, 2018.

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

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

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

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

Schedule of County Contributions

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

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

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

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

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

Schedule of County Contributions

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

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
Total OPEB Liability		
Service Cost	$ 4,491,358	$ 3,876,642
Interest	4,213,329	4,865,606
Changes of benefit terms	-	-
Differences between expected and actual experience	451,536	(3,512,677)
Changes of assumptions	(16,840,511)	18,690,280
Benefit payments	(4,401,077)	(4,081,013)
Net change in total OPEB liability	(12,085,365)	19,838,838
Total OPEB liability - beginning	150,036,651	137,951,286
Total OPEB liability - ending	$ 137,951,286	$ 157,790,124
Plan fiduciary net position		
Contributions - employer	$ 4,457,542	$ 4,142,367
Net investment income	122,069	79,627
Benefit payments	(4,401,077)	(4,081,013)
Net change in plan fiduciary net position	178,534	140,981
Plan fiduciary net position - beginning	1,104,700	1,283,234
Plan fiduciary net position - ending	$ 1,283,234	$ 1,424,215
County's net OPEB liability - ending	$ 136,668,052	$ 156,365,909
Plan fiduciary net position as a percentage of the total OPEB liability	0.93%	0.90%
Covered employee payroll	$ 33,052,220	$ 34,110,391
County's net OPEB liability as a percentage of covered payroll	413.49%	458.41%

Notes to Schedule:

Changes in assumptions: For 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.

For 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.

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

	2017	2018
Actuarially determined contribution	$ -	$ -
Actual employer contribution	4,457,542	4,142,367
Contribution deficiency (excess)	$ (56,465)	$ (61,354)
Covered employee payroll	$ 33,052,220	$ 34,110,391
Contributions as a percentage of covered payroll	13.49%	12.14%
Annual money-weighted rate of return, net of investment expense	10.53%	5.93%

Notes to Schedule:

Valuation date:	As of January 1, six months prior to the end of the year for which the eligibility is reported.
Methods and assumptions:	
Actuarial cost method	Entry age normal
Amortization method	Level percentage of pay
Amortization period	Years until assumed eligible retirement
Asset valuation method	Fair value of assets
Inflation	2.50 percent
Healthcare cost trend rates	7.50 percent initial, decreasing to ultimate rate of 4.50 percent (2038)
Salary increases	4.00 percent
Investment rate of return	7.0 percent, net of OPEB plan investment expense, including inflation
Changes in assumptions	For 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	For 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.

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
Beginning balance	$ 2,390,611	$ 2,347,298
Service Cost	87,974	80,972
Interest on the total pension liability	82,460	87,348
Changes of benefit terms	-	-
Differences between expected and actual experience	-	(79,307)
Changes of assumptions	(52,131)	137,924
Benefit payments	(161,616)	(168,777)
Other changes	-	-
Ending balance of the total pension liability	$ 2,347,298	$ 2,405,458

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
Total pension liability	$ 2,347,298	$ 2,405,458
Covered payroll	$ 3,323,502	$ 3,476,306
Total pension liability as a percentage of covered payroll	70.63%	69.20%

Notes to Schedules:

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

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

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

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

DARE COUNTY, NORTH CAROLINA
General Fund
Schedule of Revenues, Expenditures, and
Changes in Fund Balances - Budget and Actual
For the Year Ended June 30, 2018
With Comparative Actual Amounts for the Year Ended June 30, 2017

	2018			2017
	Final Budget	Actual	Variance Positive (Negative)	Actual
REVENUES				
Ad valorem taxes:				
Current year taxes	$ 61,804,690	$ 61,741,002	$ (63,688)	$ 56,057,600
Prior years taxes	531,550	830,216	298,666	287,274
Penalties, interest and advertising	118,500	164,153	45,653	141,804
Total	62,454,740	62,735,371	280,631	56,486,678
Other taxes:				
Local option sales taxes	19,546,630	20,056,532	509,902	19,115,289
Occupancy tax	4,586,875	4,745,880	159,005	4,510,603
Video programming distribution	120,000	113,696	(6,304)	117,115
Total	24,253,505	24,916,108	662,603	23,743,007
Unrestricted intergovernmental:				
State medicaid hold harmless	-	-	-	112,019
Beer and wine tax	82,000	77,045	(4,955)	79,629
Payments in lieu of taxes	185,000	248,648	63,648	290,696
ABC mixed beverage tax	39,500	41,352	1,852	40,213
ABC law enforcement	12,000	12,000	-	12,000
ABC rehabilitation	93,500	93,031	(469)	91,867
ABC profits	600,000	634,563	34,563	626,002
Game and wildlife fees	12,250	13,595	1,345	11,960
Scrap tire tax distribution	44,000	48,600	4,600	48,201
Solid waste disposal tax	13,500	14,736	1,236	14,664
Total	1,081,750	1,183,570	101,820	1,327,251
Restricted intergovernmental:				
State and federal grants	5,861,495	5,141,793	(719,702)	5,649,586
ABC bottle tax	44,000	44,586	586	43,907
Controlled substance tax	10,000	20,406	10,406	13,009
Equitable sharing of federally forfeited property	-	8,334	8,334	6,010
Court facility fees	115,000	103,480	(11,520)	125,666
Electronics management program reimbursement	3,000	-	(3,000)	2,671
Total	6,033,495	5,318,599	(714,896)	5,840,849
Permits and fees:				
Environmental fees	425,400	457,140	31,740	418,495
Tax collections fees	535,302	539,435	4,133	518,229
Register of deeds fees	1,042,000	1,121,027	79,027	1,103,388
Sheriff fees	13,500	23,746	10,246	18,614
Building permits	382,700	449,232	66,532	260,503
Planning and development fees	18,000	21,964	3,964	26,058
Total	2,416,902	2,612,544	195,642	2,345,287

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DARE COUNTY, NORTH CAROLINA
General Fund
Schedule of Revenues, Expenditures, and
Changes in Fund Balances - Budget and Actual
For the Year Ended June 30, 2018
With Comparative Actual Amounts for the Year Ended June 30, 2017

	2018			2017
	Final Budget	Actual	Variance Positive (Negative)	Actual
Sales and services:				
Social services revenues	164,764	182,400	17,636	182,201
Health fees	3,156,095	2,847,688	(308,407)	2,840,151
Election fees	19,700	23,520	3,820	-
Tax mapping fees	100	137	37	210
Sheriff fees	702,810	110,633	(592,177)	111,852
Jail fees	256,100	527,598	271,498	508,307
Emergency medical services fees	4,681,500	5,039,501	358,001	4,682,632
Recreation fees	231,250	238,506	7,256	234,543
Dare County Center revenues	132,250	63,074	(69,176)	84,561
Older adult services revenues	28,077	22,993	(5,084)	14,855
Transportation revenues	65,500	51,587	(13,913)	64,841
Recycling revenues	50,000	74,251	24,251	69,509
Total	9,488,146	9,181,888	(306,258)	8,793,662
Investment income:				
Interest	-	594,685	-	308,869
Net increase (decrease) in the fair value of investments	-	(82,420)	-	(55,129)
Total	318,250	512,265	194,015	253,740
Other revenue:				
Grants, donations and contributions	215,297	197,167	(18,130)	227,030
Miscellaneous	393,482	295,751	(97,731)	488,343
Total	608,779	492,918	(115,861)	715,373
Total revenues	106,655,567	106,953,263	297,696	99,505,847
EXPENDITURES				
General government:				
Governing body:				
Salaries and employee benefits	-	194,485	-	182,872
Operating expenditures	-	17,096	-	16,686
Administration	-	(42,665)	-	(46,861)
Total	181,082	168,916	12,166	152,697
County manager:				
Salaries and employee benefits	-	389,532	-	396,202
Operating expenditures	-	12,389	-	10,048
Administration	-	(35,032)	-	(38,008)
Total	370,916	366,889	4,027	368,242

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DARE COUNTY, NORTH CAROLINA
General Fund
Schedule of Revenues, Expenditures, and
Changes in Fund Balances - Budget and Actual
For the Year Ended June 30, 2018
With Comparative Actual Amounts for the Year Ended June 30, 2017

	2018			2017
	Final Budget	Actual	Variance Positive (Negative)	Actual
Public relations:				
Salaries and employee benefits	-	185,133	-	183,328
Operating expenditures	-	17,159	-	15,002
Administration	-	(23,551)	-	(28,457)
Contract and professional services	-	66,975	-	70,820
Capital outlay	-	-	-	16,721
Total	267,441	245,716	21,725	257,414
Elections:				
Salaries and employee benefits	-	156,359	-	154,353
Operating expenditures	-	45,051	-	48,426
Administration	-	12,948	-	14,061
Contract and professional services	-	45,090	-	43,449
Total	339,151	259,448	79,703	260,289
Finance:				
Salaries and employee benefits	-	836,639	-	802,574
Operating expenditures	-	35,316	-	45,008
Administration	-	(128,617)	-	(125,572)
Contract and professional services	-	40,567	-	48,755
Total	786,565	783,905	2,660	770,765
Human resources:				
Salaries and employee benefits	-	348,032	-	329,693
Operating expenditures	-	79,805	-	37,729
Administration	-	(45,907)	-	(39,041)
Contract and professional services	-	7,378	-	9,135
Total	416,063	389,308	26,755	337,516
Information technology:				
Salaries and employee benefits	-	769,906	-	606,540
Operating expenditures	-	344,974	-	263,080
Administration	-	(120,156)	-	(43,041)
Contract and professional services	-	159,323	-	129,992
Total	1,228,465	1,154,047	74,418	956,571
GIS:				
Salaries and employee benefits	-	-	-	215,982
Operating expenditures	-	-	-	1,820
Administration	-	-	-	(69,386)
Contract and professional services	-	-	-	13,983
Total	-	-	-	162,399

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DARE COUNTY, NORTH CAROLINA
General Fund
Schedule of Revenues, Expenditures, and
Changes in Fund Balances - Budget and Actual
For the Year Ended June 30, 2018
With Comparative Actual Amounts for the Year Ended June 30, 2017

	2018			2017
	Final Budget	Actual	Variance Positive (Negative)	Actual
Tax mapping:				
Salaries and employee benefits	-	287,628	-	292,846
Operating expenditures	-	4,367	-	5,621
Administration	-	7,967	-	9,297
Contract and professional services	-	7,493	-	8,574
Total	321,668	307,455	14,213	316,338
Revaluation:				
Salaries and employee benefits	-	972,336	-	936,707
Operating expenditures	-	25,437	-	27,933
Administration	-	35,322	-	38,152
Contract and professional services	-	109,622	-	77,515
Capital outlay	-	14,888	-	-
Total	1,170,509	1,157,605	12,904	1,080,307
Business personal tax:				
Salaries and employee benefits	-	228,789	-	232,441
Operating expenditures	-	29,565	-	32,824
Administration	-	8,582	-	12,063
Contract and professional services	-	19,171	-	131
Total	288,566	286,107	2,459	277,459
Tax collections and listings:				
Salaries and employee benefits	-	316,277	-	312,359
Operating expenditures	-	55,657	-	65,087
Administration	-	17,170	-	17,499
Contract and professional services	-	137,606	-	101,453
Total	530,019	526,710	3,309	496,398
Realty transfer tax:				
Salaries and employee benefits	-	73,016	-	71,319
Operating expenditures	-	18	-	12
Administration	-	210	-	-
Total	73,643	73,244	399	71,331
Occupancy tax:				
Salaries and employee benefits	-	32,785	-	30,525
Operating expenditures	-	1,793	-	1,996
Administration	-	3,645	-	1,059
Total	41,315	38,223	3,092	33,580
Prepared foods tax:				
Salaries and employee benefits	-	40,860	-	45,067
Operating expenditures	-	1,008	-	1,348
Administration	-	1,689	-	1,414
Total	46,910	43,557	3,353	47,829

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DARE COUNTY, NORTH CAROLINA
General Fund
Schedule of Revenues, Expenditures, and
Changes in Fund Balances - Budget and Actual
For the Year Ended June 30, 2018
With Comparative Actual Amounts for the Year Ended June 30, 2017

	2018			2017
	Final Budget	Actual	Variance Positive (Negative)	Actual
Register of deeds:				
Salaries and employee benefits	-	436,187	-	415,988
Operating expenditures	-	26,069	-	30,930
Administration	-	6,345	-	5,754
Contract and professional services	-	34,289	-	36,002
Total	505,060	502,890	2,170	488,674
Facilities Maintenance				
Salaries and employee benefits	-	827,167	-	882,107
Operating expenditures	-	288,773	-	349,711
Administration	-	(40,329)	-	(40,270)
Capital outlay	-	82,289	-	25,216
Total	1,237,553	1,157,900	79,653	1,216,764
Grounds maintenance:				
Salaries and employee benefits	-	289,401	-	296,631
Operating expenditures	-	44,255	-	42,129
Administration	-	12,594	-	13,136
Capital outlay	-	15,815	-	26,279
Total	365,992	362,065	3,927	378,175
General services:				
Salaries and employee benefits	-	302,152	-	289,893
Operating expenditures	-	209,224	-	200,408
Administration	-	(2,636)	-	1,170
Contract and professional services	-	91,528	-	83,887
Capital outlay	-	85,701	-	-
Total	701,749	685,969	15,780	575,358
Non-departmental:				
Salaries and employee benefits-longevity	-	366,182	-	355,450
Salaries and employee benefits-retiree health	-	753,500	-	588,948
Operating expenditures	-	290,350	-	296,180
Administration	-	(197,886)	-	(173,331)
Contract and professional services	-	187,096	-	233,023
Total	2,294,809	1,399,242	895,567	1,300,270
Total general government	11,167,476	9,909,196	1,258,280	9,548,376
Public safety:				
Sheriff:				
Salaries and employee benefits	-	5,763,043	-	5,533,719
Operating expenditures	-	723,837	-	667,499
Administration	-	299,760	-	284,014
Contract and professional services	-	48,203	-	39,728
Capital outlay	-	363,907	-	364,533
Total	7,271,754	7,198,750	73,004	6,889,493

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DARE COUNTY, NORTH CAROLINA
General Fund
Schedule of Revenues, Expenditures, and
Changes in Fund Balances - Budget and Actual
For the Year Ended June 30, 2018
With Comparative Actual Amounts for the Year Ended June 30, 2017

	2018			2017
	Final Budget	Actual	Variance Positive (Negative)	Actual
Detention Center:				
Salaries and employee benefits	-	3,009,065	-	2,997,679
Operating expenditures	-	445,484	-	424,599
Administration	-	177,770	-	177,870
Contract and professional services	-	524,858	-	408,217
Capital outlay	-	31,864	-	10,984
Total	4,201,804	4,189,041	12,763	4,019,349
Communications:				
Salaries and employee benefits	-	1,796,677	-	1,631,327
Operating expenditures	-	715,004	-	713,511
Administration	-	42,261	-	25,439
Contract and professional services	-	18,806	-	25,736
Total	2,636,914	2,572,748	64,166	2,396,013
Courts:				
Salaries and employee benefits	-	102,396	-	110,283
Operating expenditures	-	239,005	-	242,520
Administration	-	61,398	-	56,610
Contract and professional services	-	119,123	-	115,990
Total	546,380	521,922	24,458	525,403
Emergency medical services:				
Salaries and employee benefits	-	9,070,575	-	7,518,866
Operating expenditures	-	709,005	-	548,762
Administration	-	507,391	-	485,325
Contract and professional services	-	310,053	-	329,810
Capital outlay	-	669,794	-	706,701
Total	12,014,774	11,266,818	747,956	9,589,464
Emergency medical helicopter:				
Salaries and employee benefits	-	1,016,740	-	998,306
Operating expenditures	-	333,960	-	335,406
Administration	-	174,911	-	204,981
Contract and professional services	-	4,578	-	4,621
Total	1,537,289	1,530,189	7,100	1,543,314
Emergency management:				
Salaries and employee benefits	-	308,826	-	318,348
Operating expenditures	-	156,984	-	119,109
Administration	-	40,362	-	30,777
Contract and professional services	-	35,194	-	33,309
Capital outlay	-	16,157	-	-
Total	585,453	557,523	27,930	501,543

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DARE COUNTY, NORTH CAROLINA
General Fund
Schedule of Revenues, Expenditures, and
Changes in Fund Balances - Budget and Actual
For the Year Ended June 30, 2018
With Comparative Actual Amounts for the Year Ended June 30, 2017

	2018			2017
	Final Budget	Actual	Variance Positive (Negative)	Actual
Emergency operations center:				
Operating expenditures	-	107,356	-	-
Contract and professional services	-	66,371	-	-
Total	198,715	173,727	24,988	-
Animal shelter:				
Operating expenditures	-	396,227	-	363,045
Administration	-	1,755	-	2,171
Total	399,414	397,982	1,432	365,216
Total public safety	29,392,497	28,408,700	983,797	25,829,795
Economic and physical development:				
Planning:				
Salaries and employee benefits	-	757,358	-	771,298
Operating expenditures	-	119,857	-	31,368
Administration	-	37,380	-	30,638
Contract and professional services	-	4,655	-	26,541
Capital outlay	-	25,737	-	27,414
Total	1,040,311	944,987	95,324	887,259
Grants and waterways:				
Salaries and employee benefits	-	88,434	-	92,238
Operating expenditures	-	2,409	-	2,915
Administration	-	1,713	-	1,818
Contract and professional services	-	7,530	-	992
Total	138,823	100,086	38,737	97,963
Cooperative extension service:				
Operating expenditures	-	22,102	-	32,994
Administration	-	12,541	-	15,247
Contract and professional services	-	145,931	-	151,680
Total	209,828	180,574	29,254	199,921
Total economic and physical development	1,388,962	1,225,647	163,315	1,185,143
Human services:				
Health:				
Administration:				
Salaries and employee benefits	-	340,244	-	338,715
Operating expenditures	-	160,132	-	98,459
Administration	-	116,502	-	114,205
Contract and professional services	-	77,428	-	75,876
Capital outlay	-	-	-	44,747
Total	-	694,306	-	672,002

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DARE COUNTY, NORTH CAROLINA
General Fund
Schedule of Revenues, Expenditures, and
Changes in Fund Balances - Budget and Actual
For the Year Ended June 30, 2018
With Comparative Actual Amounts for the Year Ended June 30, 2017

	2018			2017
	Final Budget	Actual	Variance Positive (Negative)	Actual
Adult health:				
Salaries and employee benefits	-	237,509	-	239,100
Operating expenditures	-	53,878	-	56,847
Administration	-	148	-	363
Contract and professional services	-	53,817	-	56,020
Capital outlay	-	-	-	37,116
Total	-	345,352	-	389,446
Communicable disease:				
Salaries and employee benefits	-	303,985	-	296,885
Operating expenditures	-	8,094	-	10,161
Administration	-	1,018	-	2,024
Contract and professional services	-	3,771	-	2,062
Total	-	316,868	-	311,132
Public health emergency preparedness:				
Salaries and employee benefits	-	29,249	-	89,788
Operating expenditures	-	1,374	-	8,280
Administration	-	288	-	2,059
Contract and professional services	-	2,697	-	-
Total	-	33,608	-	100,127
CPR:				
Salaries and employee benefits	-	7,154	-	121
Operating expenditures	-	1,969	-	547
Total	-	9,123	-	668
Environmental health:				
Salaries and employee benefits	-	345,650	-	290,155
Operating expenditures	-	28,785	-	28,101
Administration	-	1,873	-	1,064
Capital outlay	-	-	-	26,786
Total	-	376,308	-	346,106
Food and lodging inspections:				
Salaries and employee benefits	-	305,065	-	316,494
Operating expenditures	-	6,362	-	8,974
Administration	-	1,108	-	810
Contract and professional services	-	9,967	-	9,334
Capital outlay	-	13,710	-	-
Total	-	336,212	-	335,612

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DARE COUNTY, NORTH CAROLINA
General Fund
Schedule of Revenues, Expenditures, and
Changes in Fund Balances - Budget and Actual
For the Year Ended June 30, 2018
With Comparative Actual Amounts for the Year Ended June 30, 2017

	2018			2017
	Final Budget	Actual	Variance Positive (Negative)	Actual
Private well program:				
Salaries and employee benefits	-	915	-	576
Operating expenditures	-	48	-	118
Total	-	963	-	694
Maternal health:				
Salaries and employee benefits	-	353,309	-	314,432
Operating expenditures	-	9,425	-	13,367
Administration	-	873	-	520
Contract and professional services	-	31,433	-	6,221
Capital outlay	-	-	-	11,113
Total	-	395,040	-	345,653
Pregnancy care management:				
Salaries and employee benefits	-	80,304	-	64,706
Operating expenditures	-	1,404	-	1,304
Administration	-	361	-	314
Total	-	82,069	-	66,324
Community Care Plan of Eastern Carolina:				
Salaries and employee benefits	-	89,802	-	86,450
Operating expenditures	-	402	-	163
Administration	-	2,513	-	1,868
Total	-	92,717	-	88,481
Mammograms/ultrasounds:				
Salaries and employee benefits	-	1,342	-	1,521
Contract and professional services	-	28,726	-	26,265
Total	-	30,068	-	27,786
Family planning:				
Salaries and employee benefits	-	415,165	-	395,463
Operating expenditures	-	78,333	-	45,177
Administration	-	373	-	631
Contract and professional services	-	10,817	-	9,963
Total	-	504,688	-	451,234
Peer Power:				
Salaries and employee benefits	-	158,380	-	127,367
Operating expenditures	-	3,999	-	4,064
Administration	-	1,022	-	186
Total	-	163,401	-	131,617

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DARE COUNTY, NORTH CAROLINA
General Fund
Schedule of Revenues, Expenditures, and
Changes in Fund Balances - Budget and Actual
For the Year Ended June 30, 2018
With Comparative Actual Amounts for the Year Ended June 30, 2017

	2018			2017
	Final Budget	Actual	Variance Positive (Negative)	Actual
Care coordination for children:				
Salaries and employee benefits	-	84,796	-	82,502
Operating expenditures	-	1,466	-	2,084
Administration	-	831	-	1,091
Total	-	87,093	-	85,677
Child health:				
Salaries and employee benefits	-	128,056	-	123,059
Operating expenditures	-	19,118	-	18,296
Administration	-	428	-	948
Total	-	147,602	-	142,303
Health check:				
Salaries and employee benefits	-	46,031	-	44,349
Operating expenditures	-	362	-	243
Administration	-	1,403	-	1,010
Total	-	47,796	-	45,602
School health:				
Salaries and employee benefits	-	738,985	-	672,032
Operating expenditures	-	2,252	-	2,618
Administration	-	2,354	-	1,431
Total	-	743,591	-	676,081
Mobile dental unit:				
Salaries and employee benefits	-	38,819	-	232,153
Operating expenditures	-	948	-	29,900
Administration	-	17	-	149
Total	-	39,784	-	262,202
Telepsychiatry consultation services:				
Operating expenditures	-	679	-	-
Contract and professional services	-	12,143	-	-
Total	-	12,822	-	-
Women, infants, and children client services:				
Salaries and employee benefits	-	129,667	-	118,106
Operating expenditures	-	2,184	-	1,824
Administration	-	278	-	328
Total	-	132,129	-	120,258
Women, infants, and children nutrition education:				
Salaries and employee benefits	-	44,180	-	39,080
Operating expenditures	-	322	-	394
Administration	-	304	-	15
Total	-	44,806	-	39,489

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DARE COUNTY, NORTH CAROLINA
General Fund
Schedule of Revenues, Expenditures, and
Changes in Fund Balances - Budget and Actual
For the Year Ended June 30, 2018
With Comparative Actual Amounts for the Year Ended June 30, 2017

	2018			2017
	Final Budget	Actual	Variance Positive (Negative)	Actual
Women, infants, and children general administration:				
Salaries and employee benefits	-	23,728	-	20,271
Operating expenditures	-	3	-	213
Total	-	23,731	-	20,484
Women, infants, and children breastfeeding promotion:				
Salaries and employee benefits	-	22,286	-	21,377
Operating expenditures	-	321	-	334
Administration	-	12	-	788
Total	-	22,619	-	22,499
Smart Start baby link:				
Salaries and employee benefits	-	93,517	-	87,280
Operating expenditures	-	3,329	-	3,254
Administration	-	400	-	600
Total	-	97,246	-	91,134
Breast and cervical cancer program:				
Salaries and employee benefits	-	60,061	-	71,097
Operating expenditures	-	57	-	-
Administration	-	400	-	105
Contract and professional services	-	28,251	-	35,580
Total	-	88,769	-	106,782
Healthy communities:				
Salaries and employee benefits	-	86,778	-	88,004
Operating expenditures	-	9,250	-	9,027
Administration	-	4,926	-	568
Contract and professional services	-	-	-	24,620
Total	-	100,954	-	122,219
Diabetes:				
Salaries and employee benefits	-	99,810	-	55,420
Operating expenditures	-	2,025	-	2,146
Administration	-	781	-	5
Total	-	102,616	-	57,571
Home health:				
Salaries and employee benefits	-	1,138,176	-	1,025,258
Operating expenditures	-	127,913	-	125,308
Administration	-	13,901	-	18,483
Contract and professional services	-	49,039	-	52,417
Total	-	1,329,029	-	1,221,466

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DARE COUNTY, NORTH CAROLINA
General Fund
Schedule of Revenues, Expenditures, and
Changes in Fund Balances - Budget and Actual
For the Year Ended June 30, 2018
With Comparative Actual Amounts for the Year Ended June 30, 2017

	2018			2017
	Final Budget	Actual	Variance Positive (Negative)	Actual
Hospice:				
Salaries and employee benefits	-	449,695	-	441,010
Operating expenditures	-	151,316	-	188,640
Administration	-	1,961	-	2,931
Contract and professional services	-	27,633	-	35,509
Capital outlay	-	8,904	-	-
Total	-	639,509	-	668,090
Hospice donations:				
Salaries and employee benefits	-	55,963	-	56,193
Operating expenditures	-	4,032	-	2,805
Administration	-	259	-	10
Total	-	60,254	-	59,008
Partnerships to improve community health:				
Salaries and employee benefits	-	23	-	-
Administration	-	5,231	-	3,000
Total	-	5,254	-	3,000
Substance abuse program:				
Salaries and employee benefits	-	156,917	-	112,839
Operating expenditures	-	13,022	-	11,676
Administration	-	7,328	-	6,464
Contract and professional services	-	340,000	-	340,000
Total	-	517,267	-	470,979
Total health	8,051,054	7,623,594	427,460	7,481,726
Social services:				
Administration:				
Salaries and employee benefits	-	5,078,619	-	4,704,707
Operating expenditures	-	368,771	-	355,312
Administration	-	151,822	-	144,604
Contract and professional services	-	112,283	-	117,516
Capital outlay	-	157,956	-	32,701
Total	-	5,869,451	-	5,354,840
Family services:				
Operating expenditures	-	383,413	-	989,210
Contract and professional services	-	38,000	-	25,250
Total	-	421,413	-	1,014,460
Economic independence:				
Operating expenditures	-	231,763	-	231,081
Total	-	231,763	-	231,081

(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, 2018
With Comparative Actual Amounts for the Year Ended June 30, 2017

	2018			2017
	Final Budget	Actual	Variance Positive (Negative)	Actual
Child welfare:				
Operating expenditures	-	483,341	-	532,400
Total	-	483,341	-	532,400
Aged, blind, and disabled:				
Operating expenditures	-	34,814	-	34,856
Contract and professional services	-	12,500	-	12,500
Total	-	47,314	-	47,356
Employment:				
Operating expenditures	-	1,138	-	1,268
Total	-	1,138	-	1,268
Child support services:				
Operating expenditures	-	15,676	-	16,655
Contract and professional services	-	236,469	-	233,341
Total	-	252,145	-	249,996
In-home services:				
Salaries and employee benefits	-	983,719	-	965,703
Operating expenditures	-	14,335	-	11,948
Administration	-	26,778	-	26,450
Contract and professional services	-	18,243	-	22,450
Total	-	1,043,075	-	1,026,551
Total social services	9,592,041	8,349,640	1,242,401	8,457,952
Health and human services central administration:				
Salaries and employee benefits	-	470,902	-	460,521
Administration	-	2,731	-	2,466
Contract and professional services	-	194,707	-	194,530
Capital outlay	-	13,010	-	-
Total central administration	697,603	681,350	16,253	657,517
Mental health:				
Operating expenditures	-	82,848	-	83,003
Total mental health	83,540	82,848	692	83,003
Veterans service:				
Salaries and employee benefits	-	21,947	-	63,734
Operating expenditures	-	1,220	-	1,021
Administration	-	1,279	-	621
Total veterans service	26,586	24,446	2,140	65,376
Total human services	18,450,824	16,761,878	1,688,946	16,745,574

(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, 2018
With Comparative Actual Amounts for the Year Ended June 30, 2017

	2018			2017
	Final Budget	Actual	Variance Positive (Negative)	Actual
Cultural and recreational:				
Parks and recreation:				
Salaries and employee benefits	-	1,814,356	-	1,707,659
Operating expenditures	-	710,958	-	507,804
Administration	-	118,223	-	121,665
Contract and professional services	-	101,733	-	99,672
Capital outlay	-	57,744	-	72,714
Total	2,867,976	2,803,014	64,962	2,509,514
Libraries:				
Salaries and employee benefits	-	827,398	-	791,683
Operating expenditures	-	105,291	-	100,850
Administration	-	41,510	-	41,910
Contract and professional services	-	8,841	-	6,772
Total	987,477	983,040	4,437	941,215
Dare County Center:				
Salaries and employee benefits	-	321,210	-	313,631
Operating expenditures	-	177,859	-	181,235
Administration	-	23,208	-	15,365
Contract and professional services	-	2,579	-	2,850
Total	570,425	524,856	45,569	513,081
Older adult services:				
Salaries and employee benefits	-	359,451	-	344,404
Operating expenditures	-	58,252	-	53,563
Administration	-	17,316	-	18,218
Contract and professional services	-	913	-	1,686
Total	461,973	435,932	26,041	417,871
Transportation:				
Salaries and employee benefits	-	394,302	-	384,700
Operating expenditures	-	109,028	-	92,192
Administration	-	48,520	-	48,688
Contract and professional services	-	750	-	-
Capital outlay	-	-	-	241,086
Total	555,129	552,600	2,529	766,666
Youth services:				
Salaries and employee benefits	-	139,310	-	134,939
Operating expenditures	-	10,930	-	3,604
Administration	-	9,490	-	9,321
Contract and professional services	-	56,489	-	59,757
Total	217,433	216,219	1,214	207,621
Total cultural and recreational	5,660,413	5,515,661	144,752	5,355,968

(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, 2018
With Comparative Actual Amounts for the Year Ended June 30, 2017

	2018			2017
	Final Budget	Actual	Variance Positive (Negative)	Actual
Environmental protection:				
Recycling:				
Salaries and employee benefits	-	541,550	-	521,340
Operating expenditures	-	212,699	-	183,550
Administration	-	57,297	-	58,443
Contract and professional services	-	37,348	-	36,315
Capital outlay	-	53,661	-	13,350
Total	1,005,287	902,555	102,732	812,998
Solid waste management:				
Salaries and employee benefits	-	413,545	-	477,036
Operating expenditures	-	11,723	-	18,424
Administration	-	13,507	-	6,039
Contract and professional services	-	164	-	525
Total	515,235	438,939	76,296	502,024
Landfill dirt pit:				
Salaries and employee benefits	-	58,887	-	23,040
Operating expenditures	-	21,580	-	20,729
Administration	-	5,595	-	5,840
Total	122,601	86,062	36,539	49,609
Rubble transfer sites:				
Salaries and employee benefits	-	344,353	-	330,063
Operating expenditures	-	274,111	-	248,632
Administration	-	20,946	-	19,642
Contract and professional services	-	31,376	-	19,084
Total	756,275	670,786	85,489	617,421
Wastewater treatment plants:				
Operating expenditures	-	23,823	-	13,962
Administration	-	680	-	130
Contract and professional services	-	9,580	-	11,409
Total	68,526	34,083	34,443	25,501
Mosquito control:				
Salaries and employee benefits	-	157,990	-	161,029
Operating expenditures	-	199,686	-	199,995
Administration	-	26,903	-	26,092
Capital outlay	-	23,450	-	15,600
Total	467,107	408,029	59,078	402,716
Total environmental protection	2,935,031	2,540,454	394,577	2,410,269

(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, 2018
With Comparative Actual Amounts for the Year Ended June 30, 2017

	2018			2017
	Final Budget	Actual	Variance Positive (Negative)	Actual
Education:				
Dare County Board of Education:				
Operating expenditures	-	1,553	-	1,556
Local current expense	-	22,301,019	-	21,363,864
Total	23,993,826	22,302,572	1,691,254	21,365,420
College of the Albemarle:				
Operating expenditures	-	424,758	-	423,578
Administration	-	41,925	-	56,719
Total	550,480	466,683	83,797	480,297
Total education	24,544,306	22,769,255	1,775,051	21,845,717
Airport:				
Dare County Airport Authority:				
Operating expenditures	-	612,607	-	579,579
Administration	-	150,454	-	136,953
Total airport	763,061	763,061	-	716,532
Debt service:				
Principal retirement	-	13,194,064	-	13,027,752
Interest and other charges	-	3,901,148	-	4,278,693
Total debt service	17,100,589	17,095,212	5,377	17,306,445
Total expenditures	111,403,159	104,989,064	6,414,095	100,943,819
Revenues over (under) expenditures	(4,747,592)	1,964,199	6,711,791	(1,437,972)
OTHER FINANCING SOURCES (USES)				
Transfers from other funds:				
Special revenue funds	756,733	750,000	(6,733)	756,733
Capital projects funds	1,956,359	1,958,859	2,500	2,010,660
Transfer from component unit (Airport)	132,152	132,152	-	134,306
Transfers to other funds:				
School capital project fund	(250,000)	(250,000)	-	(200,000)
Special revenue funds	(236,082)	(236,082)	-	-
Installment financing proceeds	1,459,336	1,459,336	-	933,792
Sale of surplus property	50,000	125,856	75,856	84,092
Appropriated fund balance	879,094	-	(879,094)	-
Total other financing sources (uses)	4,747,592	3,940,121	(807,471)	3,719,583
Net change in fund balance	$ -	5,904,320	$ 5,904,320	2,281,611
Fund balance-beginning		33,567,282		31,285,671
Fund balance-ending		$ 39,471,602		$ 33,567,282

DARE COUNTY, NORTH CAROLINA
Disaster Recovery Fund
Schedule of Revenues, Expenditures, and
Changes in Fund Balances - Budget and Actual
From Inception and for the the Year Ended June 30, 2018

	Budget	Actual Prior Year	Actual Current Year	Actual Total to Date	Variance Positive (Negative)
REVENUES					
Restricted intergovernmental:					
State and federal aid	$ 2,103,526	$ 2,103,526	$ 133,205	$ 2,236,731	$ 133,205
Investment income:					
Interest	-	80	725	-	-
Net decrease in the fair value of investments	-	(15)	(103)	-	-
Total investment income	5,500	-	622	622	(4,878)
Total revenues	2,109,026	2,103,526	133,827	2,237,353	128,327
EXPENDITURES					
Public safety:					
Hurricane Matthew	2,511,467	2,330,309	79,381	2,409,690	101,777
Hurricane Hermine	155,123	155,207	-	155,207	(84)
Emergency operations	182,663	-	74,099	74,099	108,564
Contract and professional services	17,034	8,309	8,724	17,033	1
Total public safety	2,866,287	2,493,825	162,204	2,656,029	210,258
Total expenditures	2,866,287	2,493,825	162,204	2,656,029	210,258
Revenues under expenditures	(757,261)	(390,299)	(28,377)	(418,676)	338,585
OTHER FINANCING SOURCES					
Insurance recoveries	499,792	499,792	22,516	522,308	22,516
Appropriated fund balance	257,469	-	-	-	(257,469)
Total other financing sources	757,261	499,792	22,516	522,308	(234,953)
Revenues and other financing sources over (under) expenditures	$ -	$ 109,493	(5,861)	$ 103,632	$ 103,632
Fund balance-beginning			612,216		
Fund balance-ending			$ 606,355		

Other Major Governmental Funds

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

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

DARE COUNTY, NORTH CAROLINA
Beach Nourishment Special Revenue Fund
Schedule of Revenues, Expenditures, and
Changes in Fund Balances - Budget and Actual
For the Year Ended June 30, 2018
With Comparative Actual Amounts for the Year Ended June 30, 2017

	2018			2017
	Final Budget	Actual	Variance Positive (Negative)	Actual
REVENUES				
Ad valorem taxes:				
Current year taxes	$ -	$ 105,165	$ -	$ 106,241
Prior years taxes	-	265	-	-
Penalties and interest	-	135	-	208
Total ad valorem taxes	100,000	105,565	5,565	106,449
Other taxes:				
Sales taxes	-	-	-	(3)
Occupancy taxes	-	9,890,970	-	9,400,817
Total other taxes	9,199,992	9,890,970	690,978	9,400,814
Investment income:				
Interest	-	376,564	-	220,674
Net decrease in the fair value of investments	-	(53,169)	-	(41,327)
Total investment income	396,802	323,395	(73,407)	179,347
Total revenues	9,696,794	10,319,930	623,136	9,686,610
EXPENDITURES				
Economic and physical development:				
Operating expenditures	-	1,739,062	-	114,393
Administration	-	2,086	-	12,348
Contract and professional services	-	37	-	27
Total economic and physical development	10,348,083	1,741,185	8,606,898	126,768
Debt service:				
Principal retirement	-	4,915,000	-	4,910,000
Interest and other charges	-	498,087	-	300,573
Total debt service	5,413,087	5,413,087	-	5,210,573
Total expenditures	15,761,170	7,154,272	8,606,898	5,337,341
Revenues over (under) expenditures	(6,064,376)	3,165,658	9,230,034	4,349,269
OTHER FINANCING SOURCES (USES)				
Transfers to other funds:				
Capital projects fund	-	-	-	(10,447,097)
Inlet maintenance fund	(3,000,000)	(1,100,043)	1,899,957	(1,000,042)
Installment financing proceeds	8,500,000	-	(8,500,000)	-
Appropriated fund balance	564,376	-	(564,376)	-
Total other financing sources (uses)	6,064,376	(1,100,043)	(7,164,419)	(11,447,139)
Revenues and other financing sources over (under) expenditures and other financing uses	$ -	2,065,615	$ 2,065,615	(7,097,870)
Fund balance-beginning		24,387,333		31,485,203
Fund balance-ending		$ 26,452,948		$ 24,387,333

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, 2018

	Project Authorization	Actual Prior Years	Actual Current Year	Actual 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	377,407	377,407	-	377,407	-
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	480,000	452,101	-	452,101	(27,899)
Outer banks scenic byway pathways:					
Restricted intergovernmental	1,974,999	1,832,692	-	1,832,692	(142,307)
Other revenues	475,001	463,526	-	463,526	(11,475)
Total	2,450,000	2,296,218	-	2,296,218	(153,782)
Gunboat building renovation:					
Restricted intergovernmental	249,152	98,413	-	98,413	(150,739)
Outer banks scenic byway interpretive:					
Restricted intergovernmental	212,000	40,244	29,770	70,014	(141,986)
Other revenues	53,000	26,500	-	26,500	(26,500)
Total	265,000	66,744	29,770	96,514	(168,486)
Hazard mitigation grant program phase I:					
Restricted intergovernmental	2,550,860	1,940,722	97,248	2,037,970	(512,890)
Salvo cemetery improvements:					
Restricted intergovernmental	162,000	-	104,562	104,562	(57,438)
Beach nourishment town projects:					
Other revenues	23,027,601	12,829,735	10,134,438	22,964,173	(63,428)
Investment income:					
Interest	-	99,201	196,796	295,997	295,997
Total revenues	36,564,815	25,163,336	10,562,814	35,726,150	(838,665)
EXPENDITURES					
Capital outlay:					
General government:					
Computer aided mass appraisal system:					
Software and equipment	390,000	338,411	-	338,411	51,589
Rodanthe beach access:					
Land improvements	883,853	808,731	-	808,731	75,122
Capital outlays 2014:					
Network and voice over internet protocol equipment	70,742	70,742	-	70,742	-
Capital outlays 2015:					
Buildings and grounds projects	43,370	28,321	-	28,321	15,049
Convert vehicles to propane:					
Equipment	125,000	-	-	-	125,000
Information technology data switches:					
Equipment	105,181	105,181	-	105,181	-
Capital outlays 2016:					
Buildings and grounds projects	116,500	109,332	-	109,332	7,168
Capital outlays 2017:					
Buildings and grounds projects	131,831	120,605	-	120,605	11,226
Capital outlays 2018:					
Buildings and grounds projects	63,000	-	60,731	60,731	2,269
Election voting machines:					
Equipment	233,460	-	125,683	125,683	107,777
Oblique aerial photography:					
Professional services	170,094	-	42,965	42,965	127,129
Total general government	2,333,031	1,581,323	229,379	1,810,702	522,329

(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, 2018

	Project Authorization	Actual Prior Years	Actual Current Year	Actual Total to Date	Variance Positive (Negative)
Public safety:					
Regional emergency communications center and emergency operation center:					
Architect	686,293	700,285	3,912	704,197	(17,904)
Facility costs	14,378,975	13,295,479	817,229	14,112,708	266,267
Financing costs	162,141	154,058	-	154,058	8,083
Total	15,227,409	14,149,822	821,141	14,970,963	256,446
Emergency medical services helicopter:					
Equipment	9,263,800	9,136,554	109,056	9,245,610	18,190
Financing costs	108,996	86,633	-	86,633	22,363
Total	9,372,796	9,223,187	109,056	9,332,243	40,553
Emergency medical services cardiac monitoring system:					
Equipment	1,100,000	1,099,973	-	1,099,973	27
Financing costs	13,401	10,902	-	10,902	2,499
Total	1,113,401	1,110,875	-	1,110,875	2,526
Emergency medical services power stretchers:					
Equipment	42,745	42,745	-	42,745	-
Emergency medical services equipment:					
Equipment	57,184	47,109	6,686	53,795	3,389
Detention center exterior doors:					
Repairs and replacements	64,877	64,877	-	64,877	-
Hazard mitigation grant program phase I:					
Home elevation	2,550,860	1,940,722	-	1,940,722	610,138
Detention center HVAC units:					
Equipment	230,000	118,785	931	119,716	110,284
Emergency medical services facility assessment:					
Professional services	50,000	37,312	12,688	50,000	-
Emergency medical services portable radios:					
Equipment	101,530	98,725	-	98,725	2,805
Emergency medical services regulatory compliance equipment:					
Equipment	134,850	129,422	-	129,422	5,428
Emergency medical services suction infusion pumps:					
Equipment	108,000	52,228	-	52,228	55,772
Justice center HVAC unit:					
Equipment	935,614	935,614	-	935,614	-
Financing costs	5,000	570	4,230	4,800	200
Total	940,614	936,184	4,230	940,414	200
Salvo community cemetery:					
Improvements	162,000	-	104,562	104,562	57,438
Emergency medical services facilities:					
Improvements	167,000	-	122,547	122,547	44,453
Total public safety	30,323,266	27,951,993	1,181,841	29,133,834	1,189,432
Economic and physical development:					
Dredging local costs:					
Dredging and public access	120,000	3,769	-	3,769	116,231
Gunboat building renovation:					
Improvements	261,652	108,414	-	108,414	153,238
Duck beach nourishment:					
Design and construction	14,227,701	12,351,175	1,149,874	13,501,049	726,652
Kill devil hills beach nourishment:					
Design and construction	9,039,168	4,608,515	4,214,764	8,823,279	215,889
Kitty hawk beach nourishment:					
Design and construction	19,237,310	4,932,474	13,821,035	18,753,509	483,801
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	3,791,854	19,674,139	23,465,993	720,832
Financing costs	168,175	152,620	1,474	154,094	14,081
Total	24,355,000	3,944,474	19,675,613	23,620,087	734,913

(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, 2018

	Project Authorization	Actual Prior Years	Actual Current Year	Actual Total to Date	Variance Positive (Negative)
Nags head beach nourishment:					
Construction	9,573,356	-	-	-	9,573,356
Financing costs	126,644	-	1,250	1,250	125,394
Total	9,700,000	-	1,250	1,250	9,698,750
Total economic and physical development	77,956,350	26,057,576	39,751,584	65,809,160	12,147,190
Cultural and recreational:					
Roanoke trails project:					
Construction and professional services	377,407	367,982	3,572	371,554	5,853
Playground equipment 2011:					
Equipment	24,895	23,010	1,885	24,895	-
Outer banks scenic byway pathways:					
Construction	2,426,313	2,272,531	-	2,272,531	153,782
Maintenance	23,687	1,603	-	1,603	22,084
Total	2,450,000	2,274,134	-	2,274,134	175,866
Outer banks scenic byway interpretive:					
Kiosks and exhibits	265,000	50,306	37,213	87,519	177,481
Fessenden center skate park:					
Construction	163,958	163,957	-	163,957	1
Recreation park roof:					
Repairs and replacements	75,474	57,163	-	57,163	18,311
Total cultural and recreational	3,356,734	2,936,552	42,670	2,979,222	377,512
Environmental protection:					
C&D landfill cell #5:					
Construction	349,557	121,166	57,995	179,161	170,396
Capital outlays 2014:					
C&D landfill vehicles and equipment	713,929	713,929	-	713,929	-
Public works fuel tanks:					
Construction	190,713	190,713	-	190,713	-
Public works trucks:					
Vehicles	288,400	286,378	-	286,378	2,022
Public works skid mounted boom units:					
Equipment	78,500	-	-	-	78,500
Total environmental protection	1,621,099	1,312,186	57,995	1,370,181	250,918
Education:					
College of the albemarle renovations:					
Repairs and replacements	192,500	62,616	82,216	144,832	47,668
College of the albemarle expansion:					
Architect	35,000	-	-	-	35,000
Total education	227,500	62,616	82,216	144,832	82,668
Total expenditures	115,817,980	59,902,246	41,345,685	101,247,931	14,570,049
Revenues under expenditures	(79,253,165)	(34,738,910)	(30,782,871)	(65,521,781)	(15,408,714)
OTHER FINANCING SOURCES					
Dredging local costs:					
Transfer from general fund	120,000	120,000	-	120,000	-
Computer aided mass appraisal system:					
Transfer from capital reserve capital projects fund	390,000	390,000	-	390,000	-
Playground equipment 2011:					
Transfer from capital reserve capital projects fund	24,895	24,895	-	24,895	-
Justice center HVAC upgrade:					
Transfer from capital reserve capital projects fund	-	139,000	(139,000)	-	-
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	-
Gunboat building renovation project:					
Transfer from general fund	12,500	12,500	(2,500)	10,000	(2,500)

(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, 2018

	Project Authorization	Actual Prior Years	Actual Current Year	Actual Total to Date	Variance Positive (Negative)
Emergency medical services helicopter:					
Installment financing proceeds	8,166,485	8,145,000	21,485	8,166,485	-
Premium on installment financing	227,796	227,795	-	227,795	(1)
Sale of capital assets	830,918	457,143	-	457,143	(373,775)
Transfer from capital reserve capital projects fund	147,597	-	147,597	147,597	-
Total	9,372,796	8,829,938	169,082	8,851,423	(373,776)
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	-
Capital outlays 2014:					
Installment financing proceeds	784,671	806,156	(21,485)	784,671	-
Capital outlays 2015:					
Transfer from capital reserve capital projects fund	43,370	43,370	-	43,370	-
Public works fuel tanks:					
Transfer from capital reserve capital projects fund	190,713	192,000	(1,287)	190,713	-
Emergency medical services power stretchers:					
Transfer from capital reserve capital projects fund	42,745	42,888	(143)	42,745	-
Regional emergency communications center and emergency operation 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	-
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	-
Fessenden center skate park:					
Transfer from capital reserve capital projects fund	163,958	165,000	(1,042)	163,958	-
Emergency medical services power stretchers:					
Transfer from capital reserve capital projects fund	57,184	57,184	-	57,184	-
Convert vehicles to propane:					
Transfer from capital reserve capital projects fund	125,000	125,000	-	125,000	-
Detention center exterior doors:					
Transfer from capital reserve capital projects fund	64,877	71,000	(6,123)	64,877	-
Information technology data switches:					
Transfer from capital reserve capital projects fund	105,181	105,183	(2)	105,181	-
Buildings and grounds projects 2016:					
Transfer from capital reserve capital projects fund	116,500	116,500	-	116,500	-
Buxton beach nourishment:					
Installment financing proceeds	24,355,000	24,355,000	-	24,355,000	-
Public works trucks:					
Installment financing proceeds	288,400	288,400	-	288,400	-
Justice center HVAC unit:					
Installment financing proceeds	940,614	940,614	-	940,614	-
Detention center HVAC units:					
Transfer from capital reserve capital projects fund	230,000	123,000	107,000	230,000	-
Buildings and grounds projects 2017:					
Transfer from capital reserve capital projects fund	131,831	131,831	-	131,831	-
Buildings and grounds projects 2018:					
Transfer from capital reserve capital projects fund	63,000	-	63,000	63,000	-
Recreation park roof:					
Transfer from capital reserve capital projects fund	75,474	75,474	-	75,474	-
Emergency medical services facility assessment:					
Transfer from capital reserve capital projects fund	50,000	50,000	-	50,000	-
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	54,000	54,000	108,000	-

(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, 2018

	Project Authorization	Actual Prior Years	Actual Current Year	Actual Total to Date	Variance Positive (Negative)
College of the albemarle renovations:					
Transfer from capital reserve capital projects fund	192,500	96,250	96,250	192,500	-
Election voting machines:					
Transfer from capital reserve capital projects fund	233,460	-	233,460	233,460	-
Oblique aerial photography:					
Transfer from capital reserve capital projects fund	170,094	-	170,094	170,094	-
Public works skid mounted boom units:					
Transfer from capital reserve capital projects fund	78,500	-	78,500	78,500	-
Emergency medical services facilities:					
Transfer from capital reserve capital projects fund	167,000	-	167,000	167,000	-
College of the albemarle expansion:					
Installment financing proceeds	35,000	-	-	-	(35,000)
Nags head beach nourishment:					
Installment financing proceeds	9,700,000	-	-	-	(9,700,000)
Total other financing sources	79,253,165	68,175,085	966,804	69,141,889	(10,111,276)
Revenues and other financing sources over (under) expenditures	$ -	$ 33,436,175	(29,816,067)	$ 3,620,108	$ 3,620,108
Fund balance-beginning			34,011,813		
Fund balance-ending			$ 4,195,746		

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Nonmajor Governmental Funds

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

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

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

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

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

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

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

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

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

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

DARE COUNTY, NORTH CAROLINA
Combining Balance Sheet
Nonmajor Governmental Funds
June 30, 2018

	Special Revenue			
	C & D Landfill	Emergency Telephone System	Social Services Foster Care	Sanitation
ASSETS				
Cash and cash equivalents	$ 1,733,635	$ 732,333	$ 15,983	$ 2,335,753
Cash with fiscal agent - restricted	-	-	-	61,709
Receivables (net of allowance for uncollectibles)	65,932	246,847	18	272,650
Due from other governments	-	-	-	16,809
Due from component unit	-	-	254,085	-
Total assets	$ 1,799,567	$ 979,180	$ 270,086	$ 2,686,921
LIABILITIES				
Accounts payable	$ 14,132	$ 1,478	$ -	$ 206,724
Accrued liabilities	10,268	-	-	24,242
Total liabilities	24,400	1,478	-	230,966
DEFERRED INFLOWS OF RESOURCES				
Unearned revenues	-	-	-	-
Taxes receivable	-	-	-	141,478
Total deferred inflows of resources	-	-	-	141,478
FUND BALANCES				
Restricted for:				
Stabilizaton by State statute	65,932	246,847	254,103	147,981
Emergency telephone system	-	730,855	-	-
Social services	-	-	15,983	-
Capital or debt service	-	-	-	-
Capital	-	-	-	61,709
Committed for:				
C & D landfill	1,709,235	-	-	-
Sanitation	-	-	-	2,104,787
Inlet maintenance	-	-	-	-
School capital projects	-	-	-	-
Total fund balances	1,775,167	977,702	270,086	2,314,477
Total liabilities, deferred inflows of resources, and fund balances	$ 1,799,567	$ 979,180	$ 270,086	$ 2,686,921

Special Revenue		Capital Projects		Total
Inlet Maintenance	Donations	Capital Reserve Capital Projects	School Capital Projects	Nonmajor Governmental Funds
$ 216,573	$ 74,743	$ 818,683	$ 288,754	$ 6,216,457
-	-	-	47,817	109,526
55,926	971	924	-	643,268
-	-	-	-	16,809
-	-	-	-	254,085
$ 272,499	$ 75,714	$ 819,607	$ 336,571	$ 7,240,145
$ 288	$ 841	$ -	$ -	$ 223,463
-	-	-	-	34,510
288	841	-	-	257,973
-	74,873	-	-	74,873
-	-	-	-	141,478
-	74,873	-	-	216,351
55,926	-	925	-	771,714
-	-	-	-	730,855
-	-	-	-	15,983
-	-	818,682	-	818,682
-	-	-	47,817	109,526
-	-	-	-	1,709,235
-	-	-	-	2,104,787
216,285	-	-	-	216,285
-	-	-	288,754	288,754
272,211	-	819,607	336,571	6,765,821
$ 272,499	$ 75,714	$ 819,607	$ 336,571	$ 7,240,145

DARE COUNTY, NORTH CAROLINA
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
Nonmajor Governmental Funds
For the Year Ended June 30, 2018

	Special Revenue			
	C & D Landfill	Emergency Telephone System	Social Services Foster Care	Sanitation
REVENUES				
Ad valorem taxes	$ -	$ -	$ -	$ 4,195,078
Other taxes	-	963,544	-	-
Restricted intergovernmental	-	-	746,549	-
Permits and fees	-	-	-	85,899
Sales and services	926,208	-	-	584,640
Investment income	18,780	4,765	4,226	32,938
Other revenue	-	-	-	-
Total revenues	944,988	968,309	750,775	4,898,555
EXPENDITURES				
Current:				
General government	-	-	-	-
Public safety	-	331,186	-	-
Economic and physical development	-	-	-	-
Human services	-	-	-	-
Cultural and recreational	-	-	-	-
Environmental protection	855,038	-	-	4,508,310
Debt service:				
Principal	-	-	-	539,604
Interest	-	-	-	11,949
Capital outlay:				
Environmental protection	-	-	-	457,008
Education	-	-	-	-
Total expenditures	855,038	331,186	-	5,516,871
Excess (deficiency) of revenues over (under) expenditures	89,950	637,123	750,775	(618,316)
OTHER FINANCING SOURCES (USES)				
Transfers from other funds:				
General fund	-	-	-	-
Beach nourishment fund	-	-	-	-
Capital reserve capital projects fund	-	-	-	-
Transfers to other funds:				
General fund	-	-	(750,000)	-
Capital projects fund	-	-	-	-
School capital projects fund	-	-	-	-
Installment financings issued	-	-	-	518,195
Total other financing sources (uses)	-	-	(750,000)	518,195
Net change in fund balances	89,950	637,123	775	(100,121)
Fund balance-beginning	1,685,217	340,579	269,311	2,414,598
Fund balance-ending	$ 1,775,167	$ 977,702	$ 270,086	$ 2,314,477

Special Revenue		Capital Projects		
Inlet Maintenance	Donations	Capital Reserve Capital Projects	School Capital Projects	Total Nonmajor Governmental Funds
$ -	$ -	$ -	$ -	$ 4,195,078
-	-	4,588,865	-	5,552,409
189,591	-	-	-	936,140
-	-	-	-	85,899
-	-	-	-	1,510,848
-	-	14,670	-	75,379
-	54,021	-	-	54,021
189,591	54,021	4,603,535	-	12,409,774
-	44	-	-	44
-	10,704	-	-	341,890
1,286,071	21,000	-	-	1,307,071
-	15,230	-	-	15,230
-	7,043	-	-	7,043
-	-	-	-	5,363,348
-	-	-	-	539,604
-	-	-	-	11,949
-	-	-	-	457,008
-	-	-	1,751,308	1,751,308
1,286,071	54,021	-	1,751,308	9,794,495
(1,096,480)	-	4,603,535	(1,751,308)	2,615,279
236,082	-	-	250,000	486,082
1,100,043	-	-	-	1,100,043
-	-	-	1,507,000	1,507,000
-	-	(1,956,359)	-	(2,706,359)
-	-	(969,304)	-	(969,304)
-	-	(1,507,000)	-	(1,507,000)
-	-	-	-	518,195
1,336,125	-	(4,432,663)	1,757,000	(1,571,343)
239,645	-	170,872	5,692	1,043,936
32,566	-	648,735	330,879	5,721,885
$ 272,211	$ -	$ 819,607	$ 336,571	$ 6,765,821

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, 2018
With Comparative Actual Amounts for the Year Ended June 30, 2017

	2018			2017
	Final Budget	Actual	Variance Positive (Negative)	Actual
REVENUES				
Sales and services:				
C & D landfill tipping fees	$ 800,000	$ 926,208	$ 126,208	$ 995,001
Investment income:				
Interest	-	21,813	-	11,398
Net increase (decrease) in the fair value of investments	-	(3,033)	-	(2,121)
Total investment income	11,600	18,780	7,180	9,277
Total revenues	811,600	944,988	133,388	1,004,278
EXPENDITURES				
Environmental protection:				
Salaries and employee benefits	-	506,183	-	539,262
Operating expenditures	-	213,563	-	130,176
Administration	-	89,320	-	74,862
Contract and professional services	-	15,595	-	25,022
Capital outlay	-	30,377	-	-
Total environmental protection	917,848	855,038	62,810	769,322
Total expenditures	917,848	855,038	62,810	769,322
Revenues over (under) expenditures	(106,248)	89,950	196,198	234,956
OTHER FINANCING SOURCES				
Appropriated fund balance	106,248	-	(106,248)	-
Total other financing sources	106,248	-	(106,248)	-
Revenues and other financing sources over expenditures	$ -	89,950	$ 89,950	234,956
Fund balance-beginning		1,685,217		1,450,261
Fund balance-ending		$ 1,775,167		$ 1,685,217

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, 2018
With Comparative Actual Amounts for the Year Ended June 30, 2017

	2018			2017
	Final Budget	Actual	Variance Positive (Negative)	Actual
REVENUES				
Other taxes:				
E-911 system subscriber fees	$ -	$ 406,343	$ -	$ 312,924
E-911 system subscriber fees balance-Hyde County	-	212,160	-	-
E-911 system subscriber fees balance-Tyrrell County	-	345,041	-	-
Total other taxes	406,343	963,544	557,201	312,924
Investment income:				
Interest	-	5,553	-	2,726
Net increase (decrease) in the fair value of investments	-	(788)	-	(511)
Total investment income	2,500	4,765	2,265	2,215
Total revenues	408,843	968,309	559,466	315,139
EXPENDITURES				
Public safety:				
Operating expenditures	-	196,651	-	212,477
Administration	-	8,742	-	2,939
Contract and professional services	-	125,793	-	88,424
Total public safety	569,085	331,186	237,899	303,840
Total expenditures	569,085	331,186	237,899	303,840
Revenues over (under) expenditures	(160,242)	637,123	797,365	11,299
OTHER FINANCING SOURCES (USES)				
Transfers to other funds:				
Capital project fund	-	-	-	(84,825)
Appropriated fund balance	160,242	-	(160,242)	-
Total other financing sources (uses)	160,242	-	(160,242)	(84,825)
Revenues and other financing sources (under) expenditures and other financing uses	$ -	637,123	$ 637,123	(73,526)
Fund balance-beginning		340,579		414,105
Fund balance-ending		$ 977,702		$ 340,579

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, 2018
With Comparative Actual Amounts for the Year Ended June 30, 2017

	2018			2017
	Final Budget	Actual	Variance Positive (Negative)	Actual
REVENUES				
Restricted intergovernmental:				
ABC profits	$ 725,000	$ 746,549	$ 21,549	$ 736,474
Investment income:				
Interest	-	4,924	-	2,943
Net increase (decrease) in the fair value of investments	-	(698)	-	(552)
Total investment income	750	4,226	3,476	2,391
Total revenues	725,750	750,775	25,025	738,865
OTHER FINANCING SOURCES (USES)				
Transfers to other funds:				
General fund	(756,733)	(750,000)	6,733	(756,733)
Appropriated fund balance	30,983	-	(30,983)	-
Total other financing sources (uses)	(725,750)	(750,000)	(24,250)	(756,733)
Revenues and other financing sources (under) other financing uses	$ -	775	$ 775	(17,868)
Fund balance-beginning		269,311		287,179
Fund balance-ending		$ 270,086		$ 269,311

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, 2018
With Comparative Actual Amounts for the Year Ended June 30, 2017

	2018			2017
	Final Budget	Actual	Variance Positive (Negative)	Actual
REVENUES				
Ad valorem taxes:				
Current year taxes	$ 4,068,000	$ 4,081,734	$ 13,734	$ 4,052,811
Prior year taxes	48,250	96,797	48,547	40,820
Penalties and interest	14,750	16,547	1,797	16,954
Total ad valorem taxes	4,131,000	4,195,078	64,078	4,110,585
Permits and fees:				
Landfill tipping fees	5,000	85,899	80,899	7,609
Total permits and fees	5,000	85,899	80,899	7,609
Sales and services:				
Container sales	125,000	131,944	6,944	145,537
Sanitation contracts	512,401	452,696	(59,705)	519,070
Total sales and services	637,401	584,640	(52,761)	664,607
Investment income:				
Interest	-	38,255	-	22,954
Net increase (decrease) in the fair value of investments	-	(5,317)	-	(4,204)
Total investment income	22,500	32,938	10,438	18,750
Total revenues	4,795,901	4,898,555	102,654	4,801,551
EXPENDITURES				
Environmental protection:				
Salaries and employee benefits	-	1,060,079	-	904,288
Operating expenditures	-	1,058,378	-	974,356
Administration	-	307,983	-	298,595
Tipping fees		1,885,325		2,005,536
Contract and professional services	-	196,545	-	178,200
Capital outlay	-	457,008	-	464,389
Total environmental protection	5,351,697	4,965,318	386,379	4,825,364
Debt service:				
Principal retirement	-	539,604	-	646,260
Interest and other charges	-	11,949	-	11,202
Total debt service	553,461	551,553	1,908	657,462
Total expenditures	5,905,158	5,516,871	388,287	5,482,826
Revenues (under) expenditures	(1,109,257)	(618,316)	490,941	(681,275)
OTHER FINANCING SOURCES				
Installment financing proceeds	518,195	518,195	-	465,000
Appropriated fund balance	591,062	-	(591,062)	-
Total other financing sources	1,109,257	518,195	(591,062)	465,000
Revenues and other financing sources over (under) expenditures	$ -	(100,121)	$ (100,121)	(216,275)
Fund balance-beginning		2,414,598		2,630,873
Fund balance-ending		$ 2,314,477		$ 2,414,598

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, 2018
With Comparative Actual Amounts for the Year Ended June 30, 2017

	2018			2017
	Final Budget	Actual	Variance Positive (Negative)	Actual
REVENUES				
Restricted intergovernmental:				
Golden Leaf Foundation	$ -	$ 133,665	$ 133,665	$ -
NCDEQ for Hatteras Inlet	-	55,926	55,926	-
Total restricted intergovernmental	-	189,591	189,591	-
Total revenues	-	189,591	189,591	-
EXPENDITURES				
Economic and physical development:				
Contract and professional services-Oregon Inlet	-	1,100,043	-	1,000,042
Contract and professional services-Hatteras Inlet	-	186,028	-	189,351
Total economic development	3,236,082	1,286,071	-	1,189,393
Total expenditures	3,236,082	1,286,071	(1,950,011)	1,189,393
Revenues (under) expenditures	(3,236,082)	(1,096,480)	2,139,602	(1,189,393)
OTHER FINANCING SOURCES				
Transfers from other funds:				
General fund	236,082	236,082	-	-
Beach nourishment fund	3,000,000	1,100,043	(1,899,957)	1,000,042
Total other financing sources	3,236,082	1,336,125	(1,899,957)	1,000,042
Revenues and other financing sources over (under) expenditures	$ -	239,645	$ 239,645	(189,351)
Fund balance-beginning		32,566		221,917
Fund balance-ending		$ 272,211		$ 32,566

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, 2018
With Comparative Actual Amounts for the Year Ended June 30, 2017

	2018			2017
	Final Budget	Actual	Variance Positive (Negative)	Actual
REVENUES				
Other revenue:				
Donations and contributions	$ 105,142	$ 54,021	$ (51,121)	$ 15,142
Total revenues	105,142	54,021	(51,121)	15,142
EXPENDITURES				
General government:				
Operating expenditures	-	44	-	750
Total general government	2,842	44	2,798	750
Public safety:				
Operating expenditures	-	10,704	-	3,600
Total public safety	25,314	10,704	14,610	3,600
Economic and physical development:				
Operating expenditures	-	21,000	-	-
Total economic development	21,000	21,000	-	-
Human services:				
Operating expenditures	-	15,230	-	-
Total human services	19,734	15,230	4,504	-
Cultural and recreational:				
Operating expenditures	-	7,043	-	10,792
Total cultural and recreational	36,252	7,043	29,209	10,792
Total expenditures	105,142	54,021	51,121	15,142
Revenues over expenditures	$ -	-	$ -	-
Fund balance-beginning		-		-
Fund balance-ending		$ -		$ -

DARE COUNTY, NORTH CAROLINA
Capital Reserve Capital Projects Fund
Schedule of Revenues, Expenditures, and
Changes in Fund Balances - Budget and Actual
For the Year Ended June 30, 2018
With Comparative Actual Amounts for the Year Ended June 30, 2017

	2018			2017
	Final Budget	Actual	Variance Positive (Negative)	Actual
REVENUES				
Other taxes:				
Realty transfer tax	$ 4,212,737	$ 4,588,865	$ 376,128	$ 4,271,381
Investment income:				
Interest	-	17,095	-	10,175
Net increase (decrease) in the fair value of investments	-	(2,425)	-	(1,907)
Total investment income	5,860	14,670	8,810	8,268
Total revenues	4,218,597	4,603,535	384,938	4,279,649
OTHER FINANCING SOURCES (USES)				
Transfers to other funds:				
General fund	(1,956,359)	(1,956,359)	-	(2,010,660)
Capital projects fund	(969,304)	(969,304)	-	(766,935)
School capital projects fund	(1,507,000)	(1,507,000)	-	(1,550,000)
Appropriated fund balance	214,066	-	(214,066)	-
Total other financing sources (uses)	(4,218,597)	(4,432,663)	(214,066)	(4,327,595)
Revenues and other financing sources (under) expenditures and other financing uses	$ -	170,872	$ 170,872	(47,946)
Fund balance-beginning		648,735		696,681
Fund balance-ending		$ 819,607		$ 648,735

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, 2018

	Project Authorization	Actual Prior Years	Actual Current Year	Actual Total to Date	Variance Positive (Negative)
REVENUES					
Interest earnings	$ -	$ 521	$ -	$ 521	$ 521
Total revenues	-	521	-	521	521
EXPENDITURES					
Capital outlay:					
Education:					
2016 school capital projects:					
Cape hatteras secondary school chiller:					
Equipment	682,000	674,128	2,723	676,851	5,149
Financing costs	8,000	8,000	-	8,000	-
Total	690,000	682,128	2,723	684,851	5,149
2017 school capital projects:					
Local capital outlay	850,000	850,000	-	850,000	-
Capital improvements plan	900,000	577,514	152,853	730,367	169,633
Total	1,750,000	1,427,514	152,853	1,580,367	169,633
2018 school capital projects:					
Manteo high school improvements:					
Facilities	590,000	-	-	-	590,000
Financing costs	5,000	-	-	-	5,000
Total	595,000	-	-	-	595,000
2018 school capital projects:					
Local capital outlay	807,000	-	807,000	807,000	-
Capital improvements plan	950,000	-	788,732	788,732	161,268
Total	1,757,000	-	1,595,732	1,595,732	161,268
Total expenditures	4,792,000	2,109,642	1,751,308	3,860,950	931,050
Revenues (under) expenditures	(4,792,000)	(2,109,121)	(1,751,308)	(3,860,429)	(930,529)
OTHER FINANCING SOURCES					
Transfers from other funds:					
General fund	450,000	200,000	250,000	450,000	-
Capital reserve capital projects fund	3,057,000	1,550,000	1,507,000	3,057,000	-
Installment financing proceeds	1,285,000	690,000	-	690,000	(595,000)
Total other financing sources	4,792,000	2,440,000	1,757,000	4,197,000	(595,000)
Revenues and other financing sources over expenditures	$ -	$ 330,879	5,692	$ 336,571	$ (1,525,529)
Fund balance-beginning			330,879		
Fund balance-ending			$ 336,571		

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Enterprise Funds account for operations which provide goods or services and recover costs through user charges in a manner similar to private business enterprises.

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

DARE COUNTY, NORTH CAROLINA
Water Fund
Schedule of Revenues and Expenditures
Budget and Actual (Non-GAAP)
For the Year Ended June 30, 2018
With Comparative Actual Amounts for the Year Ended June 30, 2017

	2018			2017
	Final Budget	Actual	Variance Positive (Negative)	Actual Restated
REVENUES				
Operating revenues:				
Water sales	$ 11,303,737	$ 11,514,887	$ 211,150	$ 11,519,770
Wastewater charges	60,000	64,679	4,679	65,548
Connection fees	92,007	73,730	(18,277)	81,460
Expanding area policy fees	1,082	500	(582)	-
Initial impact fees	311,272	426,380	115,108	387,377
Water assessments	400,000	394,156	(5,844)	408,605
Penalties	115,820	116,282	462	152,878
Other	435,815	577,109	141,294	526,148
Total operating revenues	12,719,733	13,167,723	447,990	13,141,786
Nonoperating revenues:				
Restricted intergovernmental	108,435	-	(108,435)	-
Investment income:				
Interest	-	358,989	-	174,218
Net increase in the fair value of investments	-	(50,687)	-	(32,550)
Total investment income	245,000	308,302	63,302	141,668
Total nonoperating revenues	353,435	308,302	(45,133)	141,668
Total revenues	13,073,168	13,476,025	402,857	13,283,454
EXPENDITURES				
Hatteras water system:				
Salaries and employee benefits	-	802,671	-	761,068
Operating expenditures	-	553,565	-	568,111
Administration	-	331,161	-	315,282
Professional and contract services	-	22,420	-	65,417
Total	1,985,111	1,709,817	275,294	1,709,878
RWS reverse osmosis plant:				
Salaries and employee benefits	-	408,066	-	407,920
Operating expenditures	-	148,974	-	141,729
Administration	-	153,418	-	134,861
Professional and contract services	-	17,546	-	12,068
Total	857,856	728,004	129,852	696,578
North reverse osmosis plant:				
Salaries and employee benefits	-	593,691	-	554,684
Operating expenditures	-	704,029	-	678,261
Administration	-	263,109	-	284,635
Professional and contract services	-	46,697	-	30,183
Total	1,784,915	1,607,526	177,389	1,547,763
Skyco water plant:				
Salaries and employee benefits	-	580,859	-	566,929
Operating expenditures	-	530,534	-	657,545
Administration	-	294,193	-	310,041
Professional and contract services	-	11,149	-	9,186
Total	1,830,945	1,416,735	414,210	1,543,701
Water distribution system:				
Salaries and employee benefits	-	1,544,087	-	1,478,848
Operating expenditures	-	595,910	-	506,926
Administration	-	640,563	-	617,772
Professional and contract services	-	120,769	-	42,380
Total	3,352,046	2,901,329	450,717	2,645,926

(continued)

DARE COUNTY, NORTH CAROLINA
Water Fund
Schedule of Revenues and Expenditures
Budget and Actual (Non-GAAP)
For the Year Ended June 30, 2018
With Comparative Actual Amounts for the Year Ended June 30, 2017

	2018			2017
	Final Budget	Actual	Variance Positive (Negative)	Actual Restated
Stumpy point water and sewer system:				
Operating expenditures	-	99,777	-	49,842
Administration	-	30,896	-	28,791
Professional and contract services	-	58,209	-	45,676
Total	157,275	188,882	(31,607)	124,309
Debt service:				
Principal retirement	1,545,000	1,545,000	-	1,100,000
Interest and other charges	785,120	785,119	1	1,403,588
Bond issuance costs	19,166	3,295	15,871	298,367
Total	2,349,286	2,333,414	15,872	2,801,955
Capital outlay	922,276	568,344	353,932	417,801
Total expenditures	13,239,710	11,454,051	1,785,659	11,487,911
Revenues over (under) expenditures	(166,542)	2,021,974	2,188,516	1,795,543
OTHER FINANCING SOURCES (USES)				
Transfers to other funds:				
Water capital projects fund	(930,000)	(930,000)	-	(401,209)
Issuance of refunding debt - revenue bonds	-	-	-	24,845,000
Premium on refunding revenue bonds	-	-	-	2,295,014
Payment to refunded water revenue bond escrow agent	-	-	-	(26,818,994)
Total other financing sources (uses)	(930,000)	(930,000)	-	(80,189)
Revenues over (under) expenditures and other financing sources (uses)*	$ (1,096,542)	$ 1,091,974	$ 2,188,516	$ 1,715,354
RECONCILIATION FROM BUDGETARY BASIS (MODIFIED ACCRUAL) TO FULL ACCRUAL				
Revenues over expenditures and other financing sources (uses) - Water Fund (above)		$ 1,091,974		
Revenues and other financing sources under expenditures - Water Capital Projects Fund		808,666		
Reconciling items:				
Decrease in inventory		(30,769)		
Increase in deferred outflows of resources for pensions		216,817		
Increase in compensated absences payable		(1,071)		
Payment of debt principal		1,545,000		
Increase in accrued interest		(355,611)		
Amortization of deferred amount on refunding		8,777		
Amortization of original issue premium		311,479		
Capital outlay		689,678		
Depreciation		(3,841,499)		
Other postemployment benefits expense		(343,268)		
Pension expense		(218,140)		
Total reconciling items		(2,018,607)		
Change in net position		$ (117,967)		

*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, 2018

	Project Authorization	Actual Prior Years	Actual Current Year	Actual Total to Date	Variance Positive (Negative)
REVENUES					
Restricted intergovernmental:					
Grant proceeds	$ 965,400	$ 500,000	$ -	$ 500,000	$ (465,400)
Investment income	13,936	16,495	-	16,495	2,559
Total revenues	979,336	516,495	-	516,495	(462,841)
EXPENDITURES					
2008 project:					
Roanoke Island water expansion	25,001,063	24,978,708	22,342	25,001,050	13
Total	25,001,063	24,978,708	22,342	25,001,050	13
2013 project:					
Skyco nanofiltration	172,844	165,439	3,000	168,439	4,405
Total	172,844	165,439	3,000	168,439	4,405
2015 projects:					
Skyco water treatment plant pressure filter media replacement	900,000	892,691	5,421	898,112	1,888
Skyco nanofiltration treatment facility construction phase I & II	1,346,389	1,324,742	21,181	1,345,923	466
Total	2,246,389	2,217,433	26,602	2,244,035	2,354
2016 project:					
Skyco nanofiltration treatment facility construction phase III	2,401,209	2,399,086	1,702	2,400,788	421
Total	2,401,209	2,399,086	1,702	2,400,788	421
2018 projects:					
Hatteras wellfield expansion engineering and design	250,000	-	-	-	250,000
North reverse osmosis plant effluent header replacement	110,000	-	-	-	110,000
Kitty hawk pump station effluent header replacement	170,000	-	20,826	20,826	149,174
RWS automatic meter read system	400,000	-	-	-	400,000
Colington road waterline relocation	465,400	-	46,862	46,862	418,538
Total	1,395,400	-	67,688	67,688	1,327,712
Total expenditures	31,216,905	29,760,666	121,334	29,882,000	1,334,905
Revenues (under) expenditures	(30,237,569)	(29,244,171)	(121,334)	(29,365,505)	872,064
OTHER FINANCING SOURCES					
Transfers from other funds:					
Water fund	5,750,442	4,820,442	930,000	5,750,442	-
Water revenue bonds issued	24,200,000	24,200,000	-	24,200,000	-
Premium on water revenue bonds issued	287,127	287,127	-	287,127	-
Total other financing sources	30,237,569	29,307,569	930,000	30,237,569	-
Revenues and other financing sources over expenditures	$ -	$ 63,398	$ 808,666	$ 872,064	$ 872,064

Internal Service Funds account for centralized services provided to County departments and other agencies.

Insurance Fund – accounts for funds contributed by the County for health and life insurance and the general insurance program.

Fleet Maintenance Fund – accounts for the costs of the County's fleet maintenance shop and the associated reimbursement from user departments.

DARE COUNTY, NORTH CAROLINA
Internal Service Funds
Combining Statement of Net Position
June 30, 2018
With Comparative Actual Amounts for the Year Ended June 30, 2017

	Insurance	Fleet Maintenance	Totals June 30, 2018	Totals June 30, 2017
ASSETS				
Current assets:				
Cash and cash equivalents	$ 1,421,216	$ -	$ 1,421,216	$ 33,909
Accounts receivable	94,875	12,113	106,988	253,865
Due from other funds	78,311	-	78,311	-
Inventories	-	446,247	446,247	369,548
Total current assets	1,594,402	458,360	2,052,762	657,322
Noncurrent assets:				
Capital assets:				
Buildings	-	117,042	117,042	117,042
Improvements other than buildings	-	28,050	28,050	28,050
Equipment	-	525,083	525,083	383,619
Machinery	-	1,385,436	1,385,436	1,264,198
Less accumulated depreciation	-	(1,923,242)	(1,923,242)	(1,611,458)
Total capital assets (net of accumulated depreciation)	-	132,369	132,369	181,451
Total noncurrent assets	-	132,369	132,369	181,451
Total assets	1,594,402	590,729	2,185,131	838,773
DEFERRED OUTFLOWS OF RESOURCES	-	125,070	125,070	193,300
LIABILITIES				
Current liabilities:				
Accounts payable	25,267	114,260	139,527	202,449
Accrued liabilities	2,909	28,047	30,956	32,718
Accrued claims incurred but not reported:				
Health insurance	1,477,223	-	1,477,223	1,441,367
Compensated absences	798	17,916	18,714	18,303
Due to other funds	-	78,311	78,311	823,897
Total current liabilities	1,506,197	238,534	1,744,731	2,518,734
Noncurrent liabilities:				
Compensated absences	2,158	48,438	50,596	49,485
Net pension liability	-	155,678	155,678	220,178
Total noncurrent liabilities	2,158	204,116	206,274	269,663
Total liabilities	1,508,355	442,650	1,951,005	2,788,397
DEFERRED INFLOWS OF RESOURCES	-	4,407	4,407	7,690
NET POSITION				
Net investment in capital assets	-	132,369	132,369	181,451
Unrestricted	86,047	136,373	222,420	(1,945,465)
Total net position	$ 86,047	$ 268,742	$ 354,789	$ (1,764,014)

DARE COUNTY, NORTH CAROLINA
Combining Statement of Revenues, Expenses, and Changes in Fund Net Position
Internal Service Funds
For the Year Ended June 30, 2018
With Comparative Actual Amounts for the Year Ended June 30, 2017

	Insurance	Fleet Maintenance	Totals June 30, 2018	Totals June 30, 2017
Operating revenues:				
Charges for services:				
Service revenue	$ 1,249,829	$ 1,371,225	$ 2,621,054	$ 2,434,258
Internal funding	16,889,547	1,354,175	18,243,722	16,987,114
Other revenue	161,133	-	161,133	110,795
Total operating revenues	18,300,509	2,725,400	21,025,909	19,532,167
Operating expenses:				
Insurance and risk management	16,293,231	-	16,293,231	15,633,619
Fleet maintenance	-	2,555,649	2,555,649	2,419,402
Depreciation	-	58,226	58,226	91,055
Total operating expenses	16,293,231	2,613,875	18,907,106	18,144,076
Operating income	2,007,278	111,525	2,118,803	1,388,091
Nonoperating expenses:				
Loss on disposal of capital assets	-	-	-	1,800
Total nonoperating expenses	-	-	-	1,800
Income before contributions	2,007,278	111,525	2,118,803	1,386,291
Capital contributions	-	-	-	37,000
Change in net position	2,007,278	111,525	2,118,803	1,423,291
Net position-beginning	(1,921,231)	157,217	(1,764,014)	(3,187,305)
Net position-ending	$ 86,047	$ 268,742	$ 354,789	$ (1,764,014)

DARE COUNTY, NORTH CAROLINA
Internal Service Funds
Combining Statement of Cash Flows
For the Year Ended June 30, 2018
With Comparative Amounts for the Year Ended June 30, 2017

	Insurance	Fleet Maintenance	Totals June 30, 2018	Totals June 30, 2017
CASH FLOWS FROM OPERATING ACTIVITIES				
Receipts from customers	$ 1,561,834	$ 1,367,230	$ 2,929,064	$ 2,920,018
Receipts from interfund charges for insurance services	16,889,547	-	16,889,547	15,808,541
Receipts from interfund charges for fleet maintenance services	-	1,354,175	1,354,175	1,178,573
Payments to suppliers and providers	(16,269,985)	(1,513,693)	(17,783,678)	(16,998,574)
Payments to employees for salaries and benefits	(87,752)	(1,081,008)	(1,168,760)	(1,112,495)
Net cash provided by operating activities	2,093,644	126,704	2,220,348	1,796,063
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES				
Advances from other funds	(706,337)	(117,560)	(823,897)	(1,775,112)
Net cash (used for) noncapital financing activities	(706,337)	(117,560)	(823,897)	(1,775,112)
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES				
Acquisition and construction of capital assets	-	(9,144)	(9,144)	(11,650)
Net cash (used for) capital and related financing activities	-	(9,144)	(9,144)	(11,650)
Net increase in cash and cash equivalents	1,387,307	-	1,387,307	9,301
Cash and cash equivalents, July 1	33,909	-	33,909	24,608
Cash and cash equivalents, June 30	$ 1,421,216	$ -	$ 1,421,216	$ 33,909
Reconciliation of operating income to net cash provided by operating activities:				
Operating income	$ 2,007,278	$ 111,525	$ 2,118,803	$ 1,388,091
Adjustments to reconcile operating income to net cash provided by operating activities:				
Depreciation expense	-	58,226	58,226	91,055
(Increase) decrease in accounts receivable	150,872	(3,995)	146,877	374,965
(Increase) in inventories	-	(76,699)	(76,699)	(22,733)
(Increase) decrease in deferred outflows of resources-pensions	-	68,230	68,230	(143,941)
Increase (decrease) in net pension liability	-	(64,500)	(64,500)	173,109
(Decrease) in deferred inflows of resources-pensions	-	(3,283)	(3,283)	(16,157)
Increase (decrease) in accounts payable	(101,700)	38,778	(62,922)	(114,434)
Increase (decrease) in accrued liabilities	8	(1,770)	(1,762)	5,245
Increase in accrued claims incurred but not reported for health insurance	35,856	-	35,856	54,280
Increase in compensated absences payable	1,330	192	1,522	6,583
Total adjustments	86,366	15,179	101,545	407,972
Net cash provided by operating activities	$ 2,093,644	$ 126,704	$ 2,220,348	$ 1,796,063
Schedule of non-cash capital and related financing activities:				
Contributions of capital assets	$ -	$ -	$ -	$ 37,000

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, 2018
With Comparative Actual Amounts for the Year Ended June 30, 2017

	2018			2017
	Financial Plan	Actual	Variance Positive (Negative)	Actual
REVENUES				
Operating revenues:				
Charges for sales and services:				
Service revenue	$ 1,258,820	$ 1,249,829	$ (8,991)	$ 1,206,956
Internal funding	15,463,145	16,889,547	1,426,402	15,808,541
Other revenue	75,000	161,133	86,133	110,788
Total operating revenues	16,796,965	18,300,509	1,503,544	17,126,285
Total revenues	16,796,965	18,300,509	1,503,544	17,126,285
EXPENDITURES				
Insurance and risk management:				
Salaries and employee benefits	-	87,760	-	81,718
Operating expenditures	-	15,890,455	-	15,241,735
Administration	-	313,686	-	309,659
Total	16,798,765	16,291,901	506,864	15,633,112
Total expenditures	16,798,765	16,291,901	506,864	15,633,112
Revenues over (under) expenditures	$ (1,800)	2,008,608	$ 2,010,408	$ 1,493,173
RECONCILIATION FROM FINANCIAL PLAN BASIS (MODIFIED ACCRUAL) TO FULL ACCRUAL				
Reconciling items:				
Increase in compensated absences payable		(1,330)		
Total reconciling items		(1,330)		
Change in net position		$ 2,007,278		

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, 2018
With Comparative Actual Amounts for the Year Ended June 30, 2017

	2018			2017
	Financial Plan	Actual	Variance Positive (Negative)	Actual
REVENUES				
Operating revenues:				
Charges for sales and services:				
Service revenue	$ 2,557,950	$ 1,371,225	$ (1,186,725)	$ 1,227,302
Internal funding	1,354,175	1,354,175	-	1,178,573
Other revenue	-	-	-	7
Total operating revenues	3,912,125	2,725,400	(1,186,725)	2,405,882
Total revenues	3,912,125	2,725,400	(1,186,725)	2,405,882
EXPENDITURES				
Fleet maintenance:				
Salaries and employee benefits	-	1,079,238	-	1,036,022
Operating expenditures	-	1,495,978	-	1,335,430
Administration	-	50,852	-	46,698
Professional and contract services	-	5,641		4,899
Total	3,837,125	2,631,709	1,205,416	2,423,049
Budgetary appropriations:				
Capital outlay	75,000	9,144	-	11,650
Total	75,000	9,144	65,856	11,650
Total expenditures	3,912,125	2,640,853	1,271,272	2,434,699
Revenues over (under) expenditures	$ -	84,547	$ 84,547	$ (28,817)
RECONCILIATION FROM FINANCIAL PLAN BASIS (MODIFIED ACCRUAL) TO FULL ACCRUAL				
Reconciling items:				
Increase in inventory		76,699		
Decrease in deferred outflows of resources-pensions		(68,230)		
Decrease in net pension liability		64,500		
Decrease in deferred inflows of resources-pensions		3,283		
Increase in compensated absences payable		(192)		
Capital outlay		9,144		
Depreciation		(58,226)		
Total reconciling items		26,978		
Change in net position		$ 111,525		

Fiduciary Funds account for resources received and held by the County as trustee or for which the County acts as agent. These funds are expended or invested in accordance with agreements or applicable prescribed procedures.

Private Purpose Trust Funds

General Trust Fund – accounts for funds raised for donation to charitable organizations within the community.

Library Trust Fund – accounts for funds received by the library to be expended in accordance with donation and memorial instructions.

Agency Funds

Social Services Fund - accounts for funds held and administered by the Dare County Department of Social Services for wards of the department and for emergency assistance.

Tax and ABC Pass-through Fund – accounts for monies collected and distributed by the County for special tax districts (fire and community centers), ABC board profits and designated funds (municipalities and Dare County Tourism Board), occupancy taxes (municipalities and Dare County Tourism Board), prepared food tax (Dare County Tourism Board), and vehicle property tax (municipalities).

Inmate Banking Fund – accounts for funds held and administered for inmates and detainees at the Dare County Detention Center.

Grant Pass-through Fund – accounts for Federal and/or State grant funds received by the County and passed through to other recipient agencies.

Fines and Forfeitures Fund – accounts for fines and forfeitures collected by the County that are required to be remitted to the Dare County Board of Education.

Dare Day Fund – accounts for funds held for the Dare Day Committee.

Government Access Fund – accounts for funds held for the Government Access Committee.

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DARE COUNTY, NORTH CAROLINA
Combining Statement of Fiduciary Net Position
Private Purpose Trust Funds
June 30, 2018
With Comparative Totals for June 30, 2017

	General Trust	Library Trust	Totals	
			June 30, 2018	June 30, 2017
ASSETS				
Cash and cash equivalents	$ 3,993	$ 61,599	$ 65,592	$ 61,652
Accounts receivable (net of allowance for uncollectibles)	-	4,636	4,636	5,202
Total assets	3,993	66,235	70,228	66,854
NET POSITION				
Assets held in trust for other purposes	$ 3,993	$ 66,235	$ 70,228	$ 66,854

DARE COUNTY, NORTH CAROLINA
Combining Statement of Fiduciary Net Position
Agency Funds
June 30, 2018
With Comparative Totals for June 30, 2017

	Social Services	Tax and ABC Pass-through	Inmate Banking	Grant Pass-through
ASSETS				
Cash and cash equivalents	$ 59,687	$ 2,067,898	$ 19,697	$ 1,453
Accounts receivable (net of allowance for uncollectibles)	-	3,372,615	-	1,197
Due from component unit	-	116,172	-	-
Total assets	59,687	5,556,685	19,697	2,650
LIABILITIES				
Accounts payable	59,687	35,860	19,697	2,650
Intergovernmental payable - other agencies	-	3,623,331	-	-
Intergovernmental payable - Dare County Board of Education	-	-	-	-
Due to component unit	-	1,897,494	-	-
Total liabilities	59,687	5,556,685	19,697	2,650
NET POSITION	$ -	$ -	$ -	$ -

Fines and Forfeitures	Dare Day	Government Access	Totals	
			June 30, 2018	June 30, 2017
$ 658	$ -	$ 289,965	$ 2,439,358	$ 2,371,617
32,361	-	88,146	3,494,319	2,995,355
-	-	-	116,172	116,172
33,019	-	378,111	6,049,849	5,483,144
-	-	378,111	496,005	560,953
-	-	-	3,623,331	3,161,050
33,019	-	-	33,019	43,347
-	-	-	1,897,494	1,717,794
33,019	-	378,111	6,049,849	5,483,144
$ -	$ -	$ -	$ -	$ -

DARE COUNTY, NORTH CAROLINA
Combining Statement of Changes in Fiduciary Net Position
Private Purpose Trust Funds
June 30, 2018
With Comparative Totals for June 30, 2017

	General Trust	Library Trust	Totals June 30, 2018	Totals June 30, 2017
ADDITIONS				
Contributions:				
Private donations	$ 3,943	$ 12,000	$ 15,943	$ 13,230
Sales and services	-	29,197	29,197	31,923
Total contributions	3,943	41,197	45,140	45,153
Investment earnings:				
Interest	-	1,213	1,213	944
Net increase (decrease) in the fair value of investments	-	1,830	1,830	3,596
Total investment earnings	-	3,043	3,043	4,540
Investment expense	-	525	525	492
Net investment earnings	-	2,518	2,518	4,048
Total additions	3,943	43,715	47,658	49,201
DEDUCTIONS				
Cultural and recreational programs	-	40,185	40,185	46,227
Human service programs	4,099	-	4,099	2,500
Total deductions	4,099	40,185	44,284	48,727
Change in net position	(156)	3,530	3,374	474
Net position - beginning	4,149	62,705	66,854	66,380
Net position - ending	$ 3,993	$ 66,235	$ 70,228	$ 66,854

DARE COUNTY, NORTH CAROLINA
Agency Funds
Combining Statement of Changes in Assets and Liabilities
For the Fiscal Year Ended June 30, 2018

	Balance June 30, 2017	Additions	Deductions	Balance June 30, 2018
Social Services				
Assets:				
Cash and cash equivalents	$ 38,309	$ 388,637	$ 367,259	$ 59,687
Liabilities:				
Accounts payable	$ 38,309	$ 388,637	$ 367,259	$ 59,687
Tax and ABC Pass-through				
Assets:				
Cash and cash equivalents	$ 1,941,101	$ 46,652,947	$ 46,526,150	$ 2,067,898
Accounts receivable (net of allowance for uncollectibles)	2,868,960	157,353	(346,302)	3,372,615
Due from component unit	116,172	346,302	346,302	116,172
Total assets	$ 4,926,233	$ 47,156,602	$ 46,526,150	$ 5,556,685
Liabilities:				
Accounts payable	$ 47,389	$ 3,888,705	$ 3,900,234	$ 35,860
Intergovernmental payable - Municipalities	3,161,050	35,770,203	35,307,922	3,623,331
Due to component unit	1,717,794	7,497,694	7,317,994	1,897,494
Total liabilities	$ 4,926,233	$ 47,156,602	$ 46,526,150	$ 5,556,685
Inmate Banking				
Assets:				
Cash and cash equivalents	$ 14,543	$ 218,607	$ 213,453	$ 19,697
Total Assets	$ 14,543	$ 218,607	$ 213,453	$ 19,697
Liabilities:				
Accounts payable	$ 14,543	$ 218,607	$ 213,453	$ 19,697
Grant Pass-through				
Assets:				
Cash and cash equivalents	$ 13,828	$ 71,366	$ 83,741	$ 1,453
Accounts receivable (net of allowance for uncollectibles)	1,197	71,040	71,040	1,197
Total assets	$ 15,025	$ 142,406	$ 154,781	$ 2,650
Liabilities:				
Accounts payable	$ 15,025	$ 142,406	$ 154,781	$ 2,650
Fines and Forfeitures				
Assets:				
Cash and cash equivalents	$ 1,208	$ 602,594	$ 603,144	$ 658
Accounts receivable (net of allowance for uncollectibles)	42,139	592,816	602,594	32,361
Total assets	$ 43,347	$ 1,195,410	$ 1,205,738	$ 33,019
Liabilities:				
Intergovernmental payable - Dare County Board of Education	$ 43,347	$ 1,195,410	$ 1,205,738	$ 33,019

(continued)

DARE COUNTY, NORTH CAROLINA
Agency Funds
Combining Statement of Changes in Assets and Liabilities
For the Fiscal Year Ended June 30, 2018

	Balance June 30, 2017	Additions	Deductions	Balance June 30, 2018
Dare Day				
Assets:				
Cash and cash equivalents	$ 15,075	$ -	$ 15,075	$ -
Liabilities:				
Accounts payable	$ 15,075	$ -	$ 15,075	$ -
Government Access				
Assets:				
Cash and cash equivalents	$ 347,553	$ 290,082	$ 347,670	$ 289,965
Accounts receivable (net of allowance for uncollectibles)	83,059	343,324	338,237	88,146
Total assets	$ 430,612	$ 633,406	$ 685,907	$ 378,111
Liabilities:				
Accounts payable	$ 430,612	$ 633,406	$ 685,907	$ 378,111
Totals - All Agency Funds				
Assets:				
Cash and cash equivalents	$ 2,371,617	$ 48,224,233	$ 48,156,492	$ 2,439,358
Accounts receivable (net of allowance for uncollectibles)	2,995,355	1,164,533	665,569	3,494,319
Due from component unit	116,172	346,302	346,302	116,172
Total assets	$ 5,483,144	$ 49,735,068	$ 49,168,363	$ 6,049,849
Liabilities:				
Accounts payable	$ 560,953	$ 5,271,761	$ 5,336,709	$ 496,005
Intergovernmental payable - Municipalities	3,161,050	35,770,203	35,307,922	3,623,331
Intergovernmental payable - Dare County Board of Education	43,347	1,195,410	1,205,738	33,019
Due to component unit	1,717,794	7,497,694	7,317,994	1,897,494
Total liabilities	$ 5,483,144	$ 49,735,068	$ 49,168,363	$ 6,049,849

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, 2018

	Valuation	Rate	Amount of Levy	Real & Personal Property	Motor Vehicles
Original levy:					
Property taxed at current year's rate	$ 13,149,045,346	$ 0.47	$ 61,759,998	$ 59,657,803	$ 2,102,195
Penalties	-		38,384	38,384	-
Totals	13,149,045,346		61,798,382	59,696,187	2,102,195
Discoveries:					
Taxes	152,048,663	$ 0.47	712,091	712,091	-
Penalties	-		308	308	-
Totals	152,048,663		712,399	712,399	-
Abatements	(6,914,845)		(36,660)	(23,072)	(13,588)
Total property valuation	$ 13,294,179,164				
Net levy			62,474,121	60,385,514	2,088,607
Uncollected taxes at June 30, 2018			317,128	317,128	-
Current year's taxes collected			$ 62,156,993	$ 60,068,386	$ 2,088,607
Percent current year taxes collected			99.49%	99.48%	100.00%

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

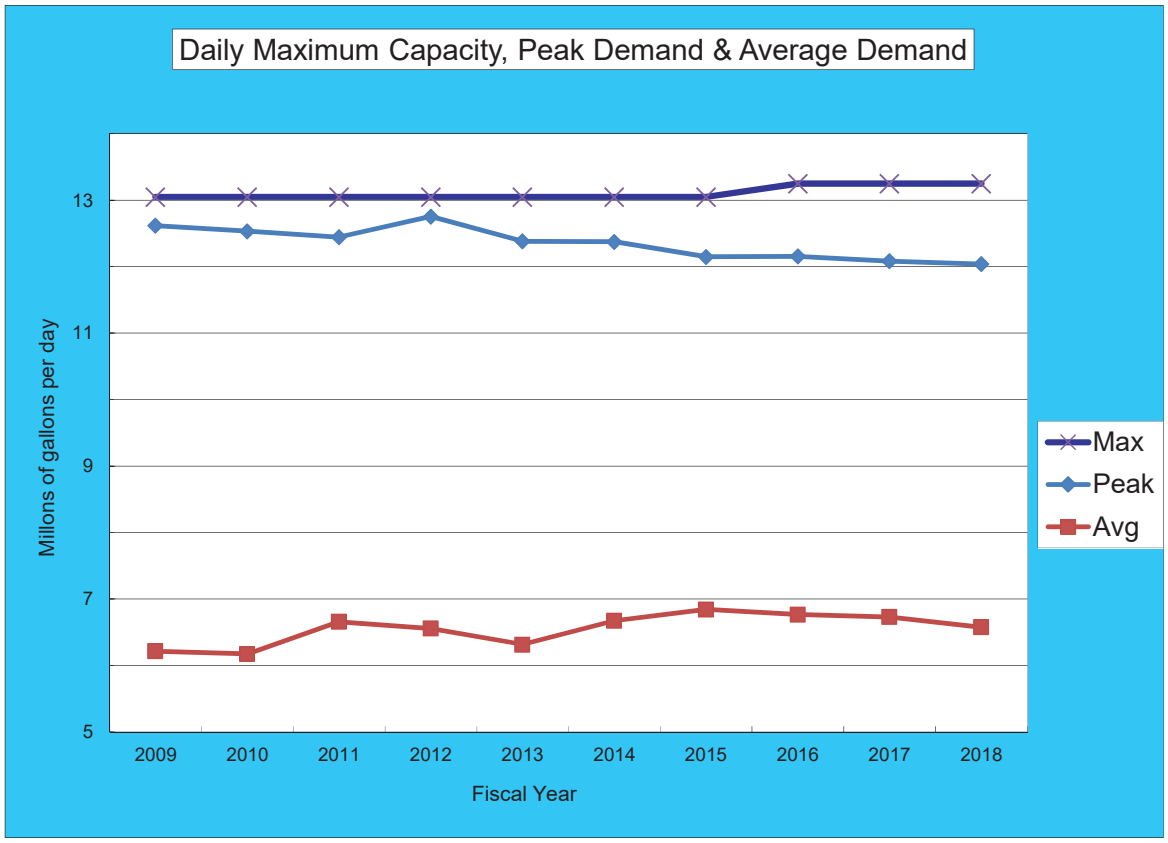
Tax Year	Fiscal Year Ended June 30	Uncollected Balance June 30, 2017	Additions	Collections and Adjustments	Uncollected Balance June 30, 2018
2017	2018	$ -	$ 62,474,121	$ 62,156,993	$ 317,128
2016	2017	438,049	-	307,355	130,694
2015	2016	134,164	-	52,209	81,955
2014	2015	87,132	-	26,667	60,465
2013	2014	95,923	-	25,511	70,412
2012	2013	68,659	-	9,646	59,013
2011	2012	55,071	-	2,714	52,357
2010	2011	41,985	-	553	41,432
2009	2010	37,911	-	358	37,553
2008	2009	35,329	-	484	34,845
2007	2008	29,773	-	16,393	13,380
2006	2007	12,379	-	1,203	11,176
2005	2006	10,682	-	849	9,833
2004	2005	6,272	-	564	5,708
2003	2004	6,056	-	4,231	1,825
		$ 1,059,385	$ 62,474,121	$ 62,605,729	927,777
Less: allowance for non-collectible accounts					(310,000)
Ad valorem taxes receivable (net) – General Fund levy only					$ 617,777

Reconciliation with revenues

Taxes - Ad Valorem - General Fund	$ 62,735,371
Penalties collected on ad valorem taxes	38,692
Reconciling Items:	
Interest collected	(164,153)
Amounts written off for tax year 2007 per statue of limitations	15,718
Adjustments relating to tax years 2008-2016	(19,899)
Total collections and adjustments	$ 62,605,729

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)
2018	20,198	174	$67.27	5	6.577	12.040	13.250	21.150
2017	20,024	143	$66.68	5	6.733	12.083	13.250	21.150
2016	19,881	122	$64.44	5	6.767	12.156	13.250	21.150
2015	19,759	130	$64.13	5	6.844	12.149	13.050	23.150
2014	19,629	109	$62.86	5	6.674	12.376	13.050	23.150
2013	19,520	1,914	$58.38	5	6.315	12.384	13.050	23.150
2012	17,606	471	$58.38	5	6.557	12.756	13.050	23.150
2011	17,135	95	$57.26	5	6.658	12.444	13.050	20.850
2010	17,090	151	$55.31	5	6.175	12.534	13.050	20.850
2009	16,939	35	$53.60	5	6.217	12.619	13.050	20.850



DARE COUNTY, NORTH CAROLINA
WATER SYSTEM USAGE
Last Ten Fiscal Years

North & RWS System

Fiscal Year	Total System Water Sales (Millions of Gallons)	MGD Peak	Peak Utilization	MGD Average	Average Utilization
2009	1,988	10.829	98.5%	5.447	49.5%
2010	2,015	10.950	99.5%	5.521	50.2%
2011	2,108	10.826	98.4%	5.819	52.9%
2012	2,065	11.184	101.6%	5.751	52.3%
2013	2,035	10.829	99.0%	5.575	50.7%
2014	2,133	10.872	98.8%	5.844	53.1%
2015	2,209	10.488	95.3%	6.052	55.0%
2016	2,172	10.488	93.6%	5.951	54.1%
2017	2,016	11.950	106.7%	5.523	50.2%
2018	2,071	12.040	107.5%	5.675	51.6%

Hatteras System

Fiscal Year	Total System Water Sales (Millions of Gallons)	MGD Peak	Peak Utilization	MGD Average	Average Utilization
2009	277	1.690	84.5%	.761	38.1%
2010	274	1.584	79.2%	.751	37.6%
2011	331	1.618	80.9%	.839	41.9%
2012	281	1.572	78.6%	.806	40.3%
2013	270	1.555	75.2%	.740	37%
2014	303	1.504	75.2%	.830	41.5%
2015	289	1.661	83.1%	.792	39.6%
2016	298	1.668	81.4%	.816	39.8%
2017	324	1.548	75.5%	.816	39.8%
2018	317	1.588	77.5%	.888	43.3%

DARE COUNTY, NORTH CAROLINA
WATER SYSTEM
Retail Water Service Rates
June 30, 2018

Quarterly Base Charge
(includes 3,000 gallons)

Meter Size	
3/4"	$38.96
1"	$43.30
1 1/2"	$56.28
2"	$74.69
3"	$116.90
4"	$176.44
6"	$325.81

All usage is billed at the following rates (per thousand gallons):

In-season	
(June - November)	$8.40
Out-of-season	
(December - May)	$6.46

Rates effective as of 7/1/18.

DARE COUNTY, NORTH CAROLINA
WATER SYSTEM
Retail Water Fees & Schedule
June 30, 2018

Size of Meter	Connection Fees	Deposit	Initial Impact Fee	Total
¾"	$ 340	$ 107	$ 2,500	$ 2,947
1"	$ 500	$ 139	$ 3,000	$ 3,639
1 ½"	$ 1,050	$ 275	$ 3,500	$ 4,825
2"	$ 1,325	$ 1,278	$ 4,000	$ 6,603
3"	$ 2,000	$ 1,847	$ 5,000	$ 8,847
4"	$ 3,000	$ 2,417	$ 6,000	$ 11,417
6"	$ 4,500	$ 2,417	$ 8,000	$ 14,917

RESIDENTIAL

$2,500 per ¾" unit (meter) or ¾" initial impact unit.

An "initial impact unit" equals one ¾" initial impact 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 $2,500 for each unit.
Hotels, Motels and Campgrounds:	One IIU ($2,500) for each four individual habitable units (rooms, campsites, mobile homes or trailer sites).

COMMERCIAL

$2,500 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, 2018

Major Retail Users

	Name	Annual Water Sales (MG)	Revenues	Percentage of Total Water Sales
1.	Hilton Gardens[1]	7.554	$ 56,740	
2.	Camp Hatteras Campground[2]	6.129	49,859	
3.	North Carolina Aquarium[1]	5.264	38,090	
4.	KOA Campground[2]	4.040	28,334	
5.	Holiday/Baymont Inn[1]	3.065	23,632	
6.	Market Place Southern Shores[1]	2.959	20,859	
7.	Sanderling Hotel[1]	2.489	19,020	
8.	KOA Campground[2]	2.318	14,494	
9.	Sunset Bar & Grille[1]	1.984	15,634	
10.	Commercial Properties[2]	1.832	14,123	
	Totals	37.634	$ 280,785	2.44%

[1] Served by the Non-Hatteras system.
[2] Served by the Hatteras system.

Wholesale Users

	Kill Devil Hills		Nags Head		Manteo	
Fiscal Year	Water Sales	Usage (MG)	Water Sales	Usage (MG)	Water Sales	Usage (MG)
2009	$723,096	492.0	$724,326	440.1	$134,925	109.9
2010	$824,564	450.9	$793,566	429.6	$122,445	99.7
2011	$773,373	446.5	$851,932	464.1	$130,478	106.2
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

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

	2014	2015[3]	2016[1][3]	2017[2][3]	2018[2][3]
Operating Revenues:					
Water Sales	$ 10,376,004	$ 11,055,995	$ 11,074,298	$ 11,585,318	$ 11,579,566
Capital Recovery Charges	442,994	474,072	541,805	468,837	500,610
Other Operating Revenues	744,808	763,055	637,559	679,026	693,391
Subtotal, Operating	11,563,806	12,293,122	12,253,662	12,733,181	12,773,567
Operating Expenses Before Depreciation & Amortization	(8,007,866)	(8,135,816)	(8,231,423)	(8,732,505)	(8,928,724)
Operating Income Before Depreciation & Amortization	3,555,940	4,157,306	4,022,239	4,000,676	3,844,843
Depreciation	(2,293,946)	(2,328,546)	(2,399,477)	(2,510,250)	(3,841,499)
Amortization of Net Original Issue Premium & Deferrals	133,177	110,335	69,083	9,358	320,256
Operating Income	1,395,171	1,939,095	1,691,845	1,499,784	323,600
Non-operating Revenues:					
Interest Earnings (non capital)	157,607	168,700	162,045	142,497	308,302
Assessments	474,312	446,045	428,481	408,605	394,156
Subtotal, Non-operating	631,919	614,745	590,526	551,102	702,458
Non-operating Expenses	(1,596,989)	(1,527,912)	(1,418,282)	(1,265,691)	(1,144,025)
Change in Net Position as Defined	$ 430,101	$ 1,025,928	$ 864,089	$ 785,195	$ (117,967)
Determination of Net Revenues Available for Debt Service					
Change in Net Position as Defined	$ 430,101	$ 1,025,928	$ 864,089	$ 785,195	$ (117,967)
Plus: Depreciation	2,293,946	2,328,546	2,399,477	2,510,250	3,841,499
Plus: Interest Expense	1,526,585	1,478,050	1,436,621	982,166	1,140,730
(Less)/Plus: Net Amortization of OIP and GASB 23	(133,177)	(110,335)	(69,083)	(9,358)	(320,256)
Net Revenues Available for Debt Service	4,474,942	5,230,574	4,631,104	4,268,253	4,544,006
20% of Surplus Fund	3,702,648	3,977,969	4,344,725	4,981,602	5,463,214
Adjusted Net Revenues Available for Debt Service	$ 8,177,590	$ 9,208,543	$ 8,975,829	$ 9,249,855	$ 10,007,220
Revenue Bond Debt Service	$ 2,866,962	$ 2,502,398	$ 2,501,288	$ 2,503,588	$ 2,330,119
Debt Service Coverage with Surplus	2.85	3.68	3.76	3.69	4.29
Debt Service Coverage without Surplus	1.56	2.09	2.03	1.71	1.95

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 biggining in fiscal year 2020.
3 The County adopted GASB Statement No. 68 for pensions with fiscal year 2015. Adjustments are allowed per the Series 2017 bonds series indenture beginning in fiscal year 2021.

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STATISTICAL SECTION

This part of Dare County's comprehensive annual financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the County's overall financial health. This information is presented in five categories:

Financial Trends

These schedules contain trend information to help the reader understand how the County's financial performance and well-being have changed over time.

Revenue Capacity

These schedules contain information to help the reader assess the County's most significant local revenue source, the property tax.

Debt Capacity

These schedules present information to help the reader assess the affordability of the County's current levels of outstanding debt and the County's ability to issue additional debt in the future.

Demographic and Economic Information

These schedules 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 County's financial report relates to the services the County provides and the activities it performs.

Sources: Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial reports for the relevant year.

Dare County, North Carolina
Net Position by Component
Last Ten Fiscal Years
(accrual basis of accounting)

	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Governmental activities:										
Net investment in capital assets	$ 69,074,141	$ 71,669,644	$ 76,235,968	$ 68,223,232	$ 82,347,870	$ 83,113,262	$ 83,161,507	$ 89,094,833	$ 107,555,911	$ 109,726,856
Restricted for:										
Stabilization by State statute	8,280,293	10,789,570	9,466,629	12,467,772	22,904,237	12,759,766	14,301,193	16,625,342	23,218,483	14,719,390
Economic and physical development	23,794,583	27,397,587	31,250,803	14,840,596	16,556,369	18,879,572	22,767,266	27,012,542	22,784,809	24,481,653
Public Safety	1,315,740	1,441,582	1,739,191	975,158	865,248	824,840	820,231	412,977	357,990	784,472
Human services	741,496	835,241	1,040,417	1,376,188	465,486	438,584	308,928	194,846	131,938	125,983
General government	47,419	46,802	42,621	57,210	50,078	30,704	19,591	12,253	7,313	4,089
Unrestricted	(92,799,188)	(102,958,527)	(103,747,688)	(98,670,130)	(121,558,887)	(104,861,727)	(101,581,856)	(99,537,159)	(196,845,571)	(170,801,210)
Total governmental activities net position	$ 10,454,484	$ 9,221,899	$ 16,027,941	$ (729,974)	$ 1,630,401	$ 11,185,001	$ 19,796,860	$ 33,815,634	$ (42,789,127)	$ (20,958,767)
Effect of school debt upon total net position	$ (110,505,000)	$ (102,865,000)	$ (102,696,465)	$ (93,545,425)	$ (87,394,834)	$ (80,599,244)	$ (76,289,820)	$ (68,800,546)	$ (61,997,380)	$ (54,567,130)
Business-type activities:										
Net investment in capital assets	$ 39,959,788	$ 43,901,055	$ 53,782,509	$ 51,402,074	$ 42,096,751	$ 40,747,980	$ 41,883,693	$ 41,608,439	$ 43,127,737	$ 41,520,916
Restricted	9,999,535	9,689,062	8,430,223	10,802,154	14,435,256	14,679,645	13,983,768	13,540,232	15,257,272	16,697,282
Unrestricted	7,968,776	7,015,592	25,048	712,918	5,948,491	7,319,092	7,648,450	9,993,161	(2,519,814)	(2,012,967)
Total business-type activities	$ 57,928,099	$ 60,605,709	$ 62,237,780	$ 62,917,146	$ 62,480,498	$ 62,746,717	$ 63,515,911	$ 65,141,832	$ 55,865,195	$ 56,205,231
Primary government:										
Net investment in capital assets	$ 109,033,929	$ 115,570,699	$ 130,018,477	$ 119,625,306	$ 124,444,621	$ 123,861,242	$ 125,045,200	$ 130,703,272	$ 150,683,648	$ 151,247,772
Restricted for:										
Stabilization by State statute	8,280,293	10,789,570	9,466,629	12,467,772	22,904,237	12,759,766	14,301,193	16,625,342	23,218,483	14,719,390
Economic and physical development	23,794,583	27,397,587	31,250,803	14,840,596	16,556,369	18,879,572	22,767,266	27,012,542	22,784,809	24,481,653
Bond covenants	9,999,535	9,689,062	8,430,223	10,802,154	14,435,256	14,679,645	13,983,768	13,540,232	15,257,272	16,697,282
Public Safety	1,315,740	1,441,582	1,739,191	975,158	865,248	824,840	820,231	412,977	357,990	784,472
Human services	741,496	835,241	1,040,417	1,376,188	465,486	438,584	308,928	194,846	131,938	125,983
General government	47,419	46,802	42,621	57,210	50,078	30,704	19,591	12,253	7,313	4,089
Unrestricted	(84,830,412)	(95,942,935)	(95,522,124)	(97,957,212)	(115,610,396)	(97,542,635)	(93,933,406)	(89,543,998)	(199,365,385)	(172,814,177)
Total primary government net position	$ 68,382,583	$ 69,827,608	$ 86,466,237	$ 62,187,172	$ 64,110,899	$ 73,931,718	$ 83,312,771	$ 98,957,466	$ 13,076,068	$ 35,246,464
Effect of school debt upon total net position	$ (110,505,000)	$ (102,865,000)	$ (102,696,465)	$ (93,545,425)	$ (87,394,834)	$ (80,599,244)	$ (76,289,820)	$ (68,800,546)	$ (61,997,380)	$ (54,567,130)

Note: The County adopted GASB Statement No. 75 for fiscal year 2017; prior years are not restated.

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

	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Expenses										
Governmental activities:										
General government	$ 13,710,754	$ 11,639,570	$ 11,317,889	$ 18,894,221	$ 12,367,539	$ 11,147,563	$ 11,006,773	$ 10,829,117	$ 10,955,429	$ 11,037,049
Public safety	24,676,121	23,689,983	23,435,996	24,425,914	26,306,207	27,177,114	28,192,403	30,236,350	34,815,732	31,945,928
Economic & physical development	4,080,867	1,782,711	1,269,450	21,401,469	3,261,258	3,782,370	4,874,257	5,639,879	13,801,658	14,854,739
Human services	17,122,964	16,448,538	16,475,126	16,484,769	16,456,678	17,323,255	17,253,173	17,589,027	17,960,744	17,549,059
Cultural & recreational	5,906,833	5,211,971	5,430,227	5,321,256	5,374,887	5,734,640	5,648,640	5,937,464	6,018,676	6,358,781
Environmental protection	9,161,369	8,989,146	9,102,477	7,866,557	8,596,376	8,852,266	8,855,982	8,611,570	9,765,572	10,557,951
Education	19,237,216	18,647,372	19,730,878	19,813,940	20,473,842	21,554,902	23,791,918	23,022,982	23,947,542	24,596,556
Transportation	786,844	811,448	811,646	676,568	681,013	687,563	691,814	744,374	710,950	754,943
Interest on long-term debt	6,910,702	6,682,161	6,562,751	4,994,060	3,040,613	4,227,189	3,880,214	3,799,337	3,737,618	3,652,243
Total governmental activities expenses	101,593,670	93,902,900	94,136,440	119,878,754	96,558,413	100,486,862	104,195,174	106,410,100	121,713,921	121,307,249
Business-type activities:										
Water	10,981,763	9,362,482	10,024,765	11,181,253	11,325,746	11,756,883	11,789,219	11,950,328	12,345,589	13,379,548
Total primary government expenses	$ 112,575,433	$ 103,265,382	$ 104,161,205	$ 131,060,007	$ 107,884,159	$ 112,243,745	$ 115,984,393	$ 118,360,428	$ 134,059,510	$ 134,686,797
Program Revenues										
Governmental activities:										
Charges for services:										
General government	$ 1,691,291	$ 1,824,778	$ 1,809,871	$ 2,237,365	$ 1,803,060	$ 1,637,745	$ 1,748,826	$ 1,753,714	$ 1,633,788	$ 1,846,691
Public safety	3,064,930	3,171,255	2,665,961	2,724,570	3,658,366	4,653,043	4,918,339	5,343,302	5,466,424	5,701,477
Economic & physical development	327,647	190,474	197,500	182,111	199,035	238,514	244,626	362,158	308,788	471,196
Human services	2,447,949	2,371,379	2,564,678	2,714,766	2,930,052	3,259,752	2,557,816	2,978,655	3,440,848	3,487,228
Cultural & recreational	267,753	276,705	284,579	297,285	359,461	337,350	441,104	441,502	398,800	376,160
Environmental protection	1,684,812	1,873,177	1,845,973	1,995,813	1,849,890	1,707,240	1,997,572	1,824,149	1,736,727	1,670,999
Operating grants & contributions:										
General government	127,259	153,567	216,795	5,365,575	393,946	(1,376)	12,427	21,116	10,346	10,044
Public safety	204,740	151,221	148,495	294,198	169,899	141,779	169,920	152,665	2,210,100	379,193
Economic & physical development	106,692	23,694	53,677	1,975	5,600	89,075	302,845	8,410	27,757	228,050
Human services	5,206,154	5,274,994	5,770,952	5,346,637	4,751,990	4,976,551	4,885,076	4,895,933	4,815,314	4,552,446
Cultural & recreational	720,839	307,827	703,977	371,978	433,204	445,468	440,907	461,571	442,077	423,320
Environmental protection	48,178	51,028	96,196	119,064	100,958	166,128	97,187	64,203	65,535	28,200
Education	-	-	1,186,720	450,000	355,041	345,000	350,000	360,000	360,000	325,000
Capital grants & contributions:										
General government	-	-	5,385	-	-	-	-	-	-	-
Public safety	108,736	138,271	-	1,050	-	93,699	1,135,453	2,828,507	7,043,160	201,810
Economic & physical development	-	59,561	59,561	-	46,506	292,697	-	20,210	12,829,735	10,134,438
Cultural & recreational	-	124,520	543,095	92,130	1,392,956	1,494,326	93,885	613,706	246,293	29,770
Environmental protection	102,220	-	-	-	-	-	-	-	-	-
Education	599,227	-	391,493	142,371	-	-	-	-	-	-
Interest on long-term debt	1,085,000	-	-	-	-	-	-	-	-	-
Total governmental activities program revenues	17,793,427	15,992,451	18,544,908	22,336,888	18,449,964	19,876,991	19,395,983	22,129,801	41,035,692	29,866,022

(continued)

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

	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Business-type activities:										
Charges for services:										
Water	10,493,038	9,808,215	10,725,457	11,496,572	11,387,850	12,038,118	12,739,167	13,389,431	13,141,786	13,167,723
Capital grants & contributions	1,241,126	2,385,721	1,225,647	522,500	-	-	-	-	14,945	-
Total business-type activities program revenues	11,734,164	12,193,936	11,951,104	12,019,072	11,387,850	12,038,118	12,739,167	13,389,431	13,156,731	13,167,723
Total primary government program revenues	$ 29,527,591	$ 28,186,387	$ 30,496,012	$ 34,355,960	$ 29,837,814	$ 31,915,109	$ 32,135,150	$ 35,519,232	$ 54,192,423	$ 43,033,745
Net (Expense)/Revenue										
Governmental activities	$ (83,800,243)	$ (77,910,449)	$ (75,591,532)	$ (97,541,866)	$ (78,108,449)	$ (80,609,871)	$ (84,799,191)	$ (84,280,299)	$ (80,678,229)	$ (91,441,227)
Business-type activities	752,401	2,831,454	1,926,339	837,819	62,104	281,235	949,948	1,439,103	811,142	(211,825)
Total primary government net expense	$ (83,047,842)	$ (75,078,995)	$ (73,665,193)	$ (96,704,047)	$ (78,046,345)	$ (80,328,636)	$ (83,849,243)	$ (82,841,196)	$ (79,867,087)	$ (91,653,052)
General Revenues & Other Changes in Net Position										
Governmental activities:										
Taxes:										
Property taxes	$ 49,297,461	$ 49,431,130	$ 53,186,707	$ 53,326,774	$ 53,350,156	$ 59,012,172	$ 59,440,107	$ 59,933,626	$ 60,930,602	$ 66,880,879
Sales taxes	15,693,002	14,397,453	15,841,968	16,382,627	16,281,102	16,552,132	17,662,414	18,069,621	19,115,285	20,056,532
Occupancy taxes	6,709,348	6,705,811	7,138,147	7,510,215	7,547,352	9,257,698	12,328,828	12,834,470	13,911,420	14,636,850
Alcoholic beverage taxes and sales	1,365,284	746,064	1,103,186	1,019,234	1,298,034	1,263,772	1,604,848	1,600,819	1,586,185	1,604,540
Other taxes	3,456,756	4,342,030	3,683,461	3,891,525	3,711,348	4,132,157	4,821,689	4,828,078	5,104,135	5,978,090
Other revenues	422,643	305,147	361,291	1,226,039	996,392	380,248	471,615	602,726	2,528,716	486,795
Investment earnings (loss)	2,430,505	1,528,441	519,772	507,700	(12,692)	370,920	445,657	421,320	720,606	1,108,457
Special item - swap termination	-	-	-	(3,575,000)	(3,160,000)	-	-	-	-	-
Gain on sale and donations of capital assets	41,560	-	111,446	-	-	-	-	-	-	-
Transfers	(45,606)	431,691	451,596	494,837	457,132	-	22,327	(18,075)	-	-
Total governmental activities	79,370,953	77,887,767	82,397,574	80,783,951	80,468,824	90,969,099	96,797,485	98,272,585	103,896,949	110,752,143
Business-type activities:										
Investment earnings (loss)	566,190	277,847	157,328	336,384	(41,620)	157,607	168,700	168,743	142,497	308,302
Transfers	45,606	(431,691)	(451,596)	(494,837)	(457,132)	-	(22,327)	18,075	-	-
Total business-type activities	611,796	(153,844)	(294,268)	(158,453)	(498,752)	157,607	146,373	186,818	142,497	308,302
Total Primary government	$ 79,982,749	$ 77,733,923	$ 82,103,306	$ 80,625,498	$ 79,970,072	$ 91,126,706	$ 96,943,858	$ 98,459,403	$ 104,039,446	$ 111,060,445
Change in Net Position										
Governmental activities	$ (4,429,290)	$ (22,682)	$ 6,806,042	$ (16,757,915)	$ 2,360,375	$ 10,359,228	$ 11,998,294	$ 13,992,286	$ 23,218,720	$ 19,310,916
Business-type activities	1,364,197	2,677,610	1,632,071	679,366	(436,648)	438,842	1,096,321	1,625,921	953,639	96,477
Total primary government	$ (3,065,093)	$ 2,654,928	$ 8,438,113	$ (16,078,549)	$ 1,923,727	$ 10,798,070	$ 13,094,615	$ 15,618,207	$ 24,172,359	$ 19,407,393

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)

	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
General Fund:										
Nonspendable	$ 123,122	$ 100,679	$ 1,672,757	$ 28,588	$ 28,419	$ 17,028	$ 10,583	$ 10,347	$ 13,176	$ 14,354
Restricted for:										
Stabilization by State statute	6,229,028	6,977,941	8,168,984	10,783,678	10,195,788	10,255,004	9,748,271	9,611,728	12,770,550	11,174,583
Capital	1,377,260	80,933	93,062	479,505	409,671	1,122,755	-	-	-	-
General government	47,419	46,802	42,621	57,210	50,078	30,704	19,591	12,256	7,313	4,089
Public safety	196,237	229,383	168,253	107,742	60,333	39,387	22,552	27,539	43,777	53,617
Human services	680,981	758,379	1,040,417	1,376,188	465,486	318,030	222,793	175,116	116,723	110,000
Committed for:										
Public safety	-	-	-	-	-	-	-	2,608	-	-
Human services	60,515	76,862	82,115	74,125	92,168	91,287	77,182	60,609	36,223	6,495
Debt service	478,000	-	58,780	-	-	-	-	-	-	-
Swap Termination	139,989	139,989	-	517,732	-	-	-	-	-	-
Disaster recovery	935,819	752,808	740,356	439,342	645,397	620,609	507,580	502,658	612,216	606,355
Assigned for subsequent year's expenditures	6,159,882	3,838,211	2,051,360	2,664,803	1,816,588	1,995,190	3,245,000	1,878,153	534,567	3,117,346
Unassigned	15,696,313	14,853,941	14,152,593	12,083,291	12,473,770	13,332,927	15,741,283	19,507,315	20,044,953	24,991,118
Total General Fund	$ 32,124,565	$ 27,855,928	$ 28,271,298	$ 28,612,204	$ 26,237,698	$ 27,822,921	$ 29,594,835	$ 31,788,329	$ 34,179,498	$ 40,077,957
All Other Governmental Funds:										
Restricted for:										
Stabilization by State statute	$ 2,051,265	$ 3,811,629	$ 1,297,645	$ 1,684,094	$ 12,708,539	$ 2,504,762	$ 4,552,922	$ 7,013,614	$ 10,447,933	$ 3,544,807
Economic & physical development	23,794,583	27,397,587	31,250,803	14,840,596	16,556,369	18,879,572	22,767,266	27,012,542	22,784,809	24,481,653
Public safety	1,124,877	1,212,199	1,570,938	867,416	804,915	785,453	797,679	385,438	314,213	730,855
Human services	341,799	66,336	-	-	-	120,554	86,135	19,730	15,215	15,983
Capital or debt service	2,390,319	-	764,772	467,128	73	236,334	800,190	585,313	648,735	818,682
Capital	8,908,788	665,370	2,587,113	1,389,798	10,585,693	9,388,884	514,793	13,298,282	25,761,677	3,503,474
Committed for:										
Capital	-	-	1,939,855	1,508,686	-	641,987	-	-	-	-
Debt service	2,383,001	-	-	-	-	-	-	-	-	-
Disaster recovery	905,710	750,471	-	-	-	-	-	-	-	-
Economic & physical development	-	-	-	-	-	-	-	221,812	32,535	216,285
Environmental protection	1,190,736	1,716,945	2,042,906	2,284,787	593,212	2,324,810	3,321,809	3,644,602	3,848,566	3,814,022
School capital projects	438,385	381,624	482,119	489,380	-	-	269,827	-	267,348	288,754
Assigned for subsequent year's expenditures	1,277,587	1,571,178	-	-	-	-	-	-	-	-
Unassigned	-	(1,313,445)	(125,371)	(150,671)	(10,615,946)	(617,426)	(478,049)	(133,299)	-	-
Total all other governmental funds	$ 44,807,050	$ 36,259,894	$ 41,810,780	$ 23,381,214	$ 30,632,855	$ 34,264,930	$ 32,632,572	$ 52,048,034	$ 64,121,031	$ 37,414,515

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

	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Revenues										
Ad valorem taxes	$ 48,911,987	$ 49,345,102	$ 53,460,097	$ 53,438,568	$ 53,311,970	$ 59,076,290	$ 59,435,232	$ 60,074,510	$ 60,703,712	$ 67,036,014
Other taxes	25,620,817	24,637,888	26,523,091	27,335,626	27,222,158	29,506,422	34,415,363	35,464,523	37,728,126	40,359,487
Unrestricted intergovernmental	2,176,101	2,126,664	1,315,157	1,541,448	1,690,044	1,777,079	1,336,559	1,195,547	1,327,251	1,183,570
Restricted intergovernmental	7,669,302	5,998,998	8,274,889	11,768,352	7,202,102	7,177,617	7,684,215	9,593,065	15,758,691	6,619,524
Permits and fees	1,830,033	1,838,171	1,980,819	1,986,922	2,015,988	2,064,037	2,233,562	2,397,570	2,352,896	2,698,443
Sales and services	6,596,159	6,818,415	6,908,162	7,591,580	8,270,728	9,465,373	9,326,664	9,989,928	10,453,270	10,692,736
Interest earnings	2,434,876	1,293,191	519,771	507,700	(12,691)	370,922	445,657	421,320	573,323	1,108,457
Other	1,192,278	725,768	1,347,363	964,146	887,615	1,308,658	1,049,189	1,065,599	13,694,556	10,813,529
Total revenues	96,431,553	92,784,197	100,329,349	105,134,342	100,587,914	110,746,398	115,926,441	120,202,062	142,591,825	140,511,760
Expenditures										
General government	11,819,512	10,441,248	9,721,328	9,392,100	9,539,017	9,593,443	9,380,210	9,169,375	9,533,533	9,754,399
Public safety	20,956,136	20,188,238	20,434,556	27,188,200	22,107,908	22,601,624	23,995,137	25,142,887	29,943,996	28,054,559
Economic & physical development	1,627,465	1,647,984	1,146,063	21,116,771	3,152,348	3,711,723	4,832,419	5,575,379	13,731,142	14,304,208
Human services	15,271,369	14,690,452	14,960,475	14,792,137	14,711,427	15,956,706	16,060,868	16,023,228	16,593,111	16,583,527
Cultural & recreational	4,191,395	4,304,148	4,706,626	4,367,444	4,477,238	4,710,722	4,723,101	4,870,697	5,052,960	5,470,416
Environmental protection	7,323,385	7,118,599	7,331,479	6,772,346	6,696,103	7,130,802	7,180,717	6,944,434	7,511,616	7,846,852
Education	19,121,839	18,592,474	19,377,626	19,729,638	20,464,926	21,555,245	23,795,192	23,023,823	23,950,914	22,851,471
Airport	784,158	810,343	814,757	676,355	671,615	687,703	692,609	748,868	716,532	763,061
Capital outlay	12,942,231	8,823,418	7,388,009	4,490,029	7,071,176	3,740,545	11,298,011	6,964,377	26,630,013	34,757,375
Debt service:										
Principal	11,201,434	11,926,330	10,636,952	10,835,112	10,936,848	13,111,593	13,710,790	13,916,789	18,584,012	18,648,668
Interest	6,907,762	7,085,499	6,806,962	6,013,736	4,428,437	5,392,791	4,932,694	4,520,021	4,590,468	4,411,184
Bond issuance costs	-	87,376	-	542,768	937,320	3,710	61,424	285,091	3,195	-
Total expenditures	112,146,686	105,716,109	103,324,833	125,916,636	105,194,363	108,196,607	120,663,172	117,184,969	156,841,492	163,445,720
Excess (deficiency) of revenues over (under) expenditures	(15,715,133)	(12,931,912)	(2,995,484)	(20,782,294)	(4,606,449)	2,549,791	(4,736,731)	3,017,093	(14,249,667)	(22,933,960)
Other financing sources (uses)										
Transfers in	22,259,618	21,037,237	5,713,973	6,815,579	4,627,656	4,289,694	4,083,888	10,568,481	16,816,292	6,768,788
Transfers out	(22,296,351)	(20,592,134)	(5,249,991)	(6,311,242)	(4,170,524)	(4,289,694)	(4,083,888)	(10,568,481)	(16,816,292)	(6,768,788)
Installment financings issued	11,731,902	3,915,000	9,120,055	38,110,000	74,698,933	2,632,081	4,724,085	26,651,569	27,672,806	1,977,531
Premium on installment financings issued	-	66,333	-	4,366,982	10,099,253	-	-	1,313,333	-	-
Issuer contribution on installment financing	-	-	-	28,750	-	-	-	-	-	-
Insurance recoveries	-	-	-	605,193	50,169	-	69,140	-	499,792	22,516
Payment of refunded installment financing escrow agent	-	(3,690,746)	-	(37,558,280)	(72,722,581)	-	-	(9,541,866)		-
Swap termination payment	-	-	-	(3,575,000)	(3,160,000)	-	-	-	-	-
Sales of capital assets	54,458	1,825	130,511	229,652	42,678	35,426	83,052	142,346	541,235	125,856
Total other financing sources (uses)	11,749,627	737,515	9,714,548	2,711,634	9,465,584	2,667,507	4,876,277	18,565,382	28,713,833	2,125,903
Net change in fund balances	$ (3,965,506)	$ (12,194,397)	$ 6,719,064	$ (18,070,660)	$ 4,859,135	$ 5,217,298	$ 139,546	$ 21,582,475	$ 14,464,166	$ (20,808,057)
Debt service as a percentage of noncapital expenditures	18.25%	19.62%	18.18%	13.88%	15.66%	17.71%	17.05%	16.73%	17.80%	17.92%

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

	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Revenues										
Ad valorem taxes	$ 45,108,418	$ 45,479,224	$ 49,557,023	$ 49,544,140	$ 49,444,138	$ 55,084,869	$ 55,409,214	$ 56,008,088	$ 56,486,678	$ 62,735,371
Other taxes	17,128,566	15,508,191	19,451,094	20,190,058	20,106,984	20,571,012	21,783,038	22,349,107	23,743,007	24,916,108
Unrestricted intergovernmental	1,545,247	1,781,072	816,013	1,085,934	1,092,240	1,200,313	1,336,559	1,195,547	1,327,251	1,183,570
Restricted intergovernmental	5,876,339	5,777,166	7,869,504	11,568,876	5,843,660	6,010,527	5,736,536	5,767,147	7,944,375	5,451,804
Permits and fees	1,822,885	1,831,071	1,973,469	1,979,814	2,008,813	2,056,491	2,225,953	2,389,819	2,345,287	2,612,544
Sales and services	5,624,194	5,173,713	5,271,913	5,784,078	6,591,929	7,890,294	7,402,666	8,221,621	8,793,662	9,181,888
Interest earnings	1,215,799	600,043	237,904	283,453	6,591	217,360	242,719	214,795	253,805	512,887
Other	515,731	601,747	846,438	864,150	770,567	766,728	979,178	654,628	849,679	625,070
Total revenues	78,837,179	76,752,227	86,023,358	91,300,503	85,864,922	93,797,594	95,115,863	96,800,752	101,743,744	107,219,242
Expenditures										
General government	11,762,997	10,429,404	9,704,236	15,934,507	9,519,708	9,584,578	9,348,752	9,119,855	9,480,160	9,710,505
Public safety	20,748,122	19,998,483	20,208,323	20,415,822	21,513,080	22,121,357	22,768,804	23,669,246	27,241,402	27,489,182
Economic & physical development	1,377,020	1,415,426	1,033,306	897,387	900,514	1,065,735	1,302,803	1,071,301	1,157,729	1,120,264
Human services	15,006,090	14,445,357	14,691,091	14,734,728	14,632,420	15,696,322	15,871,528	15,838,092	16,593,111	16,568,297
Cultural & recreational	4,142,322	4,280,647	4,275,025	4,311,755	4,374,385	4,688,583	4,684,853	4,848,619	5,042,168	5,457,916
Environmental protection	3,312,030	2,781,715	2,701,854	2,506,976	2,392,683	2,600,787	2,412,617	2,191,470	2,381,319	2,483,504
Education	19,121,839	18,592,474	19,377,626	19,729,638	19,982,751	20,289,327	21,014,601	21,572,332	21,845,717	22,769,255
Airport	784,158	810,343	814,757	676,355	671,615	687,703	692,609	748,868	716,532	763,061
Capital outlay	1,184,823	26,860	1,167,907	843,393	1,337,393	1,424,450	818,620	887,451	1,673,061	1,694,072
Debt service:										
Principal	10,509,465	11,214,636	9,986,374	10,150,158	10,203,212	12,328,357	12,896,971	13,154,733	13,027,752	13,194,064
Interest	6,868,853	7,052,263	6,782,349	5,990,632	4,408,436	5,375,703	4,918,644	4,507,424	4,278,693	3,901,148
Bond issuance costs	-	87,376	-	542,768	842,640	3,710	61,424	178,281	-	-
Total expenditures	94,817,719	91,134,984	90,742,848	96,734,119	90,778,837	95,866,612	96,792,226	97,787,672	103,437,644	105,151,268
Excess (deficiency) of revenues over (under) expenditures	(15,980,540)	(14,382,757)	(4,719,490)	(5,433,616)	(4,913,915)	(2,069,018)	(1,676,363)	(986,920)	(1,693,900)	2,067,974
Other financing sources (uses)										
Transfers in	14,843,005	15,174,719	4,993,452	4,615,625	3,919,153	3,108,292	2,625,000	2,603,500	2,767,393	2,708,859
Transfers out	(4,090,363)	(4,500,000)	(7,545)	(12,500)	(100,000)	(495,402)	(250,000)	(655,773)	(200,000)	(486,082)
Installment financings issued	861,902	3,245,000	755,000	37,290,000	64,653,933	1,005,925	921,085	9,835,569	933,792	1,459,336
Premium on installment financing	-	66,333	-	4,366,982	9,838,057	-	-	770,147	-	-
Issuer contribution on installment financing	-	-	-	28,750	-	-	-	-	-	-
Insurance recoveries	-	-	-	605,193	50,169	-	69,140	-	499,792	22,516
Payment to refunded installment financing escrow agent	-	(3,690,746)	-	(37,558,280)	(72,722,581)	-	-	(9,541,866)		-
Swap termination payment	-	-	-	(3,575,000)	(3,160,000)	-	-	-	-	-
Sales of capital assets	54,458	1,825	130,511	31,752	42,678	35,426	83,052	142,346	84,092	125,856
Total other financing sources (uses)	11,669,002	10,297,131	5,871,418	5,792,522	2,521,409	3,654,241	3,448,277	3,153,923	4,085,069	3,830,485
Net change in fund balances	$ (4,311,538)	$ (4,085,626)	$ 1,151,928	$ 358,906	$ (2,392,506)	$ 1,585,223	$ 1,771,914	$ 2,167,003	$ 2,391,169	$ 5,898,459
Debt service as a percentage of noncapital expenditures	18.56%	20.05%	18.72%	16.83%	16.34%	18.75%	18.56%	18.23%	17.01%	16.52%
Debt service as a percentage of expenditures	18.33%	20.04%	18.48%	16.69%	16.10%	18.47%	18.41%	18.06%	16.73%	16.26%
Unassigned fund balance as a percentage of current year expenditures	16.55%	16.30%	15.60%	12.49%	13.74%	13.91%	16.26%	19.95%	19.38%	23.77%

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.

Dare County, North Carolina
Assessed Value and Estimated Actual Value of Taxable Property
Last Ten Fiscal Years

	Real Property			Personal Property						
Fiscal Year	Residential	Commercial	Use Value (5)	Personal Property	Motor Vehicles (6)	Public Service Companies (1)	Total Taxable Assessed Value	Total Direct Tax Rate (2)	Sales to Assessment Ratio (3)	Estimated Actual Taxable Value (3)
2009	$ 14,742,885,425	$ 1,822,902,100	$ 87,400	$ 362,217,283	$ 366,425,419	$ 117,232,110	$ 17,411,749,737	$ 0.260	98.42%	$ 17,691,271,832
2010	$ 14,852,076,072	$ 1,849,211,600	$ 87,400	$ 369,719,670	$ 319,676,968	$ 125,753,838	$ 17,516,525,548	$ 0.260	112.80%	$ 15,528,834,706
2011	$ 14,950,961,604	$ 1,806,093,600	$ 87,400	$ 361,574,139	$ 320,004,409	$ 129,260,731	$ 17,567,700,173	$ 0.280	118.70%	$ 14,800,084,392
2012	$ 15,008,536,472	$ 1,801,468,400	$ 86,800	$ 349,933,945	$ 333,099,205	$ 129,588,738	$ 17,622,713,660	$ 0.280	123.12%	$ 14,313,445,143
2013	$ 15,059,461,197	$ 1,782,295,000	$ 86,800	$ 340,989,940	$ 345,341,614	$ 125,390,170	$ 17,635,564,721	$ 0.280	129.10%	$ 13,660,390,954
2014 (4)	$ 10,613,586,994	$ 1,284,900,150	$ 33,600	$ 329,097,204	$ 435,192,864	$ 130,547,279	$ 12,793,358,091	$ 0.430	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	90.27%	$ 14,555,087,202
2018	$ 11,062,779,645	$ 1,269,554,400	$ 33,600	$ 358,573,088	$ 452,386,565	$ 150,851,866	$ 13,294,179,164	$ 0.470	88.93%	$ 14,949,037,630

Source: Annual County Certification of Valuation and Property Tax Levies to the NC Department of Revenue

Notes:
(1) Public service companies valuations are provided to the County by the NC Department of Revenue. These amounts include both real and personal property.
(2) Per $100 of value. The "Direct Tax rate" is the weighted average property tax rate for the County and all special districts for which it levies taxes.
(3) The estimated market value is calculated by dividing the assessed value by a sales-to-assessment ratio determined annually by the NC Department of Revenue. The ratio is based on samples of actual property sales which took place during the fiscal year. The ratio for fiscal year 2008 is 83.08%.
(4) Property values were reassessed January 1, 2005 (the basis for fiscal 2006 taxes) and January 1, 2013 (the basis for fiscal 2014 taxes).
(5) See note 4.B in the Notes to the Financial Statements.
(6) Fiscal year 2014 included fifteen months of moter vehicle levies due to the implementation of a new state collection system.

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

	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Dare County	$ 0.26	$ 0.26	$ 0.28	$ 0.28	$ 0.28	$ 0.43	$ 0.43	$ 0.43	$ 0.43	$ 0.47
Municipality Rates:										
Town of Duck	0.115	0.115	0.115	0.125	0.125	0.21	0.21	0.21	0.21	0.21
Town of Kill Devil Hills	0.205	0.205	0.205	0.215	0.2350	0.3209	0.3509	0.3809	0.3809	0.3809
Town of Kitty Hawk	0.18	0.18	0.18	0.18	0.20	0.30	0.32	0.30	0.30	0.30
Town of Manteo	0.215	0.215	0.235	0.235	0.255	0.35	0.36	0.37	0.37	0.37
Town of Nags Head	0.1475	0.1475	0.1575	0.1775	0.1775	0.257	0.267	0.297	0.297	0.297
Town of Southern Shores	0.0975	0.0975	0.0140	0.14	0.16	0.22	0.22	0.22	0.22	0.22
Special Districts:										
Avon Fire	0.040	0.04	0.04	0.04	0.04	0.0665	0.0665	0.0665	0.0665	0.0665
Buxton Fire	0.055	0.055	0.055	0.055	0.055	0.0819	0.1058	0.1058	0.1058	0.1058
Colington Fire	0.0875	0.0875	0.0875	0.0875	0.0875	0.1191	0.1191	0.1391	0.1391	0.1391
Frisco Fire	0.0350	0.035	0.035	0.035	0.035	0.0559	0.0559	0.0559	0.0559	0.0559
Hatteras Fire	0.04	0.04	0.04	0.04	0.04	0.0634	0.0634	0.0634	0.0634	0.0634
Manns Harbor Fire	0.0475	0.0475	0.0475	0.0475	0.0475	0.0703	0.0703	0.0703	0.0703	0.0703
Martin's Point Fire	0.02	0.02	0.0325	0.0325	0.0325	0.0459	0.0459	0.0459	0.0459	0.0459
Roanoke Island Fire	0.035	0.035	0.035	0.035	0.0325	0.0435	0.0435	0.0435	0.0435	0.0435
Rodanthe-Waves Fire	0.04	0.04	0.04	0.04	0.05	0.0861	0.0861	0.0861	0.0861	0.0861
Salvo Fire	0.045	0.045	0.045	0.0450	0.0450	0.08	0.08	0.08	0.08	0.0861
Stumpy Point Fire	0.0625	0.0625	0.0625	0.0625	0.0625	0.0962	0.0962	0.0962	0.0962	0.0962
Hatteras Community Center	0.0525	0.0525	0.0525	0.0525	0.0525	0.0634	0.0821	0.0821	0.0821	0.0821
Rodanthe-Waves-Salvo Community Center	0.0175	0.0175	0.0175	0.0175	0.0175	0.0306	0.0306	0.0306	0.0306	0.0306
Stumpy Point Community Center	0.02	0.02	0.02	0.02	0.02	0.0306	0.0308	0.0308	0.0308	0.0308
Wanchese Community Center	0.0200	0.02	0.02	0.02	0.02	0.0306	0.0306	0.0266	0.0266	0.0266
Sanitation	0.0675	0.0675	0.0675	0.0675	0.0675	0.1030	0.1030	0.1030	0.1030	0.1030
Hatteras Island Rescue Squad	0.006	0.006	0.006	0.006	0.006	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	-	-
Town of Duck Beach Nourishment A	-	-	-	-	-	-	-	0.148	0.148	0.148
Town of Duck Beach Nourishment B	-	-	-	-	-	-	-	0.315	0.315	0.315
Town of Kill Devil Hills Nourishment	-	-	-	-	-	-	-	0.33	0.33	0.33
Town of Kitty Hawk Nourishment A	-	-	-	-	-	-	-	0.04	0.04	0.04
Town of Kitty Hawk Nourishment B	-	-	-	-	-	-	-	0.12	0.12	0.12
Buxton Beach Nourishment	-	-	-	-	-	-	-	0.25	0.25	0.25

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

Taxpayer	Type of Business	Fiscal Year 2018 Assessed Valuation	Rank (1)	Percentage of Total Assessed Valuation	Fiscal Year 2009 Assessed Valuation	Rank (1)	Percentage of Total Assessed Valuation
Dominion NC Power	Utilities	$ 109,689,370	1	0.82%	78,612,985	1	0.45%
Ships Watch Association	Resort	30,537,550	2	0.22%			
Outer Banks Beach Club	Resort	24,071,600	3	0.18%	25,887,000	6	0.14%
Brian K. Newman	Real estate developer	24,015,854	4	0.18%	36,600,509	4	0.21%
Diamond Resorts GK Development	Real estate developer	21,072,149	5	0.15%			
CWI Sanderling Hotel, LP	Resort	19,919,365	6	0.14%			
View, LLC	Resort	16,183,605	7	0.12%			
OBX Resort, LLC	Resort	16,165,550	8	0.12%			
Peachtree Shoreside LLC	Real estate developer	14,350,500	9	0.10%			
Estate of Billy G. Roughton	Real estate developer	13,797,515	10	0.10%	42,167,765	3	0.24%
Barrier Island Station	Real estate developer				50,622,129	2	0.29%
Turnpike Properties, LLC (Sanderling Inn)	Resort				33,548,061	5	0.19%
Embarq	Communications utility				25,175,135	7	0.14%
Ships Watch Association	Real estate developer				24,612,000	9	0.14%
I.G. Holdings, LLC	Real estate developer				19,871,030	10	0.11%
Clarence E. Dean, Jr.	Real estate developer				24,851,200	8	0.14%
Totals		$ 289,803,058		2.13%	$ 361,947,814		2.05%

Source: Dare County Tax Department

Dare County, North Carolina
Property Tax Levies and Collections
Last Ten Fiscal Years

	Taxes Levied for the Fiscal Year			Collected within the Fiscal Year of the Levy			Total Collections to Date	
Fiscal Year	Original Levy	Adjustments	Adjusted Levy	Amount	Percentage of Levy	Collections in Subsequent Years	Amount	Percentage of Levy
2009	$ 45,027,313	$ 237,003	$ 45,264,316	$ 44,582,320	98.49%	$ 647,141	$ 45,229,461	99.92%
2010	$ 45,254,844	$ 284,648	$ 45,539,492	$ 44,740,649	98.25%	$ 761,290	$ 45,501,939	99.92%
2011	$ 48,869,553	$ 291,359	$ 49,160,912	$ 48,612,739	98.89%	$ 506,741	$ 49,119,480	99.92%
2012	$ 49,016,756	$ 332,715	$ 49,349,471	$ 48,867,557	99.02%	$ 429,557	$ 49,297,114	99.89%
2013	$ 49,110,854	$ 328,439	$ 49,439,293	$ 48,973,021	99.06%	$ 407,260	$ 49,380,281	99.88%
2014	$ 54,304,643	$ 567,249	$ 54,871,892	$ 54,413,187	99.17%	$ 390,927	$ 54,804,114	99.88%
2015	$ 54,722,548	$ 582,530	$ 55,305,078	$ 54,897,469	99.26%	$ 347,144	$ 55,244,613	99.89%
2016	$ 55,227,895	$ 599,445	$ 55,827,340	$ 55,529,920	99.47%	$ 215,465	$ 55,745,385	99.85%
2017	$ 55,924,335	$ 598,117	$ 56,522,452	$ 56,084,403	99.22%	$ 307,355	$ 56,391,758	99.77%
2018	$ 61,798,382	$ 675,739	$ 62,474,121	$ 62,156,993	99.48%	$ -	$ 62,156,993	99.48%

Source: Dare County Tax Department

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

Fiscal Year	Outstanding Debt: Governmental Activities: General Obligation Bonds	Outstanding Debt: Governmental Activities: Installment Financings	Outstanding Debt: Governmental Activities: Capital Leases	Outstanding Debt: Business-type Activities: Revenue Bonds	Outstanding Debt: Total Primary Government	Percentage of Estimated Actual Taxable Property Value: Governmental Activities	Percentage of Estimated Actual Taxable Property Value: Total	Per Capita (1)	Percentage of Personal Income (1)
2009	$ 2,129,060	$ 153,808,215	$ 2,647,481	$ 13,311,520	$ 171,896,276	0.90%	0.97%	$ 5,104	13.22%
2010	$ 815,012	$ 144,007,871	$ 1,831,152	$ 12,013,818	$ 158,667,853	0.94%	1.02%	$ 4,669	12.16%
2011	$ 510,971	$ 142,211,578	$ 2,101,341	$ 35,262,044	$ 180,085,934	0.98%	1.22%	$ 5,267	13.25%
2012	$ 410,630	$ 135,305,030	$ 2,496,040	$ 33,985,710	$ 172,197,410	0.97%	1.20%	$ 4,998	11.99%
2013	$ 310,366	$ 134,499,934	$ 2,897,253	$ 32,637,939	$ 170,345,492	1.01%	1.25%	$ 4,882	11.06%
2014	$ 210,000	$ 129,061,093	$ 3,856,246	$ 31,373,365	$ 164,500,704	0.98%	1.21%	$ 4,695	10.43%
2015	$ 110,000	$ 118,564,006	$ 3,537,758	$ 30,248,030	$ 152,459,794	0.89%	1.11%	$ 4,284	9.24%
2016	$ -	$ 122,330,164	$ 3,010,058	$ 29,096,976	$ 154,437,198	0.92%	1.13%	$ 4,294	8.91%
2017	$ -	$ 128,730,168	$ 3,856,371	$ 31,355,654	$ 163,942,193	0.91%	1.13%	$ 4,553	9.26%
2018	$ -	$ 110,413,112	$ 3,922,754	$ 29,499,175	$ 143,835,041	0.76%	0.96%	$ 3,967	*

* 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 Value	Per Capita
		(1)	(2)	(1)
2009	$ 2,129,060	0.16%	0.01%	$ 63
2010	$ 815,012	0.06%	0.01%	$ 24
2011	$ 510,971	0.04%	0.003%	$ 15
2012	$ 410,630	0.03%	0.003%	$ 12
2013	$ 310,366	0.02%	0.002%	$ 9
2014	$ 210,000	0.01%	0.002%	$ 6
2015	$ 110,000	0.01%	0.001%	$ 3
2016	$ -	0.00%	0.000%	$ -
2017	$ -	0.00%	0.000%	$ -
2018	$ -	*	0.000%	$ -

* Information not yet available.

Notes: Details regarding the County's outstanding debt can be found in the notes to the financial statements.

(1) See the Schedule of Demographic and Economic Statistics on page 189 for personal income and population data.

(2) See the Schedule of Assessed Value and Estimated Actual Value of Taxable Property on page 180 for property value data.

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

	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Assessed Value of Property	$ 17,411,749,737	$ 17,516,525,548	$ 17,567,700,173	$ 17,622,713,660	$ 17,635,564,721	$ 12,793,358,091	$ 12,857,850,676	$ 12,977,054,976	$ 13,138,877,217	$ 13,294,179,164
Debt Limit, 8% of Assessed Value (Statutory Limitation)	$ 1,392,939,979	$ 1,401,322,044	$ 1,405,416,014	$ 1,409,817,093	$ 1,410,845,178	$ 1,023,468,647	$ 1,028,628,054	$ 1,038,164,398	$ 1,051,110,177	$ 1,063,534,333
Amount of Debt Applicable to Limit										
Gross debt	$ 170,667,481	$ 157,416,152	$ 178,936,396	$ 168,966,590	$ 165,188,297	$ 153,372,785	$ 143,370,876	$ 145,955,656	$ 155,069,449	$ 136,853,312
Less: Amount available for repayment of installment financings	478,000	-	-	-	-					
Water revenue bonds	13,470,000	11,905,000	34,940,000	33,725,000	32,450,000	31,115,000	30,100,000	29,045,000	29,070,000	27,525,000
Total net debt applicable to limit	$ 156,719,481	$ 145,511,152	$ 143,996,396	$ 135,241,590	$ 132,738,297	$ 122,257,785	$ 113,270,876	$ 116,910,656	$ 125,999,449	$ 109,328,312
Legal Debt Margin	$ 1,236,220,498	$ 1,255,810,892	$ 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
Total net debt applicable to the limit as a percentage of debt limit	11.25%	10.38%	10.25%	9.59%	9.41%	11.95%	11.01%	11.26%	11.99%	10.28%
Total net debt applicable to the limit as a percentage of assessed value	0.90%	0.83%	0.82%	0.77%	0.75%	0.96%	0.88%	0.90%	0.96%	0.82%

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, 2018

Governmental Unit	Direct Debt Outstanding	Estimated Percentage Applicable	Estimated Share of Direct and Overlapping Debt
Towns:			
Duck	$ 7,282,441	100%	$ 7,282,441
Kill Devil Hills	$ 9,580,646	100%	9,580,646
Kitty Hawk	$ 7,999,200	100%	7,999,200
Nags Head	$ 2,103,996	100%	2,103,996
Dare County Board of Education	$ 64,229	100%	64,229
Overlapping debt			26,966,283
County of Dare direct debt			109,328,312
Total direct and overlapping debt			$ 136,294,595

Source: Outstanding debt data provided by the municipalities

Note: Overlapping governments are those that coincide, at least in part, with geographic boundaries of the County. This schedule estimates the portion of the outstanding debt of those overlapping governemnts that is borne by the residents and business of the County. This process recognizes that, when considering the governments ability to issue and repay long-term debt, the entire debt burden borne by the residents and businesses should be taken in to account. However, this does not imply that every taxpayer is a resident, and therefore responsible for repaying the debt of each overlapping government.

Dare County, North Carolina
Pledged - Revenue Coverage
Last Ten Fiscal Years

	Utilities System (Water) Revenue Bonds									
								Debt Service		
Fiscal Year	Operating Revenues	Operating Expenses	Depreciation and Amortization	Operating Income (1)	Non-operating Revenues (2)	Non-operating Expenses	Net Available Revenue (3)	Principal	Interest	Coverage
2009	$ 10,457,440	$ 7,511,115	$ 2,608,991	$ 337,334	$ 566,582	$ 1,077,161	$ 3,605,663	$ 1,065,000	$ 704,485	2.04
2010	$ 9,773,661	$ 6,865,543	$ 1,975,676	$ 932,442	$ 320,161	$ 820,925	$ 5,055,889	$ 1,285,000	$ 399,721	3.00
2011	$ 10,673,595	$ 6,930,590	$ 2,105,486	$ 1,637,519	$ 157,328	$ 1,381,829	$ 5,919,552	$ 1,165,000	$ 511,025	3.53
2012	$ 10,568,055	$ 7,243,268	$ 2,290,763	$ 1,078,924	$ 1,264,901	$ 2,165,341	$ 7,118,594	$ 1,215,000	$ 1,586,356	2.54
2013	$ 10,878,574	$ 7,267,423	$ 2,267,824	$ 1,396,729	$ 467,656	$ 2,049,210	$ 7,139,400	$ 1,275,000	$ 1,597,213	2.49
2014	$ 11,563,806	$ 8,007,866	$ 2,160,769	$ 1,324,767	$ 631,919	$ 1,596,989	$ 8,177,590	$ 1,335,000	$ 1,531,962	2.85
2015	$ 12,293,122	$ 8,135,816	$ 2,218,211	$ 1,939,095	$ 614,745	$ 1,527,912	$ 9,208,543	$ 1,015,000	$ 1,487,388	3.68
2016	$ 12,253,662	$ 8,231,423	$ 2,330,394	$ 1,691,845	$ 590,526	$ 1,418,282	$ 9,334,893	$ 1,055,000	$ 1,446,287	3.76
2017	$ 12,733,181	$ 8,732,505	$ 2,500,892	$ 1,499,784	$ 551,102	$ 1,265,691	$ 9,653,326	$ 1,100,000	$ 1,403,588	3.69
2018	$ 12,773,567	$ 8,928,724	$ 3,521,243	$ 323,600	$ 702,458	$ 1,144,025	$ 10,007,220	$ 1,545,000	$ 785,119	4.29

Notes:

(1) Per the Statement of Revenues, Expenses and Changes in Fund Net Position, Proprietary Funds.

(2) As defined by the revenue bond order, non-operating revenues include collections of special assessments.

(3) As defined by the revenue bond order, net available revenue is net income as defined plus depreciation plus interest expense plus amortization. Effective 9/30/09, net available revenue also includes 20% of the Surplus Fund.

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

Year	Population	Personal Income	Per Capita Personal Income	Public School Enrollment	Unemployment Rate			Building Inspections		Total Employment		Estimated Value Per Capita
					Annual Average	Month of July	Month of January	Number	Value	Annual Average	Month of July	
	(1) (2)	(7)	(7)	(3)	(4)	(4)	(4)	(5)	(5)	(4)	(4)	(6)
2009	33,679	$ 1,299,946,000	$ 38,598	4,797	10.10%	6.30%	17.40%	2,953	$ 141,382,606	19,545	23,999	$ 540,798
2010	33,986	$ 1,304,756,000	$ 38,386	4,857	12.10%	7.90%	20.40%	2,908	$ 85,023,018	17,297	20,679	$ 524,697
2011	34,193	$ 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	34,453	$ 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	34,892	$ 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	35,039	$ 1,576,997,000	$ 44,529	4,978	8.40%	5.70%	15.60%	3,787	$ 114,641,365	18,199	22,118	$ 387,804
2015	35,586	$ 1,650,042,000	$ 47,465	4,979	7.50%	5.10%	14.10%	3,582	$ 150,626,501	18,733	22,517	$ 385,200
2016	35,964	$ 1,733,289,000	$ 48,793	5,010	6.70%	4.60%	12.80%	3,992	$ 168,779,099	18,716	22,697	$ 379,147
2017	36,009	$ 1,771,173,000	$ 49,248	5,140	6.20%	3.80%	12.00%	4,303	$ 185,901,401	18,963	22,938	$ 404,207
2018	36,260	*	*	5,322	*	3.50%	10.50%	*	*	*	22,951	$ 412,274

* Information not yet available.

Notes:
(1) 2018 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. 2018 is a State projection.
(4) N. C. Department of Commerce, D-4 Demand Driven Delivery System, Local Area Unemployment Statistics.
(5) Total within the county for the prior calendar year basis.
(6) Estimated assessed taxable property value per capita.
(7) Bureau of Economic Analysis, US Department of Commerce, Regional Data, Local Area Personal Income

Dare County, North Carolina
Principal Employers
Current Year and Nine Years Ago

	2018			2009		
Employer	**Employees**	**Rank**	**Percentage of Total County Employment**	**Employees**	**Rank**	**Percentage of Total County Employment**
	(1)		(2)			
County of Dare	757	1	3.30%	724	2	2.91%
Dare County Schools	715	2	3.12%	784	1	3.16%
Vidant Medical Center	250-499	3	1.63%	250-499	3	1.51%
NC Dept. of Transportation	250-499	4	1.63%			0.70%
Food Lion	250-499	5	0.76%	100-249	5	0.70%
Wal-Mart Associates Inc.	100-249	6	0.76%	100-249	9	0.70%
Village Realty	100-249	7	0.76%	250-499	4	
Hospitality Employee Group Llc	100-249	8	0.76%			1.51%
Spencer Yachts Inc.	100-249	9	0.76%	100-249	10	0.70%
Sun Realty	100-249	10	0.76%			
State of North Carolina				100-249	6	0.70%
Carolina Designs Realty Inc.				100-249	7	
Tandem Inc. DBA McDonalds				100-249	8	0.70%
Totals	2,722 - 4,214		10.96%	2,608 - 4,000		10.40%

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

Function/Program	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
General Government	99	93	92	90	89	87	88	88	88	87
Public Safety										
Sheriff	70	70	70	70	69	71	71	73	72	74
Detention center	52	50	50	50	50	50	50	50	50	52
Emergency medical services	92	86	86	86	94	95	95	95	95	104
Other public safety	32	31	31	30	30	29	30	32	32	34
Total Public Safety	246	237	237	236	243	245	246	250	249	264
Environmental protection	61	59	57	54	54	54	54	54	52	52
Economic and physical development	16	14	14	11	11	11	11	11	11	11
Human Services										
Health	94	93	91	93	94	94	91	91	90	90
Social services	88	92	93	94	94	94	95	94	94.5	98
Other human services	1	1	1	1	1	1	5	5	6	6
Total Human Services	183	186	185	188	189	189	191	190	190.5	193.5
Cultural and recreation	55	58	58	58	58	59	59	59	59	59
Water (Business Activity)	63	63	65	65	65	65	64	64	64	64
Internal Service	17	17	17	17	17	17	17	17	17	17
Totals	740	727	725	719	726	727	730	733	730.5	747.5
Related Organization - Dare County Board of Education										
State funded	458	428	425	408.5	421	418	410	419	428	451
Federally funded	22	51	52	30	33	38	31	29	28	29
Locally funded	245	245	245	268	251	255	255	244	250	235
Totals	725	724	722	706.5	705	711	696	692	706	715

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	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
General Government										
Finance										
Accounting transactions processed	61,469	63,341	58,290	57,145	59,044	54,303	56,129	56,169	55,804	56,468
Purchase orders issued	958	862	909	995	986	914	933	931	958	1,002
Public Safety										
Sheriff [1]										
Miles driven	1,343,672	1,073,523	1,142,407	1,447,540	1,361,689	1,246,205	1,242,713	1,182,901	1,393,139	1,291,671
Civil papers served	8,045	7,662	7,709	9,502	7,567	5,839	6,528	4,571	5,920	5,010
Citations issued	1,589	1,631	1,247	994	1,246	1,714	1,614	2,065	3,213	2,313
Arrests	1,722	1,550	3,549	1,657	1,182	3,094	1,121	1,036	1,005	887
Warnings	3,844	3,753	3,543	3,543	2,671	3,183	3,118	3,103	3,566	3,526
Calls	19,113	17,968	17,732	19,989	18,237	18,102	19,426	27,472	27,899	25,984
Transports	199	233	169	141	204	278	273	235	226	190
Detention Center										
Total inmates - annual	2,407	2,235	2,069	2,083	2,144	2,005	1,576	2,171	2,653	2,397
Average daily population	86	70	59	68	80	69	68	54	79	89
Transports out of county	244	208	200	473	206	135	93	138	163	152
Transports mileage	78,114	63,691	66,288	95,214	67,206	37,394	23,288	29,289	57,120	35,054
Transports to court	1,286	1,204	1,185	1,178	1,490	1,323	1,159	1,019	1,289	1,403
Emergency Medical Services										
Billable transports	5,043	5,014	5,161	5,356	5,957	4,998	5,095	5,586	5,667	5,981
Total call volume [1]	7,028	7,472	7,703	7,640	8,223	8,136	8,159	8,627	9,011	9,405
Call volume for the month of July [1]	949	897	907	948	1,002	1,014	993	1,132	1,056	1,005
Call volume for the month of January [1]	456	438	502	430	537	440	494	517	582	637
EMS helicopter flights [1]	228	202	236	191	255	310	188	355	370	247
Communications										
Law Enforcement Contacts										
Sheriff's Office	19,113	17,968	10,791	20,194	18,304	17,909	19,426	27,472	29,862	27,373
Duck Police Department	10,369	12,176	6,701	10,800	10,588	12,400	14,309	14,998	14,948	15,085
Hyde County Sheriffs Office [4]	-	-	-	-	-	-	-	-	-	348
Kill Devil Hills Police Department	12,286	14,454	9,084	16,183	14,923	14,124	20,167	22,846	19,675	21,201
Kitty Hawk Police Department	5,806	6,094	3,387	6,020	13,767	13,022	12,444	12,715	14,942	13,348
Manteo Police Department	10,905	12,133	6,859	9,385	11,465	13,676	15,975	15,158	14,558	13,194
Nags Head Police Department	10,442	9,885	7,057	9,797	11,878	9,755	10,752	12,959	15,143	16,622
Southern Shores Police Department	9,623	11,746	6,197	10,421	8,368	11,791	11,121	11,381	11,073	12,687
National Park Service	1,688	2,645	1,439	2,026	3,206	2,111	2,617	2,052	1,955	1,701
Tyrrell County Sheriffs Office [4]	-	-	-	-	-	-	-	-	-	9,555
Law Enforcement Total Contacts	80,232	87,101	51,515	84,826	92,499	94,788	106,811	119,581	122,156	131,114

(continued)

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

	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Fire Department Contacts										
Avon	127	118	122	104	112	112	82	93	99	79
Buxton	88	97	84	64	44	46	61	58	42	32
Colington	351	337	222	340	170	150	188	176	209	177
Rescue 15	252	244	174	166	305	327	286	431	434	547
Duck	418	395	371	337	194	199	213	252	281	210
Rescue 11	209	206	183	108	257	238	269	284	269	232
Frisco	71	56	61	44	38	50	45	46	57	27
Hatteras	53	49	59	52	38	35	41	31	53	34
Kill Devil Hills	1,353	1,293	859	953	533	444	448	510	569	484
Rescue 14	940	855	584	410	1,000	1,047	929	907	949	1,019
Kitty Hawk	530	593	392	478	248	220	220	294	302	238
Rescue 13	407	446	301	197	420	398	424	427	519	533
Manns Harbor	105	145	96	113	33	25	49	39	43	47
Rescue 18	71	111	82	42	97	91	122	133	155	110
Nags Head	695	628	492	597	359	324	319	384	398	421
Rescue 16	425	363	324	134	454	449	467	396	494	550
Nags Head 21	255	263	223	294	200	193	222	244	254	291
Rescue 21	144	138	128	53	212	232	221	178	185	218
Roanoke Island	174	169	114	253	214	181	265	275	317	275
Rescue 17	13	8	8	2	-	-	-	-	-	-
Rodanthe	87	110	110	202	259	210	232	255	274	310
Salvo	37	39	42	49	35	34	34	32	37	80
Southern Shores	384	372	272	359	174	149	157	216	276	229
Rescue 12	271	281	198	122	343	344	283	413	396	381
Stumpy Point	15	25	16	34	11	10	7	15	10	9
Rescue 19	17	21	11	5	11	11	19	17	10	17
Hyde County[4]	-	-	-	-	-	-	-	-	-	57
Tyrrell County[4]	-	-	-	-	-	-	-	-	-	87
Fire Department Total Contacts	7,492	7,362	5,528	5,512	5,761	5,519	5,603	6,106	6,632	6,694
Medical/Rescue Agencies										
Emergency Medical Services	7,225	7,504	4,912	7,367	7,602	7,638	7,195	7,714	8,342	8,426
Dare Medflight	307	306	150	342	259	331	259	287	361	350
Water Rescue	206	239	233	317	415	331	326	261	280	297
Hatteras Island Rescue	204	186	165	290	312	162	258	326	272	248
Hyde County EMS [(4)]	-	-	-	-	-	-	-	-	-	68
Tyrrell County EMS [(4)]	-	-	-	-	-	-	-	-	-	606
Medical/Rescue Total Calls	7,942	8,235	5,460	8,316	8,588	8,462	8,038	8,588	9,255	9,995

(continued)

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

	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Phone Activity										
911 calls	25,707	23,565	16,088	22,861	24,009	23,099	22,674	22,148	21,287	6,000
Crime Line calls	16	9	10	10	33	24	9	15	21	6
Administrative calls	119,452	118,422	67,625	102,808	90,241	84,258	77,114	71,250	76,472	74,749
Phone Activity Total Calls	145,175	141,996	83,723	125,679	114,283	107,381	99,797	93,413	97,780	80,755
911 Calls by cell phone	13,480	13,857	11,082	16,802	15,046	17,325	17,306	16,098	17,137	12,854
Human Services										
Social Services[2]										
Food stamp households	839	1,110	1,553	1,745	1,431	1,900	1,796	1,626	1,475	1,263
Food stamp individuals	1,751	2,510	3,240	3,614	3,002	3,903	3,565	3,176	2,634	2,135
NC Health Choice households	308	352	388	409	442	(3)	(3)	(3)	(3)	(3)
NC Health Choice individuals	453	514	574	609	652	(3)	(3)	(3)	(3)	(3)
Long-term care individuals - aging adults	84	84	77	72	68	(3)	(3)	62	(3)	(3)
Adoption assistance	81	92	95	91	99	99	99	100	92	87
Children in foster care custody	44	32	37	53	50	50	35	27	19	19
Health										
Sewage system site visits	3,024	2,794	2,191	2,324	2,533	2,466	2,682	3,011	2,948	2,913
Sewage system applications	1,239	1,144	1,125	1,177	1,255	1,286	1,314	1,413	1,395	1,438
Sewage - inspections for new systems	154	121	132	144	170	177	221	245	261	261
Cultural & Recreational										
Libraries										
Circulation	232,448	241,701	234,034	226,250	215,332	204,409	199,735	202,681	210,408	205,955
New library cards issued	2,793	2,614	2,024	1,942	1,981	2,210	1,721	1,897	2,017	1,901
Children's programs attendance	8,589	7,930	8,983	9,979	10,078	8,450	7,901	8,527	10,797	12,547
Public computer use sessions	33,886	32,929	30,112	30,070	28,761	25,675	26,907	23,369	21,060	22,963
Utilities (Water)										
Number of customers	16,939	17,040	17,135	17,606	19,520	19,629	19,759	19,881	20,024	20,198
Average daily demand (MGD)	6.217	6.175	6.658	6.557	6.315	6.674	6.844	6.767	6.733	6.577
Peak daily demand (MGD)	12.619	12.534	12.444	12.756	12.384	12.376	12.149	12.156	11.950	12.040

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 to include 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	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
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	73,676	76,395	76,395	76,903	76,903	76,903	76,903	79,445	82,760	84,602
Recreation facilities, parks & fields	10	10	10	10	10	10	10	10	10	10
Utilities (Water)										
Treatment plants	5	5	5	5	5	5	5	5	5	5
Treatment capacity (MGD)	13.05	13.05	13.05	13.05	13.05	13.05	13.05	13.25	13.25	13.25
Square Footage Occupied by Function										
Education	1,349,379	1,349,379	1,349,379	1,349,379	1,349,379	1,349,379	1,361,379	1,361,379	1,361,379	1,361,379
Community College	70,100	70,100	70,100	70,100	70,100	70,100	70,100	70,100	70,100	70,100
Public Safety	85,240	85,240	85,240	85,240	85,240	85,240	85,240	85,240	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	49,262	61,562	61,562	61,562	61,562	61,562	61,562	61,562	61,562	61,562
Economic & Physical Development	7,880	7,880	7,880	7,880	7,880	7,880	7,880	7,880	7,880	7,880
Environmental Protection	29,644	29,644	29,644	29,644	29,644	29,644	29,644	29,644	29,644	29,644

Source: Budget documents and individual county departments.

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The **Compliance Section** has been prepared in accordance with the Federal Single Audit Act of 1984, the Federal Single Audit Act Amendments of 1996, U.S. Office of Management and Budget Circular A-133, the Audit Manual for Governmental Auditors in North Carolina and North Carolina General Statute 159-34 which established audit requirements for local government units that receive Federal and State financial assistance.

POTTER & COMPANY
CERTIFIED PUBLIC ACCOUNTANTS

REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

Independent Auditor's Report

To the Board of County Commissioners
Dare County, North Carolina

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregated remaining fund information of Dare County, North Carolina, as of and for the year ended June 30, 2018, which collectively comprises Dare County's basic financial statements, and have issued our report thereon dated November 29, 2018.Our report includes a reference to other auditors. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States. Other auditors audited the financial statements of the Dare County ABC Board and the Dare County Tourism Board. This report does not include the results of the other auditors' testing of internal control over financial reporting or compliance and other matters that are reported separately by those auditors. The financial statements of the, Dare County ABC Board, Dare County Tourism Board, Rodanthe, Waves, Salvo Community Center, Stumpy Point Community Center, Wanchese Community Center and the Hatteras Village Community Center were not audited in accordance with *Government Auditing Standards*.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Dare County's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Dare County's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the County's internal control.

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

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

POTTER & COMPANY
CERTIFIED PUBLIC ACCOUNTANTS

REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Dare County, North Carolina's financial statements are free of material misstatement, we performed tests on its compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards.*

Purpose of this Report

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

Potter & Company, P.A.

November 29, 2018
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, 2018. 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, 2018.

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

Internal Control Over Compliance

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

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

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

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

Potter & Company, P.A.

November 29, 2018
Mooresville, North Carolina

POTTER & COMPANY
CERTIFIED PUBLIC ACCOUNTANTS

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, 2018. 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, 2018.

POTTER & COMPANY
CERTIFIED PUBLIC ACCOUNTANTS

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 29, 2018
Mooresville, North Carolina

DARE COUNTY, NORTH CAROLINA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For The Year Ended June 30, 2018

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.	_____ yes __X__ none reported
Noncompliance material to financial statements noted.	_____ yes __X__ 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	Names of Federal Programs or Cluster
93.778	Title XIX – Medicaid
10.561	Supplemental Nutrition Assistance Program
93.558	Temporary Assistance for Needy Families

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

Auditee qualified as low-risk auditee? __X__ yes _____ no

DARE COUNTY, NORTH CAROLINA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For The Year Ended June 30, 2018

Section I. Summary of Auditors' Results - *(cont'd)*

State Awards

Internal control over major State Programs:

• Material weakness(es) identified?	_____ yes __X__ no
• Significant Deficiency(ies) identified that are not considered to be material weaknesses.	_____ yes __X__ none reported
Noncompliance material to State awards.	_____ yes __X__ no
Type of auditors' report issued on compliance for major State programs:	Unmodified, for all State programs.
Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)?	_____ yes __X__ no

Identification of major State programs:

Program Name

Medical Assistance Program
Public School Building Fund Capital Fund
2016 Disaster Relief Act
Water Resources Development Project

Section II. Financial Statement Findings

There were no current year findings.

DARE COUNTY, NORTH CAROLINA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For The Year Ended June 30, 2018

Section III. Federal Award Findings and Questioned Costs

There were no current year findings.

Section IV. State Award Findings and Questioned Costs

There were no current year findings.

DARE COUNTY, NORTH CAROLINA
CORRECTIVE ACTION PLAN
For The Year Ended June 30, 2018

II. Financial Statement Findings

None reported.

III. Federal Award Findings and Questioned Costs

None reported.

IV. State Award Findings and Questioned Costs

None reported.

DARE COUNTY, NORTH CAROLINA
SUMMARY SCHEDULE OF PRIOR YEAR AUDIT FINDINGS
For The Year Ended June 30, 2018

Finding 2017-1

Status—Complete

For fiscal year 2018, The fiscal year 2018 budget includes $1,426,402 of additional funding greater than projected costs and claims for deficit reduction. Cost control continued to be emphasized. This resulted in revenues in excess of expenditures in the amount of $2,007.278 for the fiscal year ended June 30, 2018 resulting in an elimination of the deficit net position.

DARE COUNTY, NORTH CAROLINA
Schedule of Expenditures of Federal and State Awards
For the Year Ended June 30, 2018

Grantor/Pass-through Grantor/Program Title	Federal CFDA Number	State/ Pass-through Grantor's Number	Federal (Direct and Pass-through) Expenditures	State Expenditures	Passed-through to Subrecipients
Federal Awards:					
U.S. Department of Agriculture					
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		$ 478,829	$ -	$ -
Passed-through N.C. Department of Health and Human Services:					
Division of Public Health:					
Administration:					
Special Supplemental Nutrition Program for Women, Infants, & Children	10.557		147,002	-	-
Total U.S. Department of Agriculture			625,831	-	-
U.S. Department of Commerce					
Passed-through N.C. Department of Environment and Natural Resources:					
Division of Coastal Management:					
Minor Permit Program Administration	11.419		1,090	1,090	-
Total U.S. Department of Commerce			1,090	1,090	-
U.S. Department of Health and Human Services					
Administration on Aging:					
Passed-through N.C. Department of Insurance:					
SHIIP:					
CDAP-State Health Insurance Assistance Program	93.324	90SAPG0027-01-01	3,918	-	-
Medicare Improvements for Patients and Providers Act	93.071	1701NCMISH-01	4,470	-	-
Division of Aging and Adult Services:					
Passed-through the Albemarle Commission:					
Aging Cluster:					
Special Programs for the Aging-Title III B					
Grants for Supportive Services and Senior Centers	93.044		133,533	-	-
Special Programs for the Aging-Title III D					
Health Promotion/Disease Prevention	93.043		1,790	-	-
Total Aging Cluster			135,323	-	-
Social Services Block Grant (SSBG)	93.667		72,272	-	-
Division of Social Services:					
Temporary Assistance for Needy Families Cluster					
Temporary Assistance for Needy Families (TANF) / Work First	93.558		360,082	-	-
Total TANF Cluster			360,082	-	-
Foster Care and Adoption Cluster (Note 3)					
Foster Care-Title IV-E	93.658		211,165	30,377	-
Adoption Assistance	93.659		1,454	-	-
Total Foster Care and Adoption Cluster (Note 3)			212,619	30,377	-
Promoting Safe and Stable Families	93.556		19,685	-	-
Child Support Enforcement	93.563		210,692	-	-
Low-Income Home Energy Assistance:					
Administration	93.568		12,841	-	-
Energy Assistance Payments	93.568		89,056	-	-
Crisis Intervention Program	93.568		75,048	-	-
Total Low-Income Home Energy Assistance			176,945	-	-
Chafee Foster Care Independent Program	93.674		19,593	1,565	-
Division of Chlid Development and Early Education:					
Subsidized Child Care (Note 3)					
Child Care Development Fund Cluster					
Division of Social Services:					
Child Care Development Mandatory and Match Fund-Administration	93.596		78,745	-	-
Division of Child Development:					
Child Care and Development Fund-Discretionary	93.575		8,347	-	-
Child Care and Development Fund-Mandatory	93.596		1,100	-	-
Child Care and Development Fund-Match	93.596		29,696	14,995	-
Total Child Care Development Fund Cluster			117,888	14,995	-
Temporary Assistance for Needy Families	93.558		896	-	-
State Appropriations			-	9,261	-
TANF-MOE			-	(4,422)	-
Total Subsidized Child Care (Note 3)			118,784	19,834	-

(continued)

DARE COUNTY, NORTH CAROLINA
Schedule of Expenditures of Federal and State Awards
For the Year Ended June 30, 2018

Grantor/Pass-through Grantor/Program Title	Federal CFDA Number	State/ Pass-through Grantor's Number	Federal (Direct and Pass-through) Expenditures	State Expenditures	Passed-through to Subrecipients
Passed-through N.C. Department of Health and Human Services:					
Division of Social Services:					
Administration:					
Medical Assistance Program	93.778		1,703,035	61,746	-
State Children's Insurance Program-N.C. Health Choice	93.767		78,876	19	-
Division of Social Services:					
Temporary Assistance for Needy Families	93.558		3,149	-	-
Division of Public Health:					
Hosptial Preparedness Program (HPP) and Public Health Emergency Preparedness (PHEP) Aligned Cooperative Agreements	93.074		26,418	-	-
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		4,583	-	-
PPHF Capacity Building Assistance to Strengthen Public Health Immunization Immunization Infrastructure and Performance financed in part by Prevention and Public Health Funds	93.539		7,976	-	-
Preventive Health and Health Services Block Grant funded solely with Prevention and Public Health Funds (PPHF)	93.758		49,896	-	-
Cancer Prevention and Control Programs for State, Territorial and Tribal Organizations financed in part by Prevention and Public Health Funds	93.898		11,475	-	-
Preventive Health Services_Sexually Transmitted Diseases Control Grants	93.977		692	-	
Child Lead Poisoning Prevention Surveillance financed in part by Maternal and Child Health Services Block Grant	93.994		23,803	17,854	-
Family Planning Services	93.217		24,205	-	-
Total U.S. Department of Health and Human Services			3,268,541	131,395	-
U.S. Department of Homeland Security					
Passed-through N.C. Department of Public Safety:					
Division of Emergency Management:					
Disaster Grants - Public Assistance	97.036	FEMA-4285-DR-NC	99,904	33,301	-
Hazard Mitigation Grant Program	97.039	HMGP-1969-010	72,936	24,312	-
Emergency Management Performance Grant Program (EMPG)	97.042	EMPG-2017-17027	10,313	10,312	-
Emergency Management Performance Grant Program (EMPG)	97.042	EMPG-2017-37055	9,009	9,008	-
Homeland Security Grant Program (HSGP)	97.067	EMW-2016-SS-00011-S01	8,500	-	-
Total U.S. Department of Homeland Security			200,662	76,933	-
U.S. Department of Justice					
Direct Program:					
Equitable Sharing Program	16.922	NC0280000	1,839		
Passed-through N.C. Department of Public Safety:					
Law Enforcement Collaborative Information Gathering	16.738	2015-DJ-BX-1076	11,811	-	-
Total U.S. Department of Justice			13,650	-	-
U.S. Department of Transportation					
Passed-through N.C. Department of Transportation:					
Highway Planning and Construction - OBNSB Byway Interpretive	20.205	S-5502	29,770	-	-
Passed-through N.C. Department of Transportation:					
Public Transportation Division:					
Public Transportation for Nonurbanized Areas	20.509	18-CT-048	108,062	6,753	-
Enhanced Mobility of Seniors and Individuals with Disabilities	20.513	18-ED-048	34,874	-	-
Total U.S. Department of Transportation			172,706	6,753	-
Total federal awards			4,282,480	216,171	-
State Awards:					
N.C. Department of Administration					
Veterans Service				2,175	-
Total N.C. Department of Administration				2,175	-
N.C. Department of Agriculture and Consumer Services					
Division of Soil & Water Conservation:					
District Matching (General Expense) Funds				3,600	3,600
Technical Assistance Funds		18-024-4121		26,190	18,831
Total N.C. Department of Agriculture and Consumer Services				29,790	22,431
N.C. Department of Environmental Quality					
2016 Disaster Relief Act				104,562	-
Division of Environmental Assistance and Customer Service:					
Convenience Center Commingled Recycling Collection Grant Program		7342		27,000	-
Community Waste Reduction and Recycling Program		7263		1,200	-

(continued)

DARE COUNTY, NORTH CAROLINA
Schedule of Expenditures of Federal and State Awards
For the Year Ended June 30, 2018

Grantor/Pass-through Grantor/Program Title	Federal CFDA Number	State/ Pass-through Grantor's Number	Federal (Direct and Pass-through) Expenditures	State Expenditures	Passed-through to Subrecipients
Division of Water Resources:					
Water Resources Development Project		7165		55,926	-
Total N.C. Department of Environmental Quality				188,688	-
N.C. Department of Health and Human Services					
Division of Aging and Adult Services:					
Passed through the Albemarle Commission:					
General Purpose Funding for Senior Centers				17,557	-
Division of Social Services:					
Child Welfare Services Adoption				13,166	-
Smart Start		09		27,475	-
Child Protective Services		10		19,623	-
State Foster Home Fund (SFHF) Maximization				1,916	-
State Foster Home				11,712	-
Foster Care at Risk Maximization				1,310	-
Foster Care at Risk				1,405	-
Division of Child Development:					
Dare County Children & Youth Partnership:					
Smart Start				57,044	-
Division of Public Health:					
Food and Lodging Fees				38,549	-
General Aid to Counties				74,625	-
General Communicable Disease Control				927	-
Breast and Cervical Cancer Program				19,890	-
Child Health				2,941	-
Family Planning				3,074	-
Maternal Health				5,220	-
Women's Health Service Fund				6,362	-
HIV/STD State				500	-
STD Drugs				235	-
TB Control				2,079	-
Gonorrhea Partner Services				1,173	-
Office of Rural Health:					
Community Health Medical Access Plan				25,000	-
Total N.C. Department of Health & Human Services				331,783	-
N.C. Department of Public Instruction					
Public School Building Capital Fund-Lottery Proceeds				325,000	325,000
Total N.C. Department of Public Instruction				325,000	325,000
N.C. Department of Public Safety					
Division of Emergency Management:					
North Carolina Tier II Grant		T2-2017-MOA1768		588	-
Division of Juvenile Justice:					
JCPC Dare County Community of Juvenile Services		728-10628		67,656	-
JCPC Administration		728-11418		15,500	15,500
JCPC Pathways to Resilience		728-22750		5,170	5,170
JCPC Substance Abuse Family Education (SAFE)		728-11502		13,900	13,900
Total N.C. Department of Public Safety				102,814	34,570
N.C. Department of Transportation					
Rural Operating Assistance Program (ROAP) Cluster					
ROAP Elderly and Disabled Transportation Assistance Program				60,052	-
ROAP Rural General Public Program				67,771	-
ROAP Employment Transportation Program				15,378	-
Total ROAP Cluster				143,201	-
Total N.C. Department of Transportation				143,201	-
Total State awards			-	1,123,451	382,001
Total federal and State awards			$ 4,282,480	$ 1,339,622	$ 382,001

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, 2018. The information in this SEFSA is presented in accordance with the requirements of Title 2 US Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards and the State Single Audit Implementation Act. Because the Schedule presents only a selected portion of the operations of Dare County, it is not intended to and does not present the financial position, changes in net position or cash flows of Dare County.

(continued)

DARE COUNTY, NORTH CAROLINA
Schedule of Expenditures of Federal and State Awards
For the Year Ended June 30, 2018

Grantor/Pass-through Grantor/Program Title	Federal CFDA Number	State/ Pass-through Grantor's Number	Federal (Direct and Pass-through) Expenditures	State Expenditures	Passed-through to Subrecipients

Note 2: Summary of Significant Accounting Policies
Expenditures reported in the SEFSA are reported on the modified accrual basis of accounting. Such expenditures are recognized following the cost principles contained in Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement. Dare County has elected not to use the 10-percent de minimis indirect cost rate as allowed under the Uniform Guidance.

Note 3: Cluster of Programs
The following are clustered by the N.C. Department of Health and Human Services and are treated separately for state audit requirement purposes: Subsidized Child Care and Foster Care and Adoption.

End of document