DAVIE COUNTY
NORTH CAROLINA

FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2019

DAVIE COUNTY
NORTH CAROLINA

BOARD OF COUNTY COMMISSIONERS

Terry N. Renegar, Chairman

Richard Poindexter, Vice-Chairman

Mark S. Jones

James Blakley

Benita Finney

COUNTY OFFICIALS

John Eller	County Manager
Robin M. West	Finance Director
E. Edward Vogler, Jr.	County Attorney
M. Brent Shoaf	Register of Deeds

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DAVIE COUNTY, NORTH CAROLINA

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FINANCIAL SECTION

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MARTIN ❖ STARNES
& ASSOCIATES, CPAs, P.A.
"A Professional Association of Certified Public Accountants and Management Consultants"

Independent Auditor's Report

To the Board of County Commissioners
Davie County
Mocksville, North Carolina

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of Davie County, North Carolina, as of and for the year ended June 30, 2019, and the related notes to the financial statements, which collectively comprise Davie 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 Davie County Watershed Improvement Commission. 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 Davie County Watershed Improvement Commission, 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 *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement. The financial statements of the Davie County Watershed Improvement Commission were not audited in accordance with *Government 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.

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In making those risk assessments, the auditor considers internal control relevant to the County'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 County'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 discretely presented component unit, each major fund, and the aggregate remaining fund information of Davie County, North Carolina, as of June 30, 2019, and the respective changes in financial position and where applicable, cash flows thereof, and the respective budgetary comparison for the General Fund 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 the Management's Discussion and Analysis, the Other Post-Employment Benefits' Schedules of Changes in the Total OPEB Liability and Related Ratios, the Local Government Employees' Retirement System Schedules of the County's Proportionate Share of Net Pension 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, and the Law Enforcement Officers' Special Separation Allowance Schedules of the Changes in Total Pension Liability and Total Pension Liability as a Percentage of Covered Payroll, 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 the 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 Davie County's basic financial statements. The individual fund financial statements, budget and actual schedules, and supplemental ad valorem tax schedules, are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The individual fund financial statements, budget and actual schedules, and supplemental ad valorem tax schedules, 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 the other auditors. In our opinion, based on our audit, the procedures performed as described above, and the report of the other auditors, the individual fund financial statements, budgetary schedules, and supplemental ad valorem tax schedules, are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated November 18, 2019 on our consideration of Davie County's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements, and other matters. The purpose of that report is solely 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 the effectiveness of Davie County's 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 Davie County's internal control over financial reporting and compliance.

Martin Starnes & Associates, CPAs, P.A.

Martin Starnes & Associates, CPAs, P.A.
Hickory, North Carolina
November 18, 2019

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Management's Discussion and Analysis

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

Financial Highlights

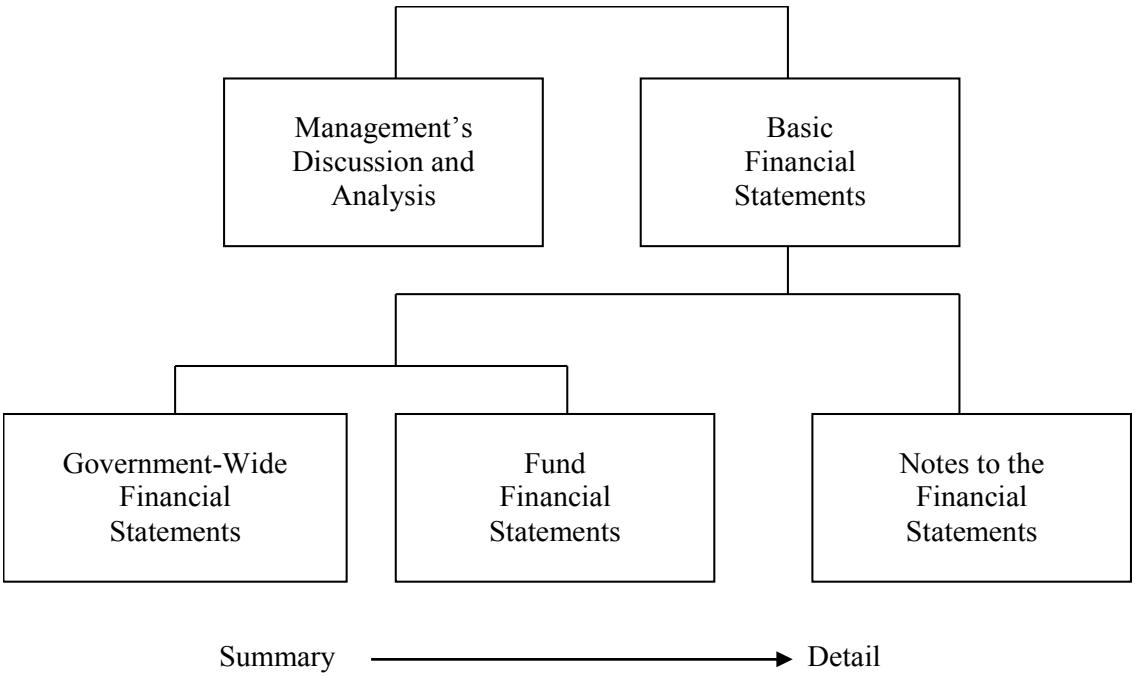
- The assets and deferred outflows of resources of Davie County exceeded its liabilities and deferred inflows of resources at the close of the fiscal year by $4,697,714 (*net position*).
- The government's total net position increased by $5,475,561 in the current year, primarily due to the increase in net position in the governmental activities. This is mostly due to the increase in expenditures of the Davie County High School Repurposing project.
- As of the close of the current fiscal year, Davie County's governmental funds reported combined ending fund balances of $25,343,899, an increase of $3,522,636 in comparison with the prior year. Approximately 56.0% of this total amount, or $14,197,417, is restricted or non-spendable.
- At the end of the current fiscal year, unassigned fund balance for the General Fund was $5,054,334, or 8.7%, of total General Fund expenditures for the fiscal year.
- Davie County has AA+ and Aa2 general obligation bond ratings.

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to Davie County's basic financial statements. Davie 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 (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 Davie County.

Required Components of Annual Financial Report

Figure 1



Basic Financial Statements

The first two statements (Exhibits A and B) in the basic financial statements are the G**overnment-Wide Financial Statements**. They provide both short and long-term information about the County's financial status.

The next statements (Exhibits C through J) are the **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 funds statements, and 4) the fiduciary funds 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 nonmajor governmental funds, all of which are added together in one column on the basic financial statements. Budgetary information required by the General Statutes also can be found in this part of the statements.

Following the notes is the required supplemental information. This section contains funding information about the County's pension plans.

Government-Wide Financial Statements

The government-wide financial statements are designed to provide readers with a broad overview of Davie 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 two government-wide statements report the County's net position and how it has changed. Net position is the difference between the County's total assets and deferred outflows of resources and total liabilities and deferred inflows of resources. Measuring net position is one way to gauge the County's financial condition.

The government-wide statements are divided into three categories: 1) governmental activities, 2) business-type activities, and 3) component unit. The governmental activities include most of the County's basic services, such as public safety, parks and recreation, and general administration. Property taxes and federal and state grant funds finance most of these activities. The business-type activities are those that the County charges customers to provide. These include the water and sewer and solid waste services offered by Davie County. The final category is the component unit. The government-wide financial statements include one component unit, the Davie County Watershed Improvement Commission, for which Davie County is financially accountable. The Commission operates to maintain a watershed improvement program in the County. The governing board members are appointed by the County.

The government-wide financial statements are on Exhibits A and B of this report.

Fund Financial Statements

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. Davie 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 Davie 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 governmental 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.

Davie 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.

Proprietary Funds. Davie County has one kind of proprietary fund. *Enterprise funds* are used to report the same functions presented as business-type activities in the government-wide financial statements. Davie County uses enterprise funds to account for its water and sewer activity and for its solid waste operations. These funds are the same as those separate activities shown in the business-type activities in the Statement of Net Position and the Statement of Activities.

Fiduciary Funds. Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Davie County has five fiduciary funds, all of which are agency funds.

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 start on page 26 of this report.

Other Information. In addition to the basic financial statements and accompanying notes, this report includes certain required supplementary information concerning Davie County's progress in funding its obligation to provide pension benefits to its employees. Required supplemental information can be found beginning on page 77 of this report.

Government-Wide Financial Analysis

As noted earlier, net position may serve, over time, as one useful indicator of a government's financial condition. The assets and deferred outflows of resources of Davie County exceeded its liabilities and deferred inflows of resources by $4,697,714 as of June 30, 2019. The County's net position increased by $5,475,561 for the fiscal year ended June 30, 2019. One of the largest portions of net position, $49,373,393, reflects the County's net investment in capital assets (e.g., land, buildings, machinery, and equipment). Davie County uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although Davie County's 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. An additional portion of Davie County's net position, $10,667,356, represents resources that are subject to external restrictions on how they may be used. The remaining balance is unrestricted.

Davie County's Net Position
Figure 2

	Governmental Activities		Business-Type Activities		Total	
	2019	2018	2019	2018	2019	2018
Assets:						
Current and other assets	$ 28,732,316	$ 25,301,745	$ 10,692,084	$ 12,431,845	$ 39,424,400	$ 37,733,590
Capital assets	20,917,174	19,427,890	27,196,572	23,696,136	48,113,746	43,124,026
Total assets	49,649,490	44,729,635	37,888,656	36,127,981	87,538,146	80,857,616
Deferred Outflows of Resources	5,099,572	2,961,777	300,727	164,157	5,400,299	3,125,934
Liabilities:						
Long-term liabilities	75,527,465	73,527,938	164,547	191,074	75,692,012	73,719,012
Other liabilities	10,005,576	9,351,301	2,033,186	918,828	12,038,762	10,270,129
Total liabilities	85,533,041	82,879,239	2,197,733	1,109,902	87,730,774	83,989,141
Deferred Inflows of Resources	489,197	741,301	20,760	30,955	509,957	772,256
Net Position:						
Net investment in capital assets	22,176,821	18,194,990	27,196,572	23,696,136	49,373,393	41,891,126
Restricted	10,667,356	10,116,152	-	-	10,667,356	10,116,152
Unrestricted	(64,117,353)	(64,240,270)	8,774,318	11,455,145	(55,343,035)	(52,785,125)
Total net position	$ (31,273,176)	$ (35,929,128)	$ 35,970,890	$ 35,151,281	$ 4,697,714	$ (777,847)

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

- Continued diligence in the collection of property taxes by maintaining a collection percentage of 98.83%
- Continued low cost of debt due to the County's high bond rating
- Adoption of a series of financial policy guidelines, including: Cash Management and Investment Policy, General Fund Balance Policy, Debt Policy, Cyber Security Policy, and Enterprise/Utility Policies
- Implemented Performance Based Budgets for departments focused on outcome attainment focused on historical/actual spending, prioritizing outcomes, using data to make informed decisions
- In FY 2018, the County adopted a Strategic Plan with five focus areas: Safe & Healthy Community, Education, Quality of Life & Place, Business Operations, and Growth & Infrastructure.

Davie County's Changes in Net Position
Figure 3

	Governmental Activities		Business-Type Activities		Total	
	2019	2018	2019	2018	2019	2018
Revenues:						
Program revenues:						
Charges for services	$ 4,966,976	$ 4,732,364	$ 6,503,709	$ 6,584,672	$ 11,470,685	$ 11,317,036
Operating grants and contributions	8,548,854	8,027,570	-	-	8,548,854	8,027,570
Capital grants and contributions	194,608	1,047,808	32,000	-	226,608	1,047,808
General revenues:						
Property taxes	36,556,215	35,628,230	-	-	36,556,215	35,628,230
Other taxes	9,091,439	7,960,055	-	-	9,091,439	7,960,055
Other	231,410	108,536	53,429	5,150	284,839	113,686
Total revenues	59,589,502	57,504,563	6,589,138	6,589,822	66,178,640	64,094,385
Expenses:						
General government	12,818,201	15,601,030	-	-	12,818,201	15,601,030
Public safety	13,340,053	14,973,066	-	-	13,340,053	14,973,066
Environmental protection	106,598	86,304	-	-	106,598	86,304
Economic and physical development	1,323,622	1,754,660	-	-	1,323,622	1,754,660
Human services	8,034,623	7,929,565	-	-	8,034,623	7,929,565
Culture and recreation	1,203,155	1,119,716	-	-	1,203,155	1,119,716
Education	15,776,398	20,704,387	-	-	15,776,398	20,704,387
Interest and fiscal changes	2,029,811	2,482,546	-	-	2,029,811	2,482,546
Solid waste	-	-	372,311	398,968	372,311	398,968
Water and sewer	-	-	5,698,307	6,763,557	5,698,307	6,763,557
Total expenses	54,632,461	64,651,274	6,070,618	7,162,525	60,703,079	71,813,799
Change in net position before transfers	4,957,041	(7,146,711)	518,520	(572,703)	5,475,561	(7,719,414)
Transfers, net	(301,089)	(296,657)	301,089	296,657	-	-
Change in net position	4,655,952	(7,443,368)	819,609	(276,046)	5,475,561	(7,719,414)
Net position, July 1	(35,929,128)	(26,754,880)	35,151,281	35,524,072	(777,847)	8,769,192
Restatement	-	(1,730,880)	-	(96,745)	-	(1,827,625)
Beginning of year - July 1, restated	(35,929,128)	(28,485,760)	35,151,281	35,427,327	(777,847)	6,941,567
End of year - June 30	$ (31,273,176)	$ (35,929,128)	$ 35,970,890	$ 35,151,281	$ 4,697,714	$ (777,847)

Governmental Activities. Governmental activities increased the County's net position by $4,655,952. A key element for this increase was that expenditures for Davie County High School construction amounted to $872,667 for the current year and was $6,412,433 for the prior year.

Business-Type Activities. Business-type activities increased Davie County's net position by $819,609. A key element for this increase was the contribution to the Water and Sewer Capital Projects Fund for future water line expansion.

Financial Analysis of the County's Funds

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

Governmental Funds. The focus of Davie County's governmental funds is to provide information on near-term inflows, outflows, and balances of usable resources. Such information is useful in assessing the 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 Davie County. At the end of the current fiscal year, fund balance available in the General Fund was $14,516,046, while total fund balance reached $18,930,966. Fund balance available represents 24.4% of total General Fund expenditures and transfers out, while total fund balance represents 31.8% of that same amount.

The Capital Projects Fund accounts for the activities of several capital projects going on within the County. The majority of the revenue to support these projects comes from federal and state grants as well as debt issuance. At June 30, 2019, the net change in fund balance was a increase of $2,870,353 with an ending fund balance of $5,558,331. The primary reason for this increase in fund balance is the expenditures related to the Davie County High School Repurposing project in the current year.

At June 30, 2019, the governmental funds of Davie County reported a combined fund balance of $25,343,899, an increase of $3,522,636 from the prior year. The primary reason for this increase in fund balance is the expenditures related to the Davie County High School Repurposing project in the current year.

General Fund Budgetary Highlights. During the fiscal year, the County revised the budget on several occasions. Generally, budget amendments fall into 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 $2,060,422. A major portion of this increase was attributable to changes in amounts of funding received from the State of North Carolina and other grants.

Proprietary Funds. Davie County's proprietary funds provide the same type of information found in the government-wide statements, but in more detail. Unrestricted net position of the Solid Waste Fund at the end of the fiscal year was $178,750, and those for the Water and Sewer Fund was $8,595,568. The Solid Waste Fund net position increased $33,900, and the Water and Sewer Fund net position increased $785,709. Other factors concerning the finances of these two funds have already been addressed in the discussion of Davie County's business-type activities.

Capital Assets and Debt Administration

Capital Assets. Davie County's capital assets for its governmental and business-type activities as of June 30, 2019 total $48,113,746 (net of accumulated depreciation). These assets include buildings, land, machinery and equipment, and vehicles.

Major capital asset transactions during the year include:

- Purchase of replacement vehicles for sheriff's office, emergency medical services, and development services
- Server replacements for County departments in Technology Solutions
- Equipment related to the new Medical Examiner's Office

Davie County's Capital Assets
Figure 4

	Governmental Activities		Business-Type Activities		Total	
	2019	2018	2019	2018	2019	2018
Land	$ 722,688	$ 722,688	$ 552,624	$ 552,624	$ 1,275,312	$ 1,275,312
Buildings	23,724,854	23,724,854	16,460,496	16,460,496	40,185,350	40,185,350
Furniture, equipment and computer	6,471,855	6,347,844	2,930,022	2,882,049	9,401,877	9,229,893
Vehicles and motor equipment	5,703,321	5,334,217	-	-	5,703,321	5,334,217
Water/sewer lines	-	-	20,509,414	20,509,414	20,509,414	20,509,414
Construction in progress	4,346,720	1,928,392	7,336,475	3,038,860	11,683,195	4,967,252
	40,969,438	38,057,995	47,789,031	43,443,443	88,758,469	81,501,438
Less:						
Accumulated depreciation	20,052,264	18,630,105	20,592,459	19,747,307	40,644,723	38,377,412
Capital assets, net	$ 20,917,174	$ 19,427,890	$ 27,196,572	$ 23,696,136	$ 48,113,746	$ 43,124,026

Additional information on Davie County's capital assets can be found beginning on page 42 of the basic financial statements.

Long-Term Debt. As of June 30, 2019, Davie County had total bonded debt outstanding of $69,333,287, all of which is debt backed by the full faith and credit of the County.

Davie County's Outstanding Debt
Figure 5

	Governmental Activities	
	2019	2018
General obligation debt	$ 52,820,000	$ 50,745,000
QZAB	602,600	602,600
COPS	5,208,000	6,127,000
Installment loans	4,976,739	5,698,000
Unamortized premiums	5,725,948	6,002,794
Total	$ 69,333,287	$ 69,175,394

Davie County's total debt increased by $157,893 during the fiscal year, primarily due to principal payments of bonds for construction of Davie County High School and the issuance of the Parks and Recreation General Obligation Bonds.

As mentioned in the financial highlights section of this document, Davie County maintained its Aa2 bond rating from Moody's Investor Service and received a rating increase from AA to AA+ from Standard & Poor's Corporation, at the point the Parks and Recreation bonds were issued. This bond rating increase is a clear indication of the sound financial condition of Davie County. This achievement is a primary factor in keeping interest costs low on the County's outstanding debt.

The State of North Carolina limits the amount of general obligation debt that a unit of government can issue to 8% of the total assessed value of taxable property located within that government's boundaries. The legal debt margin for Davie County is approximately $304,289,577. The County has no authorized, unissued bonds at June 30, 2019.

Additional information regarding Davie County's long-term debt can be found beginning on page 65 of this audited financial report.

Economic Factors and Next Year's Budgets and Rates

The following key economic indicators reflect the growth and prosperity of the County.

- Davie County has encountered job growth percentages that represent more than double the next most successful county in the Piedmont Triad region. Davie County leads both the Piedmont Triad region and the state in job growth. From 2013 to 2017, the County experienced 23% growth, with an unemployment rate lower than the State average of 4.1%.

- Davidson County Community College (DCCC) and Davie County are working on program expansion to advance the future of high-quality healthcare in the region by expanding in-demand healthcare programs, including EMT and Paramedic; Nurse Aide, Practical Nursing, and Associate Degree Nursing; Pharmacy; Human Services, including a substance abuse certificate; Medication Aide; Home Health Aide; and Mammography.

- The County is in the process of and constructing an expansion project for Eastern Davie, which includes line extensions, connections, and pump stations, to access additional capacity through an interlocal agreement with Winston-Salem/Forsyth County Utilities Commission. As part of this project, the Town of Bermuda Run Sewer Treatment Facility will be decommissioned and the County will provide wastewater treatment services for the Town. The County also has a policy to invest a minimum of $500,000 per year to replace and/or extend water and sewer lines.
- There is also a K-14 Initiative that was spearheaded between the public and private sector, community foundation, and local community college called Ignite Davie which will allow the next graduating high school class to attend the community college at no charge to them up to three years post-graduation.
- Sports, tourism, and recreation remain a draw in Davie County. Davie is home to BB&T Sports Park with 13 full size fields that host sports tournaments for teams across the southeast region. Carolina Athletic Performance has planned the construction of a 120,000 square foot mega indoor sports complex that will include eight full-size indoor basketball courts, physical therapy space with 10,000 square feet for a rehabilitation, batting cages, 60 yards of open turf, 30 yields of field capability, nine meeting rooms, a 4,000 square foot multi-purpose room. Construction also continues on the new Davie Community Park set to open in May 2020, including the state's largest splash pad, an amphitheater, two gyms, and a dog park, among other amenities. There are also four vineyards/wineries in the County that draw a number of visitors with their award winning wines.

Budget Highlights for the Fiscal Year Ending June 30, 2020

Governmental Activities. The property tax rate of 76.8 cents was maintained for fiscal year 2019-2020. The Advance Rural Fire Protection District was added with a rate of 2.438 cents, in addition to the county-wide fire tax of four cents. The County's budget includes the implementation of five focus areas as outlined in the County's Strategic Plan and Performance Based Budget. Budgeted expenditures in the General Fund are increased to $66,169,062.

Business-Type Activities. An increase in water and sewer rates of 2.25% for all customers was adopted effective July 1, 2019 to fund the water and sewer system, while keeping customer rates competitive as compared to other systems throughout the state.

Requests for Information

This financial report is designed to provide an overview of the County's finances for those with an interest in this area. Questions concerning any of the information found in this report or requests for additional information should be directed to the Director of Finance, Davie County, 123 South Main Street, Mocksville, North Carolina 27028. Budget information and audited financial statements can also be found at http://www.daviecountync.gov/95/Finance-Department.

BASIC FINANCIAL STATEMENTS

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DAVIE COUNTY, NORTH CAROLINA

STATEMENT OF NET POSITION
JUNE 30, 2019

	Primary Government			Component Unit
	Governmental Activities	Business-Type Activities	Total	Davie County Watershed Improvement Commission
Assets:				
Cash and cash equivalents	$ 17,506,426	$ 9,013,281	$ 26,519,707	$ 312,059
Taxes receivable, net	500,590	-	500,590	-
Accounts receivable, net	386,738	1,248,969	1,635,707	-
Due from other governments	4,447,658	-	4,447,658	-
Accrued interest on investments	263	-	263	-
Restricted cash and cash equivalents	5,827,878	215,332	6,043,210	-
Inventories	74	214,502	214,576	-
Net pension asset	62,689	-	62,689	-
Capital assets:				
Land and construction in progress	5,069,408	7,889,099	12,958,507	-
Other capital assets, net of depreciation	15,847,766	19,307,473	35,155,239	-
Total capital assets	20,917,174	27,196,572	48,113,746	-
Total assets	49,649,490	37,888,656	87,538,146	312,059
Deferred Outflows of Resources:				
Deferred charges on refunding	256,329	-	256,329	-
Pension deferrals	4,088,236	252,535	4,340,771	-
OPEB deferrals	755,007	48,192	803,199	-
Total deferred outflows of resources	5,099,572	300,727	5,400,299	-
Liabilities:				
Accounts payable and accrued liabilities	2,990,838	1,141,848	4,132,686	-
Liabilities to be paid from restricted assets:				
Advances from grantors	250,000	-	250,000	-
Customer deposits	-	215,332	215,332	-
Long-term liabilities:				
Net pension liability (LGERS)	5,079,559	322,738	5,402,297	-
Total pension liability (LEOSSA)	1,230,202	-	1,230,202	-
Total OPEB liability	5,534,536	353,268	5,887,804	-
Due within one year	6,917,267	66,000	6,983,267	-
Due in more than one year	63,530,639	98,547	63,629,186	-
Total liabilities	85,533,041	2,197,733	87,730,774	-
Deferred Inflows of Resources:				
Prepaid property taxes	102,999	-	102,999	-
Pension deferrals	145,500	5,396	150,896	-
OPEB deferrals	240,698	15,364	256,062	-
Total deferred inflows of resources	489,197	20,760	509,957	-
Net Position:				
Net investment in capital assets	22,176,821	27,196,572	49,373,393	-
Restricted for:				
Stabilization for state statute	6,907,826	-	6,907,826	-
Register of Deeds	250,452	-	250,452	-
Register of Deeds' pension plan	82,562	-	82,562	-
Education	811,575	-	811,575	-
Public safety	820,268	-	820,268	-
Economic and physical development	1,794,673	-	1,794,673	-
Unrestricted (deficit)	(64,117,353)	8,774,318	(55,343,035)	312,059
Total net position	$ (31,273,176)	$ 35,970,890	$ 4,697,714	$ 312,059

The accompanying notes are an integral part of the financial statements.

DAVIE COUNTY, NORTH CAROLINA

STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2019

		Program Revenues		
Functions/Programs:	**Expenses**	**Charges for Services**	**Operating Grants and Contributions**	**Capital Grants and Contributions**
Primary Government:				
Governmental Activities:				
General government	$ 12,818,201	$ 795,449	$ 1,734,581	$ -
Public safety	13,340,053	2,834,396	1,490,135	-
Environmental protection	106,598	-	-	-
Economic and physical development	1,323,622	24,567	27,377	194,608
Human services	8,034,623	1,312,564	5,081,160	-
Cultural and recreational	1,203,155	-	215,601	-
Education	15,776,398	-	-	-
Interest and fiscal charges	2,029,811	-	-	-
Total governmental activities	54,632,461	4,966,976	8,548,854	194,608
Business-Type Activities:				
Water and Sewer Fund	5,698,307	6,361,587	-	70,615
Solid Waste Fund	372,311	142,122	-	-
Total business-type activities	6,070,618	6,503,709	-	70,615
Total primary government	$ 60,703,079	$ 11,470,685	$ 8,548,854	$ 265,223
Component Unit:				
Davie County Watershed Improvement Commission	$ 27,765	$ -	$ -	$ -
Total component unit	$ 27,765	$ -	$ -	$ -

The accompanying notes are an integral part of the financial statements.

DAVIE COUNTY, NORTH CAROLINA

STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2019

	Net (Expense) Revenue and Changes in Net Position			Component Unit
	Primary Government			Davie County Watershed Improvement Commission
Functions/Programs:	**Governmental Activities**	**Business-Type Activities**	**Total**	
Primary Government:				
Governmental Activities:				
General government	$ (10,288,171)	$ -	$ (10,288,171)	
Public safety	(9,015,522)	-	(9,015,522)	
Environmental protection	(106,598)	-	(106,598)	
Economic and physical development	(1,077,070)	-	(1,077,070)	
Human services	(1,640,899)	-	(1,640,899)	
Cultural and recreational	(987,554)	-	(987,554)	
Education	(15,776,398)	-	(15,776,398)	
Interest and fiscal charges	(2,029,811)	-	(2,029,811)	
Total governmental activities	(40,922,023)	-	(40,922,023)	
Business-Type Activities:				
Water and Sewer Fund	-	733,895	733,895	
Solid Waste Fund	-	(230,189)	(230,189)	
Total business-type activities	-	503,706	503,706	
Total primary government	(40,922,023)	503,706	(40,418,317)	
Component Unit:				
Davie County Watershed Improvement Commission				$ (27,765)
Total component unit				(27,765)
General Revenues:				
Taxes:				
Property taxes, levied for general purpose	36,556,215	-	36,556,215	-
Local option sales tax	8,946,999	-	8,946,999	-
Other taxes	144,440	-	144,440	-
Investment earnings, unrestricted	231,410	14,814	246,224	187
Other unrestricted intergovernmental revenue	-	-	-	29,000
Total general revenues, excluding transfers	45,879,064	14,814	45,893,878	29,187
Transfers to/from other funds	(301,089)	301,089	-	-
Total general revenues and transfers	45,577,975	315,903	45,893,878	29,187
Change in net position	4,655,952	819,609	5,475,561	1,422
Net Position:				
Beginning of year - July 1	(35,929,128)	35,151,281	(777,847)	310,637
End of year - June 30	$ (31,273,176)	$ 35,970,890	$ 4,697,714	$ 312,059

The accompanying notes are an integral part of the financial statements.

DAVIE COUNTY, NORTH CAROLINA

BALANCE SHEET - GOVERNMENTAL FUNDS
JUNE 30, 2019

	Major Funds		Nonmajor Fund	
	General	Capital Projects Fund	Emergency Telephone System Fund	Total Governmental Funds
Assets:				
Cash and cash equivalents	$ 13,203,571	$ 3,470,272	$ 820,268	$ 17,494,111
Taxes receivable, net	500,590	-	-	500,590
Accounts receivable, net	188,181	194,612	-	382,793
Due from other governments	4,413,324	-	34,334	4,447,658
Accrued interest on investments	263	-	-	263
Restricted cash and cash equivalents	3,119,112	2,708,766	-	5,827,878
Inventories	74	-	-	74
Total assets	$ 21,425,115	$ 6,373,650	$ 854,602	$ 28,653,367
Liabilities, Deferred Inflows of Resources, and Fund Balance:				
Liabilities:				
Accounts payable and accrued liabilities	1,697,011	565,319	-	2,262,330
Due to other funds	6,627	-	-	6,627
Advances from grantors	-	250,000	-	250,000
Total liabilities	1,703,638	815,319	-	2,518,957
Deferred Inflows of Resources:				
Prepaid property taxes	102,999	-	-	102,999
Property taxes receivable	500,590	-	-	500,590
Other receivables	186,922	-	-	186,922
Total deferred inflows of resources	790,511	-	-	790,511
Fund Balances:				
Non-spendable:				
Inventories	74	-	-	74
Restricted:				
Stabilization by state statute	4,414,846	2,458,646	34,334	6,907,826
Restricted, all other	3,369,564	3,099,685	820,268	7,289,517
Committed	995,000	-	-	995,000
Assigned	5,097,148	-	-	5,097,148
Unassigned	5,054,334	-	-	5,054,334
Total fund balances	18,930,966	5,558,331	854,602	25,343,899
Total liabilities, deferred inflows of resources, and fund balances	$ 21,425,115	$ 6,373,650	$ 854,602	

The accompanying notes are an integral part of the financial statements.

DAVIE COUNTY, NORTH CAROLINA

BALANCE SHEET - GOVERNMENTAL FUNDS
JUNE 30, 2019

Amounts reported for governmental activities in the Statement of Net Position are different because:

Total fund balances	$	25,343,899
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.		20,917,174
Deferred outflows related to long-term debt issue refunding		256,329
Deferred inflows of resources for taxes and other receivables		687,512
Net pension asset (ROD)		62,689
Net pension liability (LGERS)		(5,079,559)
Deferred inflows of resources related to pensions		(145,500)
Deferred outflows of resources related to pensions		4,088,236
Deferred inflows of resources related to OPEB		(240,698)
Deferred outflows of resources related to OPEB		755,007
Total OPEB liability		(5,534,536)
Total pension liability (LEOSSA)		(1,230,202)
Accrued vacation payable		(1,114,619)
The assets and liabilities of the Internal Service Fund are included in governmental activities in the Statement of Net Position.		(307,827)
Some liabilities, including interest payable, are not due and payable in the current period and, therefore, are not reported in the funds.		(69,731,081)
Net position of governmental activities, per Exhibit A	$	(31,273,176)

The accompanying notes are an integral part of the financial statements.

DAVIE COUNTY, NORTH CAROLINA

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS FOR THE YEAR ENDED JUNE 30, 2019

	Major Funds		Nonmajor Fund	
	General Fund	Capital Projects Fund	Emergency Telephone System Fund	Total Governmental Funds
Revenues:				
Taxes	$ 45,639,808	$ -	$ -	$ 45,639,808
Intergovernmental	7,018,040	213,083	206,006	7,437,129
Charges for services	3,627,912	-	-	3,627,912
Permits and fees	1,047,976	-	-	1,047,976
Interest on investments	217,608	12,784	1,018	231,410
Miscellaneous	1,324,808	(18,475)	-	1,306,333
Total revenues	58,876,152	207,392	207,024	59,290,568
Expenditures:				
General government	6,479,879	2,558,060	-	9,037,939
Public safety	16,960,736	16,661	139,245	17,116,642
Environmental protection	72,576	34,022	-	106,598
Economic and physical development	1,350,034	-	-	1,350,034
Human services	8,902,358	-	-	8,902,358
Cultural and recreational	1,301,163	-	-	1,301,163
Education	14,903,731	872,667	-	15,776,398
Debt service:				
Principal	5,425,261	-	-	5,425,261
Interest and fees	2,433,383	-	-	2,433,383
Total expenditures	57,829,121	3,481,410	139,245	61,449,776
Revenues over (under) expenditures	1,047,031	(3,274,018)	67,779	(2,159,208)
Other Financing Sources (Uses):				
Transfers in	356,627	1,306,065	-	1,662,692
Transfers out	(1,679,154)	(356,627)	-	(2,035,781)
Proceeds from installment debt	860,000	-	-	860,000
Bond proceeds	-	5,000,000	-	5,000,000
Bond premium	-	194,933	-	194,933
Total other financing sources (uses)	(462,527)	6,144,371	-	5,681,844
Net change in fund balances	584,504	2,870,353	67,779	3,522,636
Fund Balances:				
Beginning of year - July 1	18,346,462	2,687,978	786,823	21,821,263
End of year - June 30	$ 18,930,966	$ 5,558,331	$ 854,602	$ 25,343,899

The accompanying notes are an integral part of the financial statements.

DAVIE COUNTY, NORTH CAROLINA

RECONCILIATION OF THE STATEMENT OF REVENUES EXPENDITURES, AND CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS - TO THE STATEMENT OF ACTIVITIES FOR THE YEAR ENDED JUNE 30, 2019

Amounts reported for governmental activities in the Statement of Activities are different due to the following items:	
Net change in fund balances - total governmental funds (Exhibit D)	$ 3,522,636
Governmental funds report capital outlays as expenditures. However, in the Statement of Activities, the cost of these 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.	1,512,431
Pension expense - LEOSSA	(71,821)
Pension expense - LGERS and ROD	(284,188)
OPEB plan expense	(57,766)
Net book value of capital assets disposed of during the year, not recognized on modified accrual basis.	(23,147)
The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of the governmental funds. Neither transaction has any effect on net position.	
Principal payments	5,425,261
Debt proceeds	(5,860,000)
Bond premium	(194,933)
Expenses reported on fund financial statements that are capitalized on government-wide statements	403,572
Expenses related to compensated absences that do not require current financial resources are not reported as expenditures in the governmental funds statement.	44,595
Revenues in the Statement of Activities that do not provide current financial resources are not reported as revenues in the funds.	58,790
The net revenue (expense) of the internal service fund is reported with governmental activities.	180,522
Change in net position of governmental activities per Exhibit B	$ 4,655,952

The accompanying notes are an integral part of the financial statements.

DAVIE COUNTY, NORTH CAROLINA

GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2019

	Budgeted Amounts			Variance With Final Budget
	Original	Final	Actual	Over/Under
Revenues:				
Taxes	$ 44,767,191	$ 45,317,194	$ 45,639,808	$ 322,614
Intergovernmental	6,014,602	7,043,339	7,018,040	(25,299)
Charges for sales and services	3,077,035	3,122,020	3,627,912	505,892
Permits and fees	859,150	919,150	1,047,976	128,826
Interest on investments	25,000	25,000	217,608	192,608
Miscellaneous	1,076,777	1,453,474	1,324,808	(128,666)
Total revenues	55,819,755	57,880,177	58,876,152	995,975
Expenditures:				
General government	7,325,203	7,421,217	6,479,879	941,338
Public safety	17,290,636	17,972,439	16,960,736	1,011,703
Environmental protection	75,345	75,345	72,576	2,769
Economic and physical development	2,025,677	2,095,343	1,350,034	745,309
Human services	9,381,834	10,252,085	8,902,358	1,349,727
Cultural and recreational	1,269,924	1,367,126	1,301,163	65,963
Education	13,780,866	14,971,494	14,903,731	67,763
Debt service:				
Principal	5,454,456	5,454,456	5,425,261	29,195
Interest and fees	2,741,279	2,741,279	2,433,383	307,896
Contingency	50,000	50,000	-	50,000
Total expenditures	59,395,220	62,400,784	57,829,121	4,571,663
Revenues over (under) expenditures	(3,575,465)	(4,520,607)	1,047,031	5,567,638
Other Financing Sources (Uses):				
Transfers (to) other funds	(1,709,565)	(2,168,330)	(1,679,154)	489,176
Transfers from other funds	-	-	356,627	356,627
Proceeds from sale of capital assets	15,000	15,000	-	(15,000)
Installment debt issued	892,000	892,000	860,000	(32,000)
Total other financing sources (uses)	(802,565)	(1,261,330)	(462,527)	798,803
Revenues and other financing sources over (under) expenditures and other financing uses	(4,378,030)	(5,781,937)	584,504	6,366,441
Appropriated fund balance	4,378,030	5,781,937	-	(5,781,937)
Net change in fund balance	$ -	$ -	584,504	$ 584,504
Fund Balance:				
Beginning of year - July 1			18,346,462	
End of year - June 30			$ 18,930,966	

The accompanying notes are an integral part of the financial statements.

DAVIE COUNTY, NORTH CAROLINA

STATEMENT OF NET POSITION
PROPRIETARY FUNDS
JUNE 30, 2019

	Business-Type Activities			Governmental Activities
	Major			
	Water and Sewer Fund	Solid Waste Fund	Total	Self-Insurance Internal Service Fund
Assets:				
Current assets:				
Cash and cash equivalents	$ 8,767,673	$ 245,608	$ 9,013,281	$ 12,315
Accounts receivable, net	1,208,890	40,079	1,248,969	3,945
Due from other funds	-	-	-	6,627
Inventory, at cost	214,502	-	214,502	-
Cash and cash equivalents, restricted	215,332	-	215,332	-
Total current assets	10,406,397	285,687	10,692,084	22,887
Non-current assets:				
Capital assets:				
Land and other non-depreciable assets	7,674,996	214,103	7,889,099	-
Other capital assets, net of depreciation	19,076,510	230,963	19,307,473	-
Capital assets, net	26,751,506	445,066	27,196,572	-
Total non-current assets	26,751,506	445,066	27,196,572	-
Total assets	37,157,903	730,753	37,888,656	22,887
Deferred Outflows of Resources:				
OPEB deferrals	48,192	-	48,192	-
Pension deferrals	252,535	-	252,535	-
Total deferred outflows of resources	300,727	-	300,727	-
Liabilities and Net Position:				
Liabilities:				
Current liabilities:				
Accounts payable and accrued liabilities	1,097,202	44,646	1,141,848	330,714
Liabilities to be paid from restricted assets:				
Customer deposits	215,332	-	215,332	-
Current portion of compensated absences	48,000	-	48,000	-
Accrued landfill post-closure liabilities	-	18,000	18,000	-
Total current liabilities	1,360,534	62,646	1,423,180	330,714
Non-current liabilities:				
Compensated absences payable	54,256	-	54,256	-
Total OPEB liability	353,268	-	353,268	-
Net pension liability	322,738	-	322,738	-
Accrued landfill post-closure liabilities	-	44,291	44,291	-
Total non-current liabilities	730,262	44,291	774,553	-
Total liabilities	2,090,796	106,937	2,197,733	330,714
Deferred Inflows of Resources:				
Pension deferrals	5,396	-	5,396	-
OPEB deferrals	15,364	-	15,364	-
Total deferred inflows of resources	20,760	-	20,760	-
Net Position:				
Net investment in capital assets	26,751,506	445,066	27,196,572	-
Unrestricted	8,595,568	178,750	8,774,318	(307,827)
Total net position	$ 35,347,074	$ 623,816	$ 35,970,890	$ (307,827)

The accompanying notes are an integral part of the financial statements.

DAVIE COUNTY, NORTH CAROLINA

STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION - PROPRIETARY FUNDS FOR THE YEAR ENDED JUNE 30, 2019

	Business-Type Activities			Governmental Activities
	Major			
	Water and Sewer Fund	Solid Waste Fund	Total	Self-Insurance Internal Service Fund
Operating Revenues:				
Charges for sales and services	$ 6,224,339	$ 142,122	$ 6,366,461	$ 3,755,919
Miscellaneous	137,248	-	137,248	-
Total operating revenues	6,361,587	142,122	6,503,709	3,755,919
Operating Expenses:				
Salaries and benefits	1,427,767	-	1,427,767	-
Administration	-	-	-	918,380
Insurance claims paid	-	-	-	2,729,017
Other operating expenses	3,374,205	357,306	3,731,511	-
Depreciation	896,335	15,005	911,340	-
Total operating expenses	5,698,307	372,311	6,070,618	3,647,397
Operating income (loss)	663,280	(230,189)	433,091	108,522
Non-Operating Revenues (Expenses):				
Grant revenue	38,615	-	38,615	
Interest on investments	14,814	-	14,814	-
Total non-operating revenues (expenses)	53,429	-	53,429	-
Income (loss) before capital contributions and transfers	716,709	(230,189)	486,520	108,522
Capital contributions	32,000	-	32,000	-
Transfer from General Fund	37,000	264,089	301,089	72,000
Total contributions and transfers	69,000	264,089	333,089	72,000
Change in net position	785,709	33,900	819,609	180,522
Net Position:				
Beginning of year - July 1	34,561,365	589,916	35,151,281	(488,349)
End of year - June 30	$ 35,347,074	$ 623,816	$ 35,970,890	$ (307,827)

The accompanying notes are an integral part of the financial statements.

DAVIE COUNTY, NORTH CAROLINA

STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2019

	Business-Type Activities			Governmental Activities
	Major			
	Water and Sewer	Solid Waste	Total	Self-Insurance Internal Service Fund
Cash Flows from Operating Activities:				
Cash received from customers	$ 6,315,633	$ 136,779	$ 6,452,412	$ 3,751,974
Cash paid for goods and services	(2,415,194)	(383,921)	(2,799,115)	(3,811,659)
Cash paid to employees for services	(1,399,420)	-	(1,399,420)	-
Customer deposits paid, net	4,592	-	4,592	-
Net cash provided (used) by operating activities	2,505,611	(247,142)	2,258,469	(59,685)
Cash Flows from Non-Capital Financing Activities:				
Interfund transfer in (out)	37,000	264,089	301,089	72,000
Net cash provided (used) by non-capital financing activities	37,000	264,089	301,089	72,000
Cash Flows from Capital and Related Financing Activities:				
Acquisition and construction of capital assets	(4,411,776)	-	(4,411,776)	-
Capital contributions	32,000	-	32,000	-
Grant revenue	38,615	-	38,615	-
Net cash provided (used) by capital and related financing activities	(4,341,161)	-	(4,341,161)	-
Cash Flows from Investing Activities:				
Interest on investments	14,814	-	14,814	-
Net increase (decrease) in cash and cash equivalents	(1,783,736)	16,947	(1,766,789)	12,315
Cash and Cash Equivalents:				
Beginning of year - July 1	10,766,741	228,661	10,995,402	-
End of year - June 30	$ 8,983,005	$ 245,608	$ 9,228,613	$ 12,315
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:				
Operating income (loss)	$ 663,280	$ (230,189)	$ 433,091	$ 108,522
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:				
Depreciation	896,335	15,005	911,340	-
Changes in assets and liabilities:				
(Increase) decrease in accounts receivable	(45,954)	(5,343)	(51,297)	(3,945)
(Increase) decrease in inventory	24,269	-	24,269	-
(Increase) decrease in due from other funds	-	-	-	(6,627)
Increase (decrease) in accounts payable and accrued liabilities	934,742	7,285	942,027	(118,183)
Increase (decrease) due to other funds	-	-	-	(39,452)
(Increase) decrease in deferred outflows of resources for pensions	90,827	-	90,827	-
(Increase) decrease in net pension liability	120,398	-	120,398	-
Increase (decrease) in deferred inflows of resources for pensions	(211,703)	-	(211,703)	-
Increase (decrease) in deferred inflows of resources for OPEB	15,364	-	15,364	-
(Increase) decrease in deferred outflows of resources for OPEB	(41,253)	-	(41,253)	-
Increase (decrease) in customer deposits	4,592	-	4,592	-
Increase (decrease) in other post-employment benefits	47,341	-	47,341	-
Increase (decrease) in accrued landfill post-closure liabilities	-	(33,900)	(33,900)	-
Increase (decrease) in compensated absences payable	7,373	-	7,373	-
Net cash provided (used) by operating activities	$ 2,505,611	$ (247,142)	$ 2,258,469	$ (59,685)

The accompanying notes are an integral part of the financial statements.

DAVIE COUNTY, NORTH CAROLINA

STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUNDS
JUNE 30, 2019

	Agency Funds
Assets:	
Cash and investments	$ 18,010
Taxes receivable	133,697
Total assets	$ 151,707
Liabilities:	
Accounts payable and accrued liabilities	$ 15,294
Intergovernmental payable	136,413
Total liabilities	$ 151,707

The accompanying notes are an integral part of the financial statements.

1. Summary of Significant Accounting Policies

The accounting policies of Davie County (the "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 five-member Board of Commissioners, is one of the 100 counties established in North Carolina under North Carolina General Statute 153A-10. 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.

Davie County Watershed Improvement Commission

Davie County Watershed Improvement Commission (the "Commission") exists to operate and maintain a watershed improvement program in the County. The members of the Commission's governing board are appointed by the County. The Commission, which has a June 30 year-end, is presented as if it were a governmental fund.

Davie County Industrial Facilities and Pollution Control Financing Authority

Davie County Industrial Facilities and Pollution Control Financing Authority (the "Authority") exists to issue and service revenue bond debt of private businesses for economic development purposes. The Authority has no financial transactions or account balances; therefore, it is not presented in the basic financial statements.

Component Unit	Reporting Method	Criteria for Inclusion	Separate Financial Statements
Davie County Watershed Improvement Commission	Discrete	The Commission's governing board is appointed by the County's Board of Commissioners.	Davie County Watershed Improvement Commission P.O. Box 413 Mocksville, NC 27028
Davie County Industrial Facilities and Pollution Control Financing Authority	Discrete	The Authority is governed by a 12-member Board of Commissioners that is appointed by the County Commissioners. The County can remove any Commissioner of the Authority with or without cause.	None issued

Basis of Presentation, Basis of Accounting

Basis of Presentation, Measurement Focus – Basis of Accounting

Government-Wide Statements

The Statement of Net Position and the Statement of Activities display information about the primary government (the "County") net position 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. 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 of which is displayed in a separate column. All remaining governmental and enterprise funds are aggregated and reported as nonmajor funds.

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

The County reports the following major governmental funds:

General Fund – The General Fund 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.

Capital Projects Fund – Capital project funds are used to account for financial resources to be used for the acquisition or construction of major capital facilities (other than those financed by proprietary funds or trust funds). The County has one capital project fund within its governmental fund types.

The County reports the following major enterprise funds:

Water and Sewer Fund – This fund is used to account for the operations of water and sewer lines within the County.

Solid Waste Fund – This fund is used to account for the maintenance and operation of solid waste sites.

The County reports the following fund types:

Internal Service Fund – Internal service funds are used to account for the financing of goods or services provided by one department to other departments of the government and to other governmental units on a cost reimbursement basis. The measurement focus is upon determination of net income, financial position, and changes in financial position. The generally accepted accounting principles here are those applicable to similar businesses in the private sector and, thus, these funds are maintained on the accrual basis. The County maintains one internal service fund, the Self Insurance Internal Service Fund, which is self-insured.

Agency Funds – Agency funds are custodial in nature and do not involve measurement of operating results. Agency funds are used to account for assets the County holds on behalf of others. The County maintains the following three agency funds: the Social Services Fund, which accounts for monies deposited with the Department of Social Services for the benefit of certain individuals; the Property Tax Fund, which accounts for property taxes that are billed and collected by the County for various municipalities and special districts within the County; and the Deed of Trust Fund, which accounts for the fees collected by the Register of Deeds for registering or filing a deed of trust or mortgage and remitted to the State Treasurer on a monthly basis.

Nonmajor Funds – The Emergency Telephone System Fund is reported as a nonmajor special revenue fund. It is used to account for the E911 communications system activities.

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, 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. Likewise, general revenues include all taxes.

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 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 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 for property other than motor vehicles 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 and certain intergovernmental revenues, such as the utilities franchise tax 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. All taxes, including those dedicated for specific purposes are reported as general revenues rather than program revenues. 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 positions 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, then by general revenues.

B. Budgetary Data

The County's budgets are adopted as required by the North Carolina General Statutes. An annual budget is adopted for the General Fund, the Emergency Telephone System Fund, and the enterprise funds. All annual appropriations lapse at fiscal year-end. Project ordinances are adopted for the Capital Projects Fund and the Enterprise Capital Projects Fund. The Enterprise Capital Projects Fund is consolidated with the enterprise operating fund for reporting purposes.

All budgets are prepared using the modified accrual basis of accounting. Expenditures may not legally exceed appropriations at the functional level for the General Fund and at the fund level for the Special Revenue Fund, enterprise funds, and Capital Projects Fund. The County Manager is authorized by the budget ordinance to transfer appropriations between departments of the same fund up to $100,000 with an official report of such transfers to the Board at the next regular meeting of the Board of Commissioners. Amendments are required for any revisions that alter total expenditures of any fund or that change department appropriations. The governing board must approve all amendments. During the year, several amendments to the original budget were necessary. The budget ordinance must be adopted by July 1 of the fiscal year or the governing board must adopt an interim budget that covers that time until the annual ordinance can be adopted.

C. Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates. Significant areas where estimates are made are allowance for doubtful accounts and depreciation lives.

D. Assets, Liabilities, Deferred Inflows and Outflows of Resources, and Fund Equity

Deposits and Investments

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

State law [G.S. 159-30(c)] authorizes the County to invest in obligations of the United States or obligations fully guaranteed both as to principal and interest by the United States; obligations of the State of North Carolina; bonds and notes of any North Carolina local government or public authority; obligations of certain non-guaranteed federal agencies; certain high quality issues of commercial paper and bankers' acceptances; and the North Carolina Capital Management Trust (NCCMT).

The County's investments are carried at fair value. Non-participating interest earning contracts are accounted for at cost. The NC Capital Management Trust Government Portfolio, an SEC-registered (2a-7) government money market fund, is measured at fair value. The NCCMT Term Portfolio is a bond fund, has no rating and is measured at fair value. As of June 30, 2019, the NCCMT Term Portfolio has a duration of .11 years. Because the NC Cash Management Trust Government and Term Portfolios have a weighted average maturity of less than 90 days, it was presented as an investment with a maturity of less than 6 months.

Cash and Cash Equivalents

The County pools moneys from several funds to facilitate disbursement and investment and to maximize investment income. Therefore, all cash and investments are essentially demand deposits and are considered cash and cash equivalents.

Restricted Assets

Restricted cash and cash equivalents held by the County is for sinking fund deposits and its interest earnings to fund the repayment of the Qualified Zone Academy bonds at a future date. Customer deposits held by the County before any services are supplied are restricted to the service for which the deposit was collected. The reserve for debt services is restricted for the purpose of payment of future debt service requirements. The unexpended debt proceeds of the General Fund are classified as restricted because their use is restricted for the purpose for which the debt was originally issued. The unexpended grant proceeds of the Capital Projects Fund are classified as restricted because they can only be spent for specified project related expenditures. The unexpended debt proceeds of the Capital Projects Fund are classified as restricted because their use is restricted for the purpose for which the debt was originally issued.

Governmental Activities:		
General Fund	QZAB Sinking Fund	$ 561,575
General Fund	Reserve for debt service	1,403,754
General Fund	Unexpended debt proceeds	1,153,783
Capital Projects Fund	Unexpended debt proceeds	2,458,766
Capital Projects Fund	Unexpended grant proceeds	250,000
Total		5,827,878
Business-Type Activities:		
Water and Sewer Fund	Customer deposits	215,332
Total restricted cash		$ 6,043,210

Ad Valorem Taxes Receivable

In accordance with state law [G.S. 105-347 and G.S. 159-13(a)], the County levies ad valorem taxes on property other than motor vehicles on July 1, the beginning of the fiscal year. The taxes are due on September 1 (lien date); however, penalties and interest do not accrue until the following January 6. These taxes are based on the assessed values as of January 1, 2018.

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.

Inventories

The inventories of the County are valued at cost (first-in, first-out method), which approximates market. The County's General Fund inventory consists of expendable supplies that are recorded as expenditures when consumed, rather than when purchased. The inventory of the County's enterprise funds consists of materials and supplies held for consumption. The cost of the inventory carried in the County's enterprise funds is recorded as an expense as it is consumed.

Capital Assets

Purchased or constructed capital assets are recorded at cost or estimated historical cost. Donated capital assets received prior to June 30, 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. All other purchased or constructed capital assets are reported at cost or estimated historical cost. Minimum capitalization cost is $5,000 for land, buildings, improvements, plant assets, furniture and equipment, vehicles and motor equipment, and computer equipment and software. 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 Davie 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 and to permit the County to receive refunds of sales tax paid for construction costs. Agreements between the County and the Board of Education give the Board of Education full use of the facilities, full responsibility for maintenance of the facilities, and provide that the County will convey title to the property back to the Board of Education after all restrictions of the financing agreements and all sales tax reimbursement requirements have been met. The properties are reflected as capital assets in the financial statements of the Davie County Board of Education.

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

	Estimated Useful Lives
Governmental Activities:	
Buildings	40 years
Furniture and equipment	5 - 10 years
Vehicles and motor equipment	5 years
Computer equipment and software	3 - 5 years
Business-Type Activities:	
Buildings	50 years
Equipment	5 - 10 years
Water/sewer lines	25 - 50 years

Deferred Outflows/Inflows of Resources

In addition to assets, the Statement of Net Position will sometimes 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 then. The County has three items that meet this criteria – a charge on refunding, and OPEB and pension related deferrals. In addition to liabilities, the Statement of Net Position can also report a separate section for deferred inflows of resources. This separate financial statement element, *Deferred Inflows of Resources*, represents an acquisition of net position that applies to a future period and so will not be recognized as revenue until then. The County has several items that meet the criteria for this category – prepaid property taxes, OPEB deferrals, and pension related deferrals.

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 on the Statement of Net Position.

In the fund financial statements, the face amount of debt issued is reported as other financing sources.

Compensated Absences

The vacation policy of the County provides for the accumulation of up to thirty (30) days earned vacation leave with such leave being fully vested when earned. For the County's government-wide and proprietary funds, an expense and a liability for compensated absences and the salary-related payments are recorded as the leave is earned.

The County's sick leave policy provides for an unlimited accumulation of earned sick leave. Sick leave does not vest, but any unused sick leave accumulated at the time of retirement may be used in the determination of length of service for retirement benefit purposes. Since the County has no obligation for the accumulated sick leave until it is actually taken, no accrual for sick leave has been made.

Net Position/Fund Balances

Net Position

Net position in government-wide and proprietary fund financial statements is 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 composed of five classifications designed to disclose the hierarchy of constraints placed on how fund balance can be spent.

The governmental fund types classify fund balances as follows:

Non-Spendable Fund Balance

This classification includes amounts that cannot be spent because they are either (a) not in spendable form, or (b) legally or contractually required to be maintained intact.

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

Restricted Fund Balance

This classification includes revenue sources that are restricted to specific purposes externally imposed or imposed by law.

Restricted for Stabilization by State Statute – North Carolina G.S. 159-8 prohibits units of government from budgeting or spending a portion of their fund balance. This is one of several statutes enacted by the North Carolina State Legislature in the 1930's that were designed to improve and maintain the fiscal health of local government units. Restricted by State statute (RSS), is calculated at the end of each fiscal year for all annually budgeted funds. The calculation in G.S. 159-8(a) provides a formula for determining what portion of fund balance is available for appropriation. The amount of fund balance not available for appropriation is what is known as "restricted by State statute". Appropriated fund balance in any fund shall not exceed the sum of cash and investments minus the sum of liabilities, encumbrances, and deferred revenues arising from cash receipts, as those figures stand at the close of the fiscal year next preceding the budget. Per GASB guidance, RSS is considered a resource upon which a restriction is "imposed by law

through constitutional provisions or enabling legislation." RSS is reduced by inventories and prepaids as they are classified as nonspendable. Outstanding encumbrances are included within. RSS is included as a component of restricted net position and restricted fund balance on the face of the balance sheet.

Restricted for Register of Deeds – portion of fund balance that is restricted by state statute for automation enhancement (software) improvements. It is used to pay for the computer equipment and imaging technology for the Register of Deeds' office.

Restricted for General Government – portion of fund balance restricted by revenue source for general government related activities and unspent debt proceeds.

Restricted for Public Safety – portion of fund balance restricted by revenue source for public safety related activities such as police, fire, EMS, and Emergency Telephone System.

Restricted for Education – portion of fund balance restricted by revenue source (QZAB sinking funds) for educational purposes and unspent debt proceeds.

Restricted for Economic and Physical Development – portion of fund balance restricted by revenue source for economic development related activities.

Restricted fund balance at June 30, 2019 is as follows:

Purpose	General Fund	Capital Projects Fund	Other Governmental Funds
Restricted, All Other:			
Register of Deeds	$ 250,452	$ -	$ -
General government	-	2,305,603	-
Public safety	1,153,783	-	820,268
Education	561,575	403,163	-
Economic and physical development	1,403,754	390,919	-
Total	$ 3,369,564	$ 3,099,685	$ 820,268

Restricted net position on Exhibit A differs from restricted fund balance on Exhibit C by the amount restricted for Register of Deeds' pension plan of $82,562 as well as unexpended debt proceeds of $3,612,549 at June 30, 2019.

Committed Fund Balance

This classification represents the portion of fund balance that can only be used for specific purposes imposed by majority vote by quorum of Davie County's governing body. The Board of Commissioners is the highest level of decision making authority for the government that can, by adoption of an ordinance prior to year-end, commit fund balance. Once adopted, any changes or removal of specific purpose restrictions requires majority action by the governing body through another ordinance.

Future Capital Projects – portion of fund balance that is committed for potential capital projects in future year's budgets that is not already classified in restricted.

Committed fund balance at June 30, 2019 is as follows:

Purpose	General Fund
Future capital projects	$ 995,000

Assigned Fund Balance

Assigned fund balance is the portion of fund balance that Davie County intends to use for specific purposes. The County's governing body has the authority to assign fund balance.

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

Assigned fund balance at June 30, 2019 is as follows:

Purpose	General Fund
Subsequent year's expenditures	$ 5,097,148

Unassigned Fund Balance

Unassigned fund balance represents the portion of fund balance that has not been restricted, committed, or assigned to specific purposes or other funds. Only the General Fund may report a positive unassigned fund balance.

Davie County has a revenue spending policy that provides guidance for programs with multiple revenue sources. The Finance Officer will use resources in the following hierarchy: debt proceeds, federal funds, state funds, local non-County funds, and County funds. For purposes of fund balance classification, expenditures are to be spent from restricted fund balance first, followed in order by committed fund balance, assigned fund balance and, lastly, unassigned fund balance. The Finance Officer has the authority to deviate from this policy if it is in the best interest of the County or when required by grant or other contractual agreements.

Davie County has also adopted a minimum fund balance policy for the General Fund which instructs management to conduct the business of the County in such a manner that available fund balance is at least greater than or equal to 25% of the General Fund expenditures of the County. Monies in excess of the 25% target may be used to fund one-time capital expenditures or other one-time costs, or may be transferred to a Capital Reserve Fund for future use for a specific purpose within a specified time frame. The Board of Commissioners may, from time to time,

appropriate available fund balances that will reduce the available fund balances below the 25% threshold for the purposes of a declared fiscal emergency or other such global purpose as to protect the long-term fiscal security of the County. In such circumstances, the Commissioners will adopt a plan to restore the available fund balance to or above the threshold within 36 months from the date of the appropriation. If restoration cannot be accomplished within such time period without severe hardship to the County, then the Commissioners will establish a different but appropriate time period.

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

Total fund balance - General Fund	$ 18,930,966
Less:	
Inventories	74
Stabilization by state statute	4,414,846
Fund balance available for appropriation	$ 14,516,046

The outstanding encumbrances are amounts needed to pay any commitments related to purchase orders and contracts that remain unperformed at year-end.

	Capital Projects Fund	Solid Waste Fund	W&S Capital Project Fund
Encumbrances	$ 2,264,034	$ 45,241	$ 13,153,389

Defined Benefit Cost-Sharing Plans

The County participates in two cost-sharing, multi-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 liability, deferred outflows of resources and deferred inflows of resources related to pensions, and 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 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.

2. Detail Notes On All Funds

A. Assets

Deposits

All deposits of the County are either insured or collateralized by using one of two methods. Under the Dedicated Method, all deposits exceeding the federal depository insurance coverage level are collateralized with securities held by the County'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, 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 or with the escrow agent. Because of the inability to measure the exact amount of collateral pledged for the County under the Pooling Method, the potential exists for undercollateralization, and this risk may increase in periods of high cash flows. However, the State Treasurer of North Carolina enforces strict standards of financial stability for each depository that collateralizes public deposits under the Pooling Method.

The State Treasurer enforces standards of minimum capitalization for all pooling method financial institutions. The County relies on the State Treasurer to monitor those financial institutions. The County analyzes the financial soundness of any other financial institution used by the County. The County complies with the provisions of G.S. 159-31 when designating official depositories and verifying that deposits are properly secured. The County does not have a policy regarding custodial credit risk for deposits.

At June 30, 2019, the County's deposits had a carrying amount of $21,507,379 and a bank balance of $23,640,696. Of the bank balance, $1,000,000 was covered by federal depository insurance and $22,640,696 was covered by collateral held under the Pooling Method. Cash on hand was $2,650.

Investments

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

Investment Type	Valuation Measurement Method	Fair Value	Less Than 6 Months	6-12 Months
NCCMT - Government Portfolio	Fair Value - Level 1	$ 8,131,226	N/A	N/A
NCCMT - Term Portfolio*	Fair Value - Level 1	2,378,097	2,378,097	-
Commercial Paper	Fair Value - Level 2	561,575	561,575	-
Total investments		$ 11,070,898	$ 2,939,672	$ -

*As of June 30, 2019, the NCCMT Term Portfolio has a duration of .11 years. Because the NC Cash Management Trust Term Portfolio has a weighted average maturity of less than 90 days, it was presented as an investment with a maturity of less than 6 months.

All 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.

Level of fair value hierarchy: Level One: debt securities valued using directly observable, quoted prices (unadjusted) in active markets for identical assets. Level Two: debt securities are valued using a matrix pricing technique. Matrix pricing is used to value securities based on the securities' relationship to benchmark quoted prices.

Interest Rate Risk. As a means of limiting its exposure to fair value losses arising from risking interest rates, the County's investment policy limits at least half of the County's investment portfolio to maturities of less than 12 months. Also, the County's investment policy requires purchases of securities to be tiered with staggered maturity dates and limits all securities to a final maturity of no more than three years.

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 limits investments in commercial paper to the top rating issued by nationally recognized statistical rating organizations (NRSROs). As of June 30, 2019, the County's investments in commercial paper were rated P1 by Standard & Poor's, and A1 by Moody's Investors Service. The County's investments in the NC Capital Management Trust Government Portfolio carried a credit rating of AAAm by Standard & Poor's as of June 30, 2019. 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 North Carolina General Statute 159-30 as amended. The County's investments in US Agencies (Federal Home Loan Bank) are rated AAA by Standard & Poor's and AAA by Moody's Investors Service.

Concentration of Credit Risk. The County places a limit of 10% on the amount that the County may invest in any one issuer of commercial paper or banker's acceptances. More than 5% of the County's investments are in Santander UK PLC. commercial paper. These investments are 5.1% of the County's total investments. The County has adopted a policy of maximum exposure of 60% in US Government Agencies.

Custodial Credit Risk. Custodial credit risk is the risk that in the event of 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.

Property Tax-Use-Value Assessment on Certain Lands

In accordance with the General Statutes, agriculture, horticulture, and forestland may be taxed by the County at the 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 the accrued interest from the original due date. This tax is immediately due and payable. The following are property taxes that could become due if present use-value eligibility is lost. These amounts have not been recorded in the financial statements.

Year Levied	Tax	Interest	Total
2016	$ 3,075,677	$ 1,007,284	$ 4,082,961
2017	3,077,565	730,922	3,808,487
2018	3,099,273	457,143	3,556,416
2019	3,175,062	182,566	3,357,628
Total	$ 12,427,577	$ 2,377,915	$ 14,805,492

Receivables

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

	Accounts	Taxes	Due from Other Governments	Accrued Interest	Total
Governmental Activities:					
General	$ 993,361	$ 1,043,089	$ 4,413,324	$ 263	$ 6,450,037
Other governmental	194,612	-	34,334	-	228,946
Total receivables	1,187,973	1,043,089	4,447,658	263	6,678,983
Allowance for doubtful accounts	(801,235)	(542,499)	-	-	(1,343,734)
Total governmental activities	$ 386,738	$ 500,590	$ 4,447,658	$ 263	$ 5,335,249
Business-Type Activities:					
Solid Waste Fund	$ 40,079	$ -	$ -	$ -	$ 40,079
Water and Sewer Fund	1,295,290	-	-	-	1,295,290
Total receivables	1,335,369	-	-	-	1,335,369
Allowance for doubtful accounts	(86,400)	-	-	-	(86,400)
Total business-type activities	$ 1,248,969	$ -	$ -	$ -	$ 1,248,969

Due from other governments consisted of the following:

Governmental Activities:	
Sales tax refund reimbursement	$ 959,553
Grants	590,015
Local option sales tax	2,441,521
Due from State - DMV MV taxes	354,731
NC E911 Funds	34,334
Other	67,504
Total	$ 4,447,658

Capital Assets

Governmental Capital Assets

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

	Balance July 1, 2018	Increases	Decreases	Transfers	Balance June 30, 2019
Governmental Activities:					
Non-Depreciable Capital Assets:					
Construction in progress	$ 1,928,392	$ 2,453,881	$ 8,554	$ (26,999)	$ 4,346,720
Land	722,688	-	-	-	722,688
Total non-depreciable capital assets	2,651,080	2,453,881	8,554	(26,999)	5,069,408
Depreciable Capital Assets:					
Buildings	23,724,854	-	-	-	23,724,854
Furniture and equipment, computer equipment, and software	6,347,844	111,012	14,000	26,999	6,471,855
Vehicles and motor equipment	5,334,217	857,822	488,718	-	5,703,321
Total depreciable capital assets	35,406,915	968,834	502,718	26,999	35,900,030
Less Accumulated Depreciation:					
Buildings	10,682,346	611,114	-	-	11,293,460
Furniture and equipment, computer equipment, and software	4,750,359	546,086	7,467	-	5,288,978
Vehicles and motor equipment	3,197,400	753,084	480,658	-	3,469,826
Total accumulated depreciation	18,630,105	$ 1,910,284	$ 488,125	$ -	20,052,264
Total depreciable capital assets	16,776,810				15,847,766
Governmental activity capital assets, net	$ 19,427,890				$ 20,917,174

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

Governmental Activities:	
General government	$ 649,381
Public safety	1,200,629
Human services	50,287
Cultural and recreation	9,987
Total	$ 1,910,284

Proprietary Capital Assets

The capital asset activity of the proprietary funds at June 30, 2019 was as follows:

	Balance July 1, 2018	Increases	Decreases	Balance June 30, 2019
Business-Type Activities:				
Solid Waste:				
Non-Depreciable Capital Assets:				
Land	$ 214,103	$ -	$ -	$ 214,103
Depreciable Capital Assets:				
Buildings	603,213	-	-	603,213
Equipment	31,436	-	-	31,436
Total depreciable capital assets	634,649	-	-	634,649
Less Accumulated Depreciation:				
Buildings	357,245	-	-	357,245
Equipment	31,436	15,005	-	46,441
Total accumulated depreciation	388,681	$ 15,005	$ -	403,686
Total capital assets being depreciated, net	245,968			230,963
Solid waste capital assets, net	460,071			445,066

	Balance July 1, 2018	Increases	Decreases	Transfers	Balance June 30, 2019
Water and Sewer Fund:					
Non-Depreciable Capital Assets:					
Land	338,521	$ -	$ -	$ -	338,521
Construction-in-progress	3,038,860	4,297,615	-	-	7,336,475
Total non-depreciable capital assets	3,377,381	4,297,615	-	-	7,674,996
Depreciable Capital Assets:					
Water/sewer lines	20,509,414	-	-	-	20,509,414
Buildings	15,857,283	-	-	-	15,857,283
Equipment and vehicles	2,850,613	114,161	66,188	-	2,898,586
Total depreciable capital assets	39,217,310	114,161	66,188	-	39,265,283
Less Accumulated Depreciation:					
Water/sewer lines	10,210,767	345,365	-	-	10,556,132
Buildings	7,083,521	311,224	-	-	7,394,745
Equipment and vehicles	2,064,338	239,746	66,188	-	2,237,896
Total accumulated depreciation	19,358,626	$ 896,335	$ 66,188	$ -	20,188,773
Total capital assets being depreciated, net	19,858,684				19,076,510
Water/Sewer capital assets, net	23,236,065				26,751,506
Business-type activities capital assets, net	$ 23,696,136				$ 27,196,572

Net Investment in Capital Assets

The total net investment in capital assets at June 30, 2019 is composed of the following elements:

	Governmental Activities	Business-Type Activities
Capital assets	$ 20,917,174	$ 27,196,572
Long-term debt	(69,333,287)	-
Unexpended debt proceeds	3,459,386	-
Long-term debt for assets not owned by the County	67,133,548	-
Net investment in capital assets	$ 22,176,821	$ 27,196,572

Unspent debt proceeds related to the school of $153,163 are not included in net investments in capital assets calculation.

B. Liabilities

Payables

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

	Vendors	Accrued Interest	Total
Governmental Activities:			
General	$ 2,027,725	$ 397,794	$ 2,425,519
Other governmental	565,319	-	565,319
Total	$ 2,593,044	$ 397,794	$ 2,990,838
Business-Type Activities:			
Solid waste	$ 44,646	$ -	$ 44,646
Water and sewer	1,097,202	-	1,097,202
Total	$ 1,141,848	$ -	$ 1,141,848

Pension Plan and Other Post-Employment Obligations

Local Governmental Employees' Retirement System

Plan Description. The County is a participating employer in the state-wide 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 local law enforcement officers (LEOs) of participating local governmental entities. Article 3 of G.S. Chapter 128 assigns the authority to establish and amend benefit provisions to the North Carolina General Assembly. Management of the plan is vested in the LGERS Board of Trustees, which consists of 13 members – nine appointed by the Governor, one appointed by the State Senate, one appointed by the State House of Representatives, and the State Treasurer and State Superintendent, who serve as ex-officio members. The Local Governmental Employees' Retirement System is included in the Comprehensive Annual Financial Report (CAFR) for the State of North Carolina. The State's CAFR includes financial statements and required supplementary information for LGERS. That report may be obtained by writing to the Office of the State Controller, 1410 Mail Service Center, Raleigh, North Carolina 27699-1410, 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 General Statute 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, 2019, was 8.50% of compensation for law enforcement officers and 7.75% for general employees, actuarially determined as an amount that, when combined with employee contributions, is expected to finance the costs of benefits earned by employees during the year. Contributions to the pension plan from the County were $1,169,408 for the year ended June 30, 2019.

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

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

At June 30, 2019, the County reported a liability of $5,402,297 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2018. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2017. The total pension liability was then rolled forward to the measurement date of June 30, 2018 utilizing update procedures incorporating the actuarial assumptions. The County's proportion of the net pension liability was based on a projection of the County's long-term share of future payroll covered by the pension plan, relative to the projected future payroll covered by the pension plan of all participating LGERS employers, actuarially determined. At June 30, 2019, the County's proportion was .22772% (measured as of June 30, 2018), which was an increase of .00545% from its proportion as of June 30, 2018 (measured as of June 30, 2017).

For the year ended June 30, 2019, the County recognized pension expense of $1,457,504. At June 30, 2019, the County reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 833,446	$ 27,966
Changes in assumptions	1,433,561	-
Net difference between projected and actual earnings on pension plan investments	741,575	-
Changes in proportion and differences between County contributions and proportionate share of contributions	14,691	61,962
County contributions subsequent to the measurement date	1,169,408	-
Total	$ 4,192,681	$ 89,928

$1,169,408 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 ending June 30, 2020. Other amounts reported as deferred inflows and outflows of resources related to pensions will be recognized in pension expense as follows:

Year Ending June 30	Amount
2020	$ 1,423,163
2021	919,393
2022	157,537
2023	433,252
2024	-
Thereafter	-
Total	$ 2,933,345

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

Inflation	3.0 percent
Salary increase	3.50 to 8.10 percent, including inflation and productivity factor
Investment rate of return	7.00 percent, net of pension plan investment expense, including inflation

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

The actuarial assumptions used in the December 31, 2017 valuation were based on the results of an actuarial experience study 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, 2018 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	100.0%	

The information above is based on 30-year expectations developed with the consulting actuary for the 2018 asset, liability, and investment policy study for the North Carolina Retirement Systems, including LGERS. The long-term nominal rates of return underlying the real rates of return are arithmetic annualized figures. The real rates of return are calculated from nominal rates by multiplicatively subtracting a long-term inflation assumption of 3.00%. All rates of return and inflation are annualized.

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

Sensitivity of the County's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate. The following presents the County's proportionate share of the net pension liability calculated using the discount rate of 7.00%, as well as what the County's proportionate share of the net pension asset or net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.00%) or 1-percentage-point higher (8.00%) than the current rate:

	1% Decrease (6.00%)	Discount Rate (7.00%)	1% Increase (8.00%)
County's proportionate share of the net pension liability (asset)	$ 12,976,786	$ 5,402,297	$ (927,064)

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.

Law Enforcement Officers' Special Separation Allowance

Plan Description. Davie County 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 creditable years of 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. A separate report was not issued for the plan.

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	2
Active plan members	58
Total	60

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 and refunds 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 following criteria, which are outlined in GASB Statement 73.

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

Inflation	2.5 percent
Salary increases	3.50 to 7.35 percent, including inflation and productivity factor
Discount rate	3.64 percent

The discount rate used to measure the total pension liability is the S&P Municipal Bond 20-Year High Grade Rate Index.

The actuarial assumptions used in the December 31, 2017 valuation were based on the results of an experience study completed by the Actuary for the Local Government Employees' Retirement System for the five year period ending December 31, 2014.

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

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

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

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

Contributions. The County is required by Article 12D of G.S. Chapter 143 to provide these retirement benefits and has chosen to fund the amounts necessary to cover the benefits earned on a pay-as-you-go basis through appropriations made in the General Fund operating budget. There were no contributions made by employees. The County's obligation to contribute to this plan is established and may be amended by the North Carolina General Assembly. Administration costs of the Separation Allowance are financed through investment earnings. The County paid $38,488 as benefits came due for the reporting period.

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

At June 30, 2019, the County reported a total pension liability of $1,230,202. The total pension liability was measured as of December 31, 2018 based on a December 31, 2017 actuarial valuation. The total pension liability was rolled forward to December 31, 2018 utilizing update procedures incorporating the actuarial assumptions. For the year ended June 30, 2019, the County recognized pension expense of $124,522.

At June 30, 2019, the County reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 50,655	$ -
Changes of assumptions	54,602	56,856
County benefit payments and plan administrative expense made subsequent to the measurement date	18,848	-
Total	$ 124,105	$ 56,856

$18,848 reported as deferred outflows of resources related to pensions resulting from benefit payments made and administrative expenses incurred subsequent to the measurement date that are reported as deferred outflows of resources related to pensions which will be recognized as a decrease of the total pension liability in the year ended June 30, 2020. Other amounts reported as deferred inflows and outflows of resources related to pensions will be recognized in pension expense as follows:

Year Ending June 30	Amount
2020	$ 12,112
2021	12,112
2022	12,112
2023	12,645
2024	(580)
Thereafter	-
Total	$ 48,401

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

	1% Decrease (2.64%)	Discount Rate (3.64%)	1% Increase (4.64%)
Total pension liability	$ 1,338,171	$ 1,230,202	$ 1,131,328

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

	2019
Beginning balance	$ 1,177,576
Service cost	74,045
Interest on the total pension liability	36,603
Difference between expected and actual experience in the measurement of the total pension liability	31,126
Changes of assumptions or other inputs	(50,660)
Benefit payments	(38,488)
Ending balance of the total pension liability	$ 1,230,202

Changes of Assumptions. Changes of assumptions and other inputs reflect a change in the discount rate from 3.16 percent at June 30, 2017 to 3.64 percent at June 30, 2018.

Changes in Benefit Terms. Reported compensation adjusted to reflect the assumed rate of pay as of the valuation date.

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

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

Supplemental Retirement Income Plan for Law Enforcement Officers

Plan Description. The County contributes to the Supplemental Retirement Income Plan (the "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. Article 5 of G.S. Chapter 135 assigns the authority to establish and amend benefit provisions to the North Carolina General Assembly. The Plan for Law Enforcement Officers is included in the Comprehensive Annual Financial Report (CAFR) for the State of North Carolina. The State's CAFR includes the Pension Trust Fund financial statements for the Internal Revenue Code Section 401(k) plan that includes the Supplemental Retirement Income Plan for Law Enforcement Officers. That report may be obtained by writing to the Office of the State Controller, 1410 Mail Service Center, Raleigh, North Carolina 27699-1410, or by calling (919) 981-5454.

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

The County contributed $140,245 for the reporting year. No amounts were forfeited.

Deferred Compensation Plan

The County offers its employees a deferred compensation plan created in accordance with Internal Revenue Code Section 457. The Plan, which is available to all County employees, permits them to defer a portion of their salary until termination, retirement, death, or unforeseeable emergency.

401(k) Deferred Compensation Plan

The County also has an approved 401(k) retirement plan covering substantially all employees not engaged in law enforcement. For the year ended June 30, 2019, the County contributed 3% of participating full-time employees' salaries for those employees who voluntarily contributed at least 1% of their salary. The County's contributions were calculated using a covered payroll of $10,870,212; the County's total payroll was $14,978,640. The total contribution for the fiscal year ended was $676,337, which consisted of $326,129 from the County and $350,208 from the employees. The County's required contribution and the employees' voluntary contributions represented 3.00% and 3.47%, respectively, of the covered payroll amount.

Register of Deeds' Supplemental Pension Fund

Plan Description. Davie County also contributes to the Registers of Deeds' Supplemental Pension Fund (RODSPF), a non-contributory, 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 Commission 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 $3,469 for the year ended June 30, 2019.

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

At June 30, 2019, the County reported an asset of $62,689 for its proportionate share of the net pension asset. The net pension asset was measured as of June 30, 2018. The total pension liability used to calculate the net pension asset was determined by an actuarial valuation as of December 31, 2017. The total pension liability was then rolled forward to the measurement date of June 30, 2018 utilizing update procedures incorporating the actuarial assumptions. The County's proportion of the net pension asset was based on the County's share of contributions to the pension plan, relative to contributions to the pension plan of all participating RODSPF employers. At June 30, 2018, the County's proportion was .37849%, which was a decrease of .04667% from its proportion measured as of June 30, 2017.

For the year ended June 30, 2019, the County recognized pension expense of $16,847. At June 30, 2019, the County reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 553	$ 2,861
Changes of assumptions	2,948	-
Net difference between projected and actual earnings on pension plan investments	9,992	-
Changes in proportion and differences between County contributions and proportionate share of contributions	7,023	1,251
County contributions subsequent to the measurement date	3,469	-
Total	$ 23,985	$ 4,112

$3,469 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 ended June 30, 2020. Other amounts reported as deferred inflows and outflows of resources related to pensions will be recognized in pension expense as follows:

Year Ending June 30	Amount
2020	$ 7,788
2021	4,120
2022	2,945
2023	1,551
2024	-
Thereafter	-
Total	$ 16,404

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

Inflation	3.0 percent
Salary increase	3.5 to 7.75 percent, including inflation and productivity factor
Investment rate of return	3.75 percent, net of pension plan investment expense, including inflation

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

The actuarial assumptions used in the December 31, 2017 valuation were based on the results of an actuarial experience study 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, 2018 is 1.4%.

The information above is based on 30-year expectations developed with the consulting actuary for the 2018 asset, liability, and investment policy study for the North Carolina Retirement Systems, including LGERS. The long-term nominal rates of return underlying the real rates of return are arithmetic annualized figures. The real rates of return are calculated from nominal rates by multiplicatively subtracting a long-term inflation assumption of 3.00%. All rates of return and inflation are annualized.

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

Sensitivity of the County's Proportionate Share of the Net Pension Asset to Changes in the Discount Rate. The following presents the County's proportionate share of the net pension asset calculated using the discount rate of 3.75%, 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%) or 1-percentage-point higher (4.75%) 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)	$ (49,427)	$ (62,689)	$ (73,874)

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.

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

The net pension liability for LGERS and ROD was measured as of December 31, 2017, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The total pension liability for LEOSSA was measured as of December 31, 2018, with an actuarial valuation date of December 31, 2017. The County's proportion of the net pension liability was based on the County's share of contributions to the pension plan relative to the contribution of all participating entities. Following is information related to the proportionate share and pension expense:

	LGERS	ROD	LEOSSA	Total
Proportionate share of net pension liability (asset)	$ 5,402,297	$ (62,689)	$ -	$ 5,339,608
Proportion of the net pension liability (asset)	0.22772%	0.37849%	n/a	-
Total pension liability	-	-	1,230,202	1,230,202
Pension expense	1,457,504	16,847	124,522	1,598,873

At June 30, 2019, the County reported deferred outflows or resources and deferred inflows of resources related to pensions from the following sources:

	LGERS	ROD	LEOSSA	Total
Deferred Outflows of Resources:				
Differences between expected and actual experience	$ 833,446	$ 553	$ 50,655	$ 884,654
Changes of assumptions	1,433,561	2,948	54,602	1,491,111
Net difference between projected and actual earnings on pension plan investments	741,575	9,992	-	751,567
Changes in proportion and differences between County contributions and proportionate share of contributions	14,691	7,023	-	21,714
County contributions (LGERS, ROD)/benefit payments and administration costs (LEOSSA) subsequent to the measurement date	1,169,408	3,469	18,848	1,191,725
	$ 4,192,681	$ 23,985	$ 124,105	$ 4,340,771
Deferred Inflows of Resources:				
Differences between expected and actual experience	$ 27,966	$ 2,861	$ -	$ 30,827
Changes of assumptions	-	-	56,856	56,856
Changes in proportion and differences between County contributions and proportionate share of contributions	61,962	1,251	-	63,213
	$ 89,928	$ 4,112	$ 56,856	$ 150,896

Other Post-Employment Benefits – Healthcare Benefits

Plan Description

Plan Administration. Under a County resolution, the County administers the Healthcare Benefits Plan (HCB Plan), a single-employer defined benefit healthcare plan that is used to provide post-employment benefits other than pensions (OPEB) for all retirees of the County who participate in the North Carolina Local Government Employees' Retirement System (System). At retirement, all employees who retire under the County's retirement plan have the option to purchase individual medical coverage at the County's group rate. The cost of insurance is borne by the retirees at a prorata share based on years of service. Also, retirees can purchase coverage for their dependents at the County's group rates. This benefit is available to qualified retirees until the age of 65 or until Medicare eligible, whichever is sooner. The County's contribution is dependent on the employee's number of years of creditable service and the employee's age at retirement. The County Commissioners may amend the benefit provisions. A separate report was not issued for the plan.

County Contributions Based on Years of Creditable Service

Years of Service	Age at Retirement	Percent Paid
20 years	60+	50%
25 years	Any	75%
30 years	Any	100%

Plan Membership. At June 30, 2018 and June 30, 2019, the HCB Plan membership consisted of the following:

Members	
Retirees and dependents receiving benefits	17
Active members	313
Total	330

Total OPEB Liability

The County's total OPEB liability of $5,887,804 was measured as of June 30, 2018 and was determined by an actuarial valuation as of June 30, 2018.

Actuarial Assumptions and Other Inputs. The total OPEB liability in the June 30, 2018 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement unless otherwise specified:

Inflation	2.50 percent
Real wage growth	1.00 percent
Wage inflation	3.50 percent
Salary increases, including wage inflation	
General Employees	3.50 - 7.75 percent
Law Enforcement Officers	3.50 - 7.35 percent
Municipal Bond Index Rate	
Prior Measurement Date	3.56 percent
Measurement Date	3.89 percent
Health Care Cost Trends	
Pre-Medicare medical and Prescription Drug	7.25 percent for 2018 decreasing to an ultimate rate of 4.75 percent by 2028

The County selected a Municipal Bond Index Rate equal to the June average of the Bond Buyer 20-year General Obligation Bond Index published weekly by the Bond Buyer, and the discount rate used to measure the Total OPEB Liability is the Municipal Bond Index Rate as of the measurement date.

Changes in the Total OPEB Liability

	Total OPEB Liability
Balance at July 1, 2018	$ 5,098,781
Changes for the year:	
Service cost at end of year	279,702
Interest	173,588
Difference between expected and actual experience	639,556
Changes of assumptions or other inputs	145,523
Benefit payments and implicit subsidy credit	(449,346)
Net change in total OPEB liability	789,023
Balance at June 30, 2019	$ 5,887,804

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

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

The demographic actuarial assumptions for retirement, disability incidence, withdrawal, and salary increases used in the June 30, 2018 valuation were based on the results of an actuarial experience study for the period January 1, 2010 – December 31, 2014, adopted by the LGERS Board.

The remaining actuarial assumptions (e.g., initial per capita costs, health care cost trends, rate of plan participation, rates of plan election, etc.) used in the June 30, 2018 valuation were based on a review of recent plan experience done concurrently with the June 30, 2018 valuation.

Sensitivity of the Total OPEB Liability to Changes in the Discount Rate. The following presents the total OPEB liability of the County, as well as what the County's total OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (2.89 percent) or 1-percentage-point higher (4.89 percent) than the current discount rate:

	1% Decrease (2.89%)	Current Discount Rate (3.89%)	1% Increase (4.89%)
Total OPEB liability	$ 6,571,960	$ 5,887,804	$ 5,280,711

Sensitivity of the Total OPEB Liability to Changes in the Healthcare Cost Trend Rates. The following presents the total OPEB liability of the County, as well as what the County'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	Current	1% Increase
Total OPEB liability	$ 5,134,482	$ 5,887,804	$ 6,790,283

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

For the year ended June 30, 2019, the County recognized OPEB expense of $517,679. At June 30, 2019, the County reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 560,501	$ 15,740
Changes of assumptions or other inputs	127,535	240,322
Benefit payments and administrative costs made subsequent to the measurement date	115,163	-
Total	$ 803,199	$ 256,062

$115,163 reported as deferred outflows of resources related to OPEB resulting from County contributions subsequent to the measurement date will be recognized as a decrease in the total OPEB liability in the year ended June 30, 2020.

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

Year Ending June 30	Amount
2020	$ 57,034
2021	57,034
2022	57,034
2023	57,034
2024	57,034
Thereafter	146,804
Total	$ 431,974

Other Employment Benefits

The County has elected to provide death benefits to employees through the Death Benefit Plan for members of the Local Governmental Employees' Retirement System (Death Benefit Plan), a multiple-employer, state-administered, cost-sharing plan funded on a one-year term cost basis. The beneficiaries of those employees who die in active service after one year of contributing membership in the System, or who die within 180 days after retirement or termination of service and have at least one year of contributing membership service in the System at the time of death, are eligible for death benefits. Lump-sum death benefit payments to beneficiaries are equal to the employee's twelve highest months' salary in a row during the twenty-four months prior to the employee's death, but the benefit will be a minimum of $25,000 and will not exceed $50,000. Because all death benefit payments are made from the Death Benefit Plan and not by the County, the County does not determine the number of eligible participants. The County has no liability beyond the payment of monthly contributions. The 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. Separation rates are set for employees not engaged in law enforcement and for law enforcement officers. The County considers these contributions to be immaterial.

Deferred Outflows and Inflows of Resources

Deferred outflows and inflows of resources are comprised of the following:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Charge on refunding of debt	$ 256,329	$ -
Pension deferrals	4,340,771	150,896
OPEB deferrals	803,199	256,062
Prepaid taxes not yet earned (Gener	-	102,999
Taxes receivable, net (General Fund	-	500,590
Other receivables (General Fund)	-	186,922
Total	$ 5,400,299	$ 1,197,469

Closure and Post-Closure Care Costs – Landfill Facilities

Federal and state laws and regulations require the County to place a final cover on its landfill facility when it stopped accepting waste and to perform certain maintenance and monitoring functions at the site for thirty years after closure. The County closed its landfill prior to April 4, 1994. The County continues the required monitoring during the post-closure care period for up to thirty years. Post-closure costs consist of water quality monitoring, maintenance of the landfill surface and vegetation, mowing, inspections, and recordkeeping. Costs during the monitoring period are estimated to be $33,900 per year. A liability of $62,291 is recorded on the books in the Solid Waste Fund to provide for future post-closure costs. Actual post-closure costs may be higher due to inflation, changes in technology, or changes in regulations.

Risk Management

The County is 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 participates in two self-funded risk financing pools administered by the North Carolina Association of County Commissioners Joint Risk Management Agency.

Through these pools, the County obtains property coverage equal to the replacement cost of owned property subject to total insured values, with sub-limits on coverage for specified perils; general, auto, professional, employment practices, and law enforcement liability coverage of $2 million per occurrence; auto physical damage for owned autos at actual cash value; crime coverage of $250,000 per occurrence; and workers' compensation on coverage up to the statutory limits.

All property coverage and some liability coverage are subject to per occurrence deductibles, as selected by the County. The pools are audited annually by certified public accountants, and audited financial statements are available to the County upon request.

Both of the pools are reinsured through a multi-state public entity captive for single occurrence losses in excess of $500,000, up to a $2 million limit for liability coverage, and single occurrence losses in excess of $750,000 for workers' compensation.

Through the captive, the Liability and Property Pool is reinsured for $2,000,000 of annual aggregate losses in excess of $250,000 per occurrence for property, auto physical damage and crime coverage, with additional limits of $498 million purchased through a group of commercial carriers through the multi-state public entity captive.

The County carries commercial flood insurance coverage for 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.

In accordance with G.S. 159-29, the County's employees that have access to $100 or more at any given time of the County's funds are performance bonded through a commercial crime coverage with a $250,000 occurrence limit. The Finance Director is bonded for $50,000, and all other individuals holding positions requiring statutory bonds are covered elsewhere.

The County self-insures for employee health coverage, which is administered by a private company, with a stop loss provision of $130,000 per member per plan year. The maximum lifetime benefit is unlimited, in accordance with healthcare reform. The County carries commercial insurance coverage above these limits. There have been no significant reductions in insurance coverage from the previous year and in the plan year from July 1, 2018 through June 30, 2019, the County did not have any stop-loss claims resulting in stop-loss credits. The County carries commercial coverage for all other risks of loss.

Liabilities are reported when it is probable that a loss has occurred and the amount of the loss can be reasonably estimated. Liabilities include an amount for claims that have been incurred but not reported (IBNR's).

Changes in the balances in claims for employee and dependent health insurance during the last fiscal year are as follows:

	2019
Unpaid claims, beginning	$ 448,897
Incurred claims	2,610,834
Claim payments	(2,729,017)
Unpaid claims, ending	$ 330,714

Claims and Judgments

At June 30, 2019, the County was defendant to various lawsuits. In the opinion of the County's management and the County Attorney, the ultimate effect of these legal matters will not have a material adverse effect on the County's financial position.

Operating Leases

The County is committed under various operating leases for land, buildings, and equipment. For the year ended June 30, 2019, total lease expenditures under these operating leases totaled $20,500. For the current year, the operating leases were for storage spaces and the Cooleemee Branch Library. These are annual commitments that expire in June of each fiscal year. Therefore, there are no future obligations.

Long-Term Obligations

General Obligation Bonds Payable

All general obligation bonds serviced by the County's General Fund are collateralized by the full faith, credit, and taxing power of the County. Principal and interest payments are appropriated when due. The following bonds were issued to refund Series 1996 GO Bonds and 2004 GO bonds, respectively. General obligation bonds payable at June 30, 2019 are comprised of the following individual issues:

Serviced by the General Fund:

$5,130,000 refunding bonds due on November 1 and May 1, in installments of $455,000 to $1,160,000 through May 1, 2024; interest at 2.00% to 4.00%	$ 2,750,000
$54,500,000 School Building Serial bond due on November 1 and May 1, in installments of $2,285,000 to $4,655,000 through May 1, 2032; interest at 2.00% to 5.00%	45,070,000
$5,000,000 Parks & Recreation Serial bond due on April 1 and October 1, in installments of $250,000 through October 1, 2038; interest at 3.00% to 4.00%	5,000,000
Total general obligation bonds	$ 52,820,000

The County has outstanding general obligation bonds from direct placements related to governmental-type activities totaling $52,820,000 secured by a pledge of the faith and credit and taxing power of the County with a levy on all property taxable by the County such ad valorem taxes, without limitation as to rate or amount, as may be necessary to pay the Bonds and the interest thereon. All general obligation bonds totaling $52,820,000 have the following provisions in case of default, (1) the local government commission impounding the books and records of any unit of local governments and assume full control of all its financial affairs; (2) the Commission is vested with all of the powers of the governing board of the unit of local government as to levy taxes, expenditure of money, adoption of budgets and all other financial powers conferred upon such governing board by law; (3) the Commission will create a plan for refinancing, adjusting or comprising such debt.

Annual debt service requirements to maturity for the County's general obligation bonds are as follows:

Year Ending	Governmental Activities	
June 30	Principal	Interest
2020	$ 3,250,000	$ 2,149,000
2021	3,355,000	1,999,300
2022	3,440,000	1,844,650
2023	3,485,000	1,759,950
2024	3,540,000	1,594,900
2025-2029	22,520,000	5,160,550
2030-2034	11,980,000	962,825
2035-2039	1,250,000	113,500
Total	$ 52,820,000	$ 15,584,675

Installment Purchase Contracts

Installment purchase contract for capital purchases due in increasing annual installments from June 1, 2016 through June 1, 2020; at 1.515% interest	$ 459,739
Installment purchase contract for economic development contracts due in annual installments of $200,000 beginning February 15, 2017 through February 15, 2026; at 0% interest	1,400,000
Installment purchase contract for capital purchases due in increasing annual installments from June 1, 2017 through June 1, 2021; at 1.39% interest	512,000
Installment purchase contract for renovations to Central Davie Academy due in annual installments of $173,000 beginning November 1, 2017 through May 1, 2026; at 2.29% interest	1,377,000
Installment purchase contract for vehicles and related equipment due in annual installments of $173,000 beginning June 2, 2018 through June 1, 2022; at 1.97% interest	538,000
Installment purchase contract for vehicles and related equipment due in annual installments of $170,000 beginning June 2, 2019 through June 1, 2023; at 3.13% interest.	690,000
Total installment purchase contracts	$ 4,976,739

The County's outstanding installment purchase debt from direct placements related to governmental activities of $459,739 are secured with the equipment. The County's outstanding installment purchase debt from direct placements related to governmental-type activities of $459,739, contain provisions that an event of default would result in (1) terminate the lease and any rights of the County under the lease and (2) repossess the equipment under the lease.

The County has outstanding installment purchase debt from direct placements related to governmental-type activities totaling $1,400,000 secured with an escrow account held at Branch Banking and Trust Company in the amount of $2,000,000. The County's outstanding installment purchase debt from direct placements related to governmental-type activities of $1,400,000 contain provisions that an event of default would result in the lender taking possession of the collateral escrow account and apply the proceeds thereof to the County's outstanding amount.

The County's outstanding installment purchase debt from direct placements related to governmental activities of $512,000 are secured with the equipment and in any and all additions, accessions, repairs, replacements, substitutions, and modifications to the equipment. The County's outstanding installment purchase debt from direct placements related to governmental activities of $512,000 contain provisions that an event of default would result in (1) repayment of principal amount and all accrued interest and other charges immediately due and payable without notice of demand to the County, (2) appropriate court actions to enforce performance by the County, termination of the contract to all or any part if the equipment, (3) repossession of any proceeds of the equipment including net proceeds, (4) and termination of the escrow fund in accordance with the escrow agreement.

The County has outstanding installment purchase debt from direct placements related to governmental-type activities totaling $1,377,000 secured with as Deed of Trust granting a lien on the mortgaged property, together will all buildings, improvements and fixtures located and to be located on the property. The outstanding installment purchase debt contains provisions that an event of default would result in (1) declare the entire amount of the principal component of the Installment Payments and accrued and unpaid interest component to the date of declaration to be immediately due and payable; (2) exercise all remedies available at law or in equity or under the Deed of Trust, including foreclosure and sale of the Mortgaged Property, and apply the proceeds of any such sale or other disposition, after deducting all costs and expenses, including court costs and reasonable attorneys' fees incurred with the recovery, repair, storage and other sale or other disposition costs, toward the principal component and accrued and unpaid interest of the balance of Installment Payments due; (3) subject to the Enforcement Limitation, proceed by appropriate court action to enforce performance by the County of the applicable covenants of the Agreement or to recover for the breach thereof.

The County has outstanding installment purchase debt from direct placements related to governmental-type activities totaling $538,000 are secured with the equipment. The County's outstanding installment purchase debt from direct placements related to governmental-type activities of $538,000 contain provisions that an event of default would result in (1) declare the unpaid principle components of the Installment Payments and all accrued interest and other charges immediately due and payable; (2) proceed by appropriate court action to enforce the County's performance of the applicable covenants of the financing agreement or to recover for the breach thereof; (3) avail itself of all available remedies at law or in equity, including those right and remedies of a secured party or creditor under the Uniform Commercial Code and the general laws of the State with respect to enforcement of the security interest granted or reserved; (4) pay on demand to the bank, the reasonable costs and reasonable attorneys' fees, incurred by the bank in the collection of payments and additional payments of the enforcement of observation of any obligation or agreement by the County.

The County has outstanding installment purchase debt from direct placements related to governmental-type activities totaling $690,000 secured with all moneys on deposit from time to time in the Project Fund and all property acquired by the County with funds advanced by BB&T, all personal property obtained in substitution or replacement therefore, and all personal property obtained in the substitution or replacement for any of the Security Property, and all proceeds of the foregoing. The County's outstanding installment purchase debt from direct placements related to governmental-type activities of $690,000 contain provisions that an event of default would result in (1) declare the unpaid principle components of the Installment Payments immediately due and payable; (2) proceed by appropriate court action to enforce the County's performance of the applicable covenants of the financing agreement or to recover for the breach thereof; (3) payment of any remaining balance in the Project Fund to be applied against outstanding Required Payments in any manner BB&T may reasonably deem appropriate (4) avail itself of all available remedies under the financing agreement, including sale of the Equipment, and recovery of attorneys' fees and other expenses.

Annual debt service requirements to maturity for the County's Installment Purchase contracts are as follows:

Year Ending	Governmental Activities	
June 30	Principal	Interest
2020	$ 1,595,239	$ 74,433
2021	980,000	50,862
2022	730,000	34,491
2023	552,000	21,469
2024	372,000	11,897
2025-2029	747,500	12,057
Total	$ 4,976,739	$ 205,209

Certificates of Participation

On February 17, 2015, the County issued $7,303,000 in certificates of participation Series 2015, with an interest rate of 2.520% to finance the construction and equipping of a new middle school and the Davie Campus of Davidson County Community College. The debt is serviced by the General Fund. The principal amount outstanding as of June 30, 2015 is $7,219,000. Debt service payments are due June 1st of each year in principal installments ranging from $80,000 to $930,000, plus interest at 2.520% with the final payment in June 2025.	$ 5,208,000
Total certificates of participation	$ 5,208,000

The County has outstanding certificates of participation from direct placements related to governmental-type activities totaling $5,208,000 secured with as Deed of Trust granting Davie County Public Facilities Financing Corporation a lien on the mortgaged property. The certificates contain provisions that an event of default would result in the exercise of all remedies available at law or in equity or under the Deed of Trust, including foreclosure and sale of the Mortgaged Property, and apply the proceeds of any such sale or other disposition, after deducting all costs and expenses, including court costs and reasonable attorneys' fees incurred with the recovery, repair, storage and other sale or other disposition costs, toward the principal component and accrued and unpaid interest of the balance.

Annual debt service requirements to maturity for the County's Certificates of Participation are as follows:

Year Ending	Governmental Activities	
June 30	Principal	Interest
2020	$ 907,000	$ 131,242
2021	895,000	108,385
2022	882,000	85,831
2023	862,000	63,605
2024	842,000	41,882
2025	820,000	20,664
Total	$ 5,208,000	$ 451,609

Advance Refunding

In February 2015, the County issued $7,303,000 in certificates of participation Series 2015 with an interest rate of 2.52%. The proceeds were used to advance refund $6,760,000 of outstanding Series 2006 certificates of participation, which had interest rates ranging from 3.5% to 5.0%. The net proceeds of $7,197,630 (including $105,370 in underwriting fees and other issuance costs) were deposited with an escrow agent to provide funds for the future debt service payment on the refunded bonds. As a result, a portion of the certificates of participation Series 2006 are considered defeased and the liability for those bonds has been removed from the Statement of Net Position.

The reacquisition price exceeded the net carrying amount of the old debt by $314,104. This amount is being netted against the new debt and amortized over the remaining life of the refunding debt. The government advance refunded a portion of the 2006 certificates of deposit to reduce its total debt service payments over 11 years by $479,460 and to obtain an economic gain (difference between the present values of the debt service payments on the old and new debt) of $423,537.

Qualified Zone Academy Bonds

On March 17, 2004, the County issued $602,600 in Qualified Zone Academy Bonds to finance the renovation of certain qualifying school facilities. Bonds qualifying as "Qualified Zone Academy Bonds" under Section 1397E of the Internal Revenue Code are interest-free obligations of the issuer. The creditor receives federal tax credits in lieu of receiving interest payments from the issuer. The principal of $602,600 is payable in full on March 17, 2020; however, beginning March 17, 2005, the County was required to make sinking fund deposits to a restricted bank account in the amount of $30,456 annually to fully fund the retirement of these bonds at maturity. The current sinking fund balance is $561,575.

The County's outstanding qualified zone activity bonds from direct placements related to governmental-type activities totaling $602,600, contain provisions that an event of default would result in (1) declare the unpaid principle components of the Installment Payments immediately due and payable; (2) proceed by appropriate court action to enforce the County's performance of the applicable covenants of the financing agreement or to recover for the breach thereof; (3) avail itself of all available remedies under the financing agreement, including sale of the Equipment, and recovery of attorneys' fees and other expenses.

Debt Related to Capital Activities

General obligation bonds ($58,545,948 including unamortized premium), QZAB ($602,600), Installment Purchases ($2,777,000) and Certificates of Participation ($5,208,000) represent debt not considered in the calculation of net investment in capital assets for governmental activities, as these debt issues are not associated with capital assets owned by the County. The deferred charges on refunding ($256,329) are related to debt issues for assets not owned by the County.

Long-Term Obligations Activity

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

	Balance July 1, 2018	Increases	Decreases	Balance June 30, 2019	Due Within One Year
Governmental Activities:					
General obligation debt - direct placements	$ 50,745,000	$ 5,000,000	$ 2,925,000	$ 52,820,000	$ 3,250,000
Unamortized premiums	6,002,794	194,933	471,779	5,725,948	475,028
Notes from direct placements	5,698,000	860,000	1,581,261	4,976,739	1,595,239
Qualified Zone Academy bonds - direct placement	602,600	-	-	602,600	-
Certificates of participation - direct placement	6,127,000	-	919,000	5,208,000	907,000
Net pension liability (LGERS)	3,193,330	1,886,229	-	5,079,559	-
Total OPEB Liability	4,792,854	741,682	-	5,534,536	-
Compensated absences	1,159,214	1,112,145	1,156,740	1,114,619	690,000
Total pension liability (LEOSSA)	1,177,576	52,626	-	1,230,202	-
Total governmental activities	$ 79,498,368	$ 9,847,615	$ 7,053,780	$ 82,292,203	$ 6,917,267
Business-Type Activities:					
Solid Waste Fund					
Accrued landfill post-closure care costs	$ 96,191	$ -	$ 33,900	$ 62,291	$ 18,000
Water and Sewer Fund					
Net pension liability (LGERS)	202,340	120,398	-	322,738	-
Total OPEB Liability	305,927	47,341	-	353,268	-
Compensated absences	94,883	166,904	159,531	102,256	48,000
Total Water and Sewer Fund	603,150	334,643	159,531	778,262	48,000
Total business-type activities	$ 699,341	$ 334,643	$ 193,431	$ 840,553	$ 66,000

Compensated absences, OPEB, and pension obligations for governmental activities typically have been liquidated in the General Fund. Compensated absences are accounted for on an FIFO basis.

At June 30, 2019, the County had a legal debt margin of approximately $304,289,577.

Conduit Debt Obligations

Davie County Industrial Facilities and Pollution Control Financing Authority have issued industrial revenue bonds to provide financial assistance to private businesses for economic development purposes. These bonds are secured by the properties financed as well as letters of credit and are payable solely from payments received from the private businesses involved. Ownership of the acquired facilities is in the name of the private business served by the bond issuance. Neither the County, the Authority, the state, nor any political subdivision, thereof, is obligated in any manner for the repayment of the bonds. Accordingly, the bonds are not reported as liabilities in the accompanying financial statements. As of June 30, 2019, there was one series of industrial revenue bond outstanding, with an aggregate principal amount payable of $1,400,022.

C. Interfund Balances and Activity

	Transfers		
	From	To	Purpose
Transfers From/To Other Funds:			
General Fund	$ 1,679,154	$ -	
Capital Projects Fund	-	1,306,065	to fund future capital projects
Water and Sewer Fund	-	37,000	to fund operations
Solid Waste Fund	-	264,089	to fund operations
Internal Service Fund	-	72,000	to fund insurance costs
Capital Projects Fund	356,627	-	
General Fund	-	356,627	to fund capital porjects
Total	$ 2,035,781	$ 2,035,781	

All transfers in the current year were for operations or capital construction.

Transaction with Component Unit

The County contributed $29,000 to the Davie County Watershed Improvement Commission for operations.

3. Related Organizations

The Council of Economic Development (Council) was established to coordinate and promote the economic development of the County. Two of the twelve Board members are appointed by the County. The Council maintains its own accounting system. The County contributed $159,560 to the Council during the fiscal year ended June 30, 2019.

The Davie County Hospital Foundation, Inc. is a non-profit organization that was established to recruit physicians and provide office space for the physicians' medical practices. Four of the seven Board members are appointed by the County; however, the County's responsibility for this organization does not extend beyond making these appointments.

4. Joint Ventures

The County, in conjunction with the State of North Carolina, participates in a joint venture to operate the colleges of Davidson and Davie Counties (Community College). The County appoints two members out of the fifteen-member Board of Trustees of the Community College. The President of the Community College's student government serves as an ex-officio non-voting member of the Community College's Board of Trustees. The Community College is included as a component unit of the State. The County has the basic responsibility for providing funding for the facilities of the Davie Campus of Davidson County Community College and also provides some financial support for the Community College's operations. The County has an ongoing financial responsibility for the Community College because of the statutory responsibilities to provide funding for the Davie Campus of Davidson County Community College's facilities. The County contributed $671,335 and $55,000 to the Community College for operating and capital purposes, respectively, during the fiscal year ended June 30, 2019. The Community College entered into a contract for the construction of a Davie Campus during the 2007 fiscal year. Davie County does not have any equity interest in the joint venture; therefore, no equity interest has been reflected in the County's financial statements at June 30, 2019. Complete financial statements for the Davie Campus of Davidson County Community College may be obtained from the Community College's administrative offices at P.O. Box 1287, Lexington, NC 27293 or 1205 Salisbury Road, Mocksville, North Carolina 27028.

The County also participates in a joint venture to operate Yadkin Valley Economic Development District, Inc. (District) with three other local governments. Each participating government appoints two Board members to the twenty-seven member Board of the District. The District is a joint venture established to improve the economic conditions for citizens of the participating governments. The County has an ongoing financial responsibility for the joint venture because the District's continued existence depends on the participating governments' continued funding. None of the participating governments has an equity interest in the District, so no equity interest has been reflected in the financial statements at June 30, 2019. The County contributed $54,000 to the District for the fiscal year ended June 30, 2019. Complete financial statements for the Yadkin Valley Economic Development District, Inc. can be obtained from the District's offices at P.O. Box 309, Boonville, North Carolina 27011.

The County, in conjunction with Forsyth County and Stokes County, participates in Cardinal Innovations Healthcare, an area mental health authority. The County appoints three members to the 19-member Board. Cardinal Innovations Healthcare is a joint venture established to provide the

participating counties with legally mandated mental health services. The County has an ongoing financial responsibility to Cardinal Innovations Healthcare because Cardinal's continued existence depends on the participating governments' continued funding. The County contributed $14,538 to Cardinal Innovations Healthcare during the fiscal year ended June 30, 2019. None of the participating governments has any equity interest in Cardinal Innovations Healthcare so no equity interest has been reflected in the financial statement at June 30, 2019. Complete financial statements for Cardinal Innovations Healthcare can be obtained from its corporate office at 4855 Milestone Avenue, Kannapolis, North Carolina 28081.

5. Jointly Governed Organization

The County, in conjunction with four other counties and 21 other municipalities, established the Piedmont Triad Regional Council of Governments (the "Council"). The participating governments established the Council to coordinate various funding received from federal and state agencies. Each participating government appoints one member of the council's governing board. The County paid membership fees of $12,631 to the Council during the fiscal year ended June 30, 2019.

6. Construction Commitments

The government has several active construction projects as of June 30, 2019. At year-end, the government's commitments with contractors are as follows:

	Spent-to-Date	Remaining Commitment
East Davie Sewer project	$ 15,825,911	$ 13,115,647
Water Supply Improvements	103,400	8,002
Davie County Community Park	4,019,083	2,254,546
Total	$ 19,948,394	$ 15,378,195

7. Federal and State-Assisted Programs

The County has 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 monies to the grantor agencies. Management believes that any required refunds will be immaterial. No provision has been made in the accompanying financial statements for the refund of grant monies.

8. Severance Pay Agreements

The County has employment agreements with the County Manager that results in the following payments if employment is terminated without cause:

- If termination without cause occurs, six months of salary and benefits based upon his then current salary, payable within thirty (30) days of the termination date.

9. Subsequent Events

On August 27, 2019, the County entered into an installment purchase contract from direct placements in the amount of $596,000 with FTB Securities Investment I, LLC. The funds are similar to other current installment purchase debt and will be used to purchase new vehicles for the County's regular use.

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REQUIRED SUPPLEMENTAL FINANCIAL DATA

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DAVIE COUNTY, NORTH CAROLINA

SCHEDULE OF CHANGES IN TOTAL PENSION LIABILITY
LAW ENFORCEMENT OFFICERS' SPECIAL SEPARATION ALLOWANCE
REQUIRED SUPPLEMENTARY INFORMATION
FOR THE LAST THREE FISCAL YEARS

	2019	2018	2017
Beginning balance	$ 1,177,576	$ 977,000	$ 912,271
Service cost	74,045	58,265	58,470
Interest on the total pension liability	36,603	37,465	32,563
Difference between expected and actual experience in the measurement of the total pension liability	31,126	36,659	-
Changes of assumptions or other inputs	(50,660)	80,980	(26,018)
Benefit payments	(38,488)	(12,793)	(286)
Ending balance of the total pension liability	$ 1,230,202	$ 1,177,576	$ 977,000

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

Pension schedules in the required supplementary information are intended to to information for ten years and that additional years' information will be displayed as it becomes available.

DAVIE COUNTY, NORTH CAROLINA

SCHEDULE OF TOTAL PENSION LIABILITY AS A PERCENTAGE OF COVERED PAYROLL
LAW ENFORCEMENT OFFICERS' SPECIAL SEPARATION ALLOWANCE
REQUIRED SUPPLEMENTARY INFORMATION
FOR THE LAST THREE FISCAL YEARS

	2019	2018	2017
Total pension liability	$ 1,230,202	$ 1,177,576	$ 977,000
Covered payroll	2,781,841	2,578,802	2,429,565
Total pension liability as a percentage of covered payroll	44.22%	45.66%	40.21%

Notes to the Schedules:

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

Pension schedules in the required supplementary information are intended to to information for ten years and that additional years' information will be displayed as it becomes available.

DAVIE COUNTY, NORTH CAROLINA

OTHER POST-EMPLOYMENT BENEFITS
REQUIRED SUPPLEMENTARY INFORMATION
LAST TWO FISCAL YEARS

Schedule of Changes in the Total OPEB Liability and Related Ratios

	2019	2018
Service cost at end of year	$ 279,702	$ 303,012
Interest	173,588	151,622
Difference between expected and actual experience	639,556	(20,658)
Changes of assumptions or other inputs	145,523	(315,422)
Benefit payments and implicit subsidy credit	(449,346)	(113,236)
Net change in total OPEB liability	789,023	5,318
Total OPEB liability - beginning	5,098,781	5,093,463
Total OPEB liability - ending	$ 5,887,804	$ 5,098,781
Covered payroll	$ 13,907,651	$ 12,895,580
Total OPEB liability as a percentage of covered payroll	42.33%	39.54%

Notes to Schedule:

Changes of Assumptions: Changes of assumptions and other inputs reflect the effects of changes in the discount rate of each period. The following are the discount rates used in each period:

Fiscal Year	Rate
2018	3.56%
2019	3.89%

DAVIE COUNTY, NORTH CAROLINA

DAVIE COUNTY'S PROPORTIONATE SHARE
OF NET PENSION LIABILITY (ASSET)
REQUIRED SUPPLEMENTARY INFORMATION
LAST SIX FISCAL YEARS*

Local Government Employees' Retirement System

	2019	2018	2017	2016	2015	2014
Proportion of the net pension liability (asset) (%)	0.22772%	0.22227%	0.22739%	0.22178%	0.21736%	0.23290%
Proportion of the net pension liability (asset) ($)	$ 5,402,297	$ 3,395,670	$ 4,825,977	$ 995,334	$ (1,281,872)	$ 2,807,339
Covered payroll	$ 14,262,056	$ 13,312,927	$ 12,936,172	$ 12,598,405	$ 12,060,535	$ 11,593,129
Proportionate share of the net pension liability (asset) as a percentage of its covered payroll	37.88%	25.51%	37.31%	7.90%	(10.63%)	24.22%
Plan fiduciary net position as a percentage of the total pension liability**	91.63%	94.18%	91.47%	98.09%	102.64%	94.35%

* The amounts presented for each fiscal year were determined as of the prior fiscal year ending June 30.

** This will be the same percentage for all participant employers in the LGERS plan.

Pension schedules in the required supplementary information are intended to be information for ten years and that additional years' information will be displayed as it becomes available.

DAVIE COUNTY, NORTH CAROLINA

DAVIE COUNTY'S CONTRIBUTIONS
REQUIRED SUPPLEMENTARY INFORMATION
LAST SIX FISCAL YEARS

Local Government Employees' Retirement System

	2019	2018	2017	2016	2015	2014
Contractually required contribution	$ 1,169,408	$ 1,090,295	$ 991,110	$ 876,944	$ 890,745	$ 851,104
Contributions in relation to the contractually required contribution	1,169,408	1,090,295	991,110	876,944	890,745	851,104
Contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ -	$ -
Covered payroll	$ 14,822,680	$ 14,262,056	$ 13,312,927	$ 12,936,172	$ 12,598,405	$ 12,060,535
Contributions as a percentage of covered payroll	7.89%	7.64%	7.44%	6.78%	7.07%	7.06%

Pension schedules in the required supplementary information are intended to be information for ten years and that additional years' information will be displayed as it becomes available.

DAVIE COUNTY, NORTH CAROLINA

DAVIE COUNTY'S PROPORTIONATE SHARE
OF NET PENSION LIABILITY (ASSET)
REQUIRED SUPPLEMENTARY INFORMATION
LAST SIX FISCAL YEARS*

Register of Deeds' Supplemental Pension Fund

	2019	2018	2017	2016	2015	2014
Proportion of the net pension liability (asset) (%)	0.37849%	0.42516%	0.40919%	0.42021%	0.40000%	0.39000%
Proportion of the net pension liability (asset) ($)	$ (62,689)	$ (72,571)	$ (76,502)	$ (97,379)	$ (90,657)	$ (83,261)
Covered payroll	$ 74,792	$ 72,528	$ 69,661	$ 67,069	$ 66,390	$ 66,534
Proportionate share of the net pension liability (asset) as a percentage of its covered payroll	-83.82%	-100.06%	-109.82%	-145.19%	-136.55%	-125.14%
Plan fiduciary net position as a percentage of the total pension liability**	153.31%	153.77%	160.17%	197.29%	193.88%	190.50%

* The amounts presented for each fiscal year were determined as of the prior fiscal year ending June 30.

** This will be the same percentage for all participant employers in the ROD plan.

Pension schedules in the required supplementary information are intended to to information for ten years and that additional years' information will be displayed as it becomes available.

DAVIE COUNTY, NORTH CAROLINA

DAVIE COUNTY'S CONTRIBUTIONS
REQUIRED SUPPLEMENTARY INFORMATION
LAST SIX FISCAL YEARS

Register of Deeds' Supplemental Pension Fund

	2019	2018	2017	2016	2015	2014
Contractually required contribution	$ 3,469	$ 5,654	$ 3,694	$ 3,343	$ 3,363	$ 3,266
Contributions in relation to the contractually required contribution	3,469	5,654	3,694	3,343	3,363	3,266
Contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ -	$ -
Covered payroll	$ 76,278	$ 74,792	$ 72,528	$ 69,661	$ 67,069	$ 66,390
Contributions as a percentage of covered payroll	4.55%	7.56%	5.09%	4.80%	5.01%	4.92%

Pension schedules in the required supplementary information are intended to to information for ten years and that additional years' information will be displayed as it becomes available.

DAVIE COUNTY, NORTH CAROLINA

GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2019

	Final Budget	Actual	Variance Over/Under
Revenues:			
Ad Valorem Taxes:			
Taxes	$ 36,774,194	$ 36,394,830	$ (379,364)
Penalties and interest	160,000	153,539	(6,461)
Total	36,934,194	36,548,369	(385,825)
Other Taxes:			
Local Option Sales Tax:			
Article 39 - one percent	2,803,000	3,127,322	324,322
Article 40 - one-half of one percent	2,400,000	2,400,476	476
Article 42 - one-half of one percent	2,020,000	2,021,588	1,588
Article 44 - one-half of one percent	-	13	13
Expanded sales tax	1,035,000	1,397,600	362,600
Total	8,258,000	8,946,999	688,999
Occupancy Tax	125,000	144,440	19,440
Unrestricted Intergovernmental Revenues:			
Hold Harmless revenue	700,000	948,302	248,302
Towns of Mocksville, Cooleemee, and fire department reimbursement	288,228	356,655	68,427
Total	988,228	1,304,957	316,729
Restricted Intergovernmental Revenues:			
Federal and state grants	5,648,720	5,327,582	(321,138)
Court facilities fees	373,000	350,663	(22,337)
Controlled substance tax	5,688	7,135	1,447
Crime prevention	27,703	27,703	-
Total	6,055,111	5,713,083	(342,028)
Sales and Services:			
Emergency medical service fees	2,200,000	2,197,135	(2,865)
Health fees	148,208	154,860	6,652
Other fees	19,100	37,346	18,246
Rents	58,200	87,827	29,627
Tax collection fees	13,800	27,771	13,971
Health - client and third-party fees	682,712	1,122,973	440,261
Total	3,122,020	3,627,912	505,892

DAVIE COUNTY, NORTH CAROLINA

GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2019

	Final Budget	Actual	Variance Over/Under
Licenses and Permits:			
Building permits	242,635	296,444	53,809
Inspection and other related fees	208,000	261,648	53,648
Other permits and fees	69,400	50,071	(19,329)
Register of Deeds	399,115	439,813	40,698
Total	919,150	1,047,976	128,826
Investment Earnings	25,000	217,608	192,608
Miscellaneous Revenues:			
Other revenues	1,407,254	1,267,647	(139,607)
Library - gifts, fines and fees	46,220	57,161	10,941
Total	1,453,474	1,324,808	(128,666)
Total revenues	57,880,177	58,876,152	995,975
Expenditures:			
General Government:			
Governing Board:			
Salaries and employee benefits	94,155	94,034	
Other operating expenditures	470,598	236,337	
Total	564,753	330,371	234,382
Administration:			
Salaries and benefits	375,301	385,885	
Other operating expenditures	112,211	86,433	
Total	487,512	472,318	15,194
Human Resources:			
Operating expenditures	30,403	14,103	16,300
Elections:			
Salaries and employee benefits	155,858	146,754	
Other operating expenditures	130,395	106,593	
Total	286,253	253,347	32,906
Finance:			
Salaries and employee benefits	515,968	515,817	
Other operating expenditures	68,616	66,545	
Total	584,584	582,362	2,222

DAVIE COUNTY, NORTH CAROLINA

GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2019

	Final Budget	Actual	Variance Over/Under
Data Processing:			
Salaries and employee benefits	457,929	450,041	
Other operating expenditures	730,309	658,713	
Capital outlay	48,000	47,766	
Total	1,236,238	1,156,520	79,718
Taxes:			
Salaries and employee benefits	475,051	444,830	
Other operating expenditures	287,239	263,875	
Total	762,290	708,705	53,585
Revaluation:			
Salaries and employee benefits	183,170	177,765	
Other operating expenditures	27,501	20,437	
Total	210,671	198,202	12,469
Legal:			
Contracted services	391,336	380,111	
Other operating expenditures	2,750	2,499	
Total	394,086	382,610	11,476
Register of Deeds:			
Salaries and employee benefits	263,594	259,575	
Other operating expenditures	45,355	40,259	
Total	308,949	299,834	9,115
Public Buildings:			
Salaries and employee benefits	299,347	290,405	
Other operating expenditures	1,400,540	1,206,521	
Capital outlay	413,406	185,976	
Total	2,113,293	1,682,902	430,391
Court Facilities:			
Operating expenditures	131,665	131,743	
Capital outlay	18,028	18,028	
Total	149,693	149,771	(78)
DAVIENET:			
Operating expenditures	7,000	3,562	
Capital outlay	22,000	18,301	
Total	29,000	21,863	7,137

DAVIE COUNTY, NORTH CAROLINA

GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2019

	Final Budget	Actual	Variance Over/Under
Project Management:			
Salaries and employee benefits	30,932	33,932	
Other operating expenditures	44,000	4,479	
Total	74,932	38,411	36,521
Contributions to other agencies	188,560	188,560	-
Total general government	7,421,217	6,479,879	941,338
Public Safety:			
Sheriff:			
Salaries and employee benefits	4,518,180	4,328,595	
Other operating expenditures	1,024,598	922,845	
Capital outlay	610,844	619,245	
Total	6,153,622	5,870,685	282,937
Jail:			
Salaries and employee benefits	1,641,512	1,476,867	
Other operating expenditures	771,071	736,763	
Capital outlay	21,616	24,616	
Total	2,434,199	2,238,246	195,953
Davie Domestic Violence Service:			
Salaries and employee benefits	244,559	186,785	
Other operating expenditures	106,628	41,050	
Capital outlay	450	450	
Total	351,637	228,285	123,352
Davie Domestic Violence United Way:			
Salaries and employee benefits	14,236	14,236	
Other operating expenditures	1,293	1,292	
Total	15,529	15,528	1
Displaced Homemakers:			
Salaries and employee benefits	21,940	13,042	
Total	21,940	13,042	8,898

DAVIE COUNTY, NORTH CAROLINA

GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2019

	Final Budget	Actual	Variance Over/Under
Fire:			
Salaries and employee benefits	297,202	218,291	
Other operating expenditures	61,196	46,486	
Assistance to local fire departments	2,331,939	2,331,939	
Capital outlay	13,884	12,132	
Total	2,704,221	2,608,848	95,373
Inspections:			
Salaries and employee benefits	364,532	349,694	
Other operating expenditures	26,714	16,764	
Capital outlay	84,655	24,655	
Total	475,901	391,113	84,788
Medical Examiner:			
Salaries and employee benefits	-	1,065	
Professional services	38,150	25,199	
Total	38,150	26,264	11,886
Emergency Medical Service:			
Salaries and employee benefits	3,344,464	3,282,752	
Other operating expenditures	789,701	718,435	
Capital outlay	279,420	264,791	
Total	4,413,585	4,265,978	147,607
Animal Protection:			
Salaries and employee benefits	331,038	328,532	
Operating expenditures	35,272	32,490	
Capital outlay	621	-	
Total	366,931	361,022	5,909
Communication:			
Salaries and employee benefits	859,642	828,298	
Other operating expenditures	137,082	113,427	
Total	996,724	941,725	54,999
Total public safety	17,972,439	16,960,736	1,011,703

DAVIE COUNTY, NORTH CAROLINA

GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2019

	Final Budget	Actual	Variance Over/Under
Environmental Protection:			
Contributions to Other Agencies:			
Forestry service	75,345	72,576	2,769
Total environmental protection	75,345	72,576	2,769
Economic and Physical Development:			
Planning and Zoning:			
Salaries and employee benefits	176,531	172,144	
Other operating expenditures	136,626	59,714	
Total	313,157	231,858	81,299
Agricultural Extension:			
Salaries and employee benefits	2,330	1,804	
Operating expenditures	187,356	159,593	
Total	189,686	161,397	28,289
Contributions to other agencies	1,592,500	956,779	635,721
Total economic and physical development	2,095,343	1,350,034	745,309
Health:			
Administration-Basic Programs:			
Salaries and employee benefits	115,850	96,573	
Other operating expenditures	68,875	55,447	
Total	184,725	152,020	32,705
Clinical Services:			
Salaries and employee benefits	201	201	
Other operating expenditures	18,235	15,471	
Total	18,436	15,672	2,764
Family Planning:			
Salaries and employee benefits	250,304	202,787	
Other operating expenditures	56,770	44,613	
Total	307,074	247,400	59,674
Adolescent Pregnancy Prevention:			
Other operating expenditures	23,060	15,192	
Total	23,060	15,192	7,868

DAVIE COUNTY, NORTH CAROLINA

GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2019

	Final Budget	Actual	Variance Over/Under
Maternal and Child Health:			
Salaries and employee benefits	658,889	600,438	
Other operating expenditures	154,740	125,106	
Total	813,629	725,544	88,085
Women, Infants, and Children:			
Salaries and employee benefits	222,077	222,077	
Other operating expenditures	107,955	83,298	
Total	330,032	305,375	24,657
Environmental Health:			
Salaries and employee benefits	293,245	267,255	
Other operating expenditures	56,870	42,609	
Total	350,115	309,864	40,251
Health - Other:			
Salaries and employee benefits	725,443	680,168	
Other operating expenditures	225,959	123,811	
Total	951,402	803,979	147,423
Total health	2,978,473	2,575,046	403,427
Mental Health:			
Contribution to Mental Health Authority	78,538	-	78,538
Total mental health	78,538	-	78,538
Social Services:			
Administration:			
Salaries and employee benefits	3,351,410	3,261,414	
Other operating expenditures	603,060	573,955	
Total	3,954,470	3,835,369	119,101
Foster Care Support:			
Salaries and employee benefits	110,382	32,964	
Other operating expenditures	27,158	905	
Total	137,540	33,869	103,671
AFDC Program:			
AFDC program - foster care	492,050	455,081	
AFDC program - emergency assistance	8,000	7,024	
Total	500,050	462,105	37,945

DAVIE COUNTY, NORTH CAROLINA

GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2019

	Final Budget	Actual	Variance Over/Under
Medicaid Program:			
County participation only	909	(83)	992
Other Programs:			
State boarding home	314,650	290,325	
General assistance	30,337	30,163	
Special assistance	259,412	259,373	
Aid to blind	1,500	92	
Chore services	9,255	9,252	
Crisis intervention	133,265	132,526	
Other programs	187,618	180,465	
Medicaid transportation	42,500	34,840	
Adoption assistance	111,500	107,393	
Links transitional housing	2,600	1,520	
Total	1,092,637	1,045,949	46,688
Total social services	5,685,606	5,377,209	308,397
Veteran's Service Officer:			
Salaries and employee benefits	64,687	57,735	
Other operating expenditures	3,470	1,299	
Total	68,157	59,034	9,123
Senior Center:			
Salaries and employee benefits	409,204	383,983	
Other operating expenditures	849,053	336,575	
Total	1,258,257	720,558	537,699
Contributions to other agencies	183,054	170,511	12,543
Total human services	10,252,085	8,902,358	1,349,727
Cultural and Recreational:			
Recreation:			
Operating expenditures	40,000	40,000	
Total	40,000	40,000	-
Recreation and Parks:			
Salaries and employee benefits	201,702	200,871	
Operating expenditures	175,178	148,749	
Total	376,880	349,620	27,260

DAVIE COUNTY, NORTH CAROLINA

GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2019

	Final Budget	Actual	Variance Over/Under
Library:			
Salaries and employee benefits	507,787	480,325	
Other operating expenditures	189,760	178,544	
Capital outlay	21,188	21,164	
Total	718,735	680,033	38,702
Contribution to other agencies	231,511	231,510	1
Total cultural and recreational	1,367,126	1,301,163	65,963
Education:			
Public schools - current expense	11,535,163	11,535,163	
Capital outlay - one-half cent tax	1,914,000	1,913,706	
Capital outlay - State and local	675,628	608,720	
Community College	726,335	726,335	
Contributions to other agencies:			
JCPC	120,368	119,807	
Total education	14,971,494	14,903,731	67,763
Debt Service:			
Principal retirement	5,454,456	5,425,261	29,195
Interest and fees	2,741,279	2,433,383	307,896
Total debt service	8,195,735	7,858,644	337,091
Contingency	50,000	-	50,000
Total expenditures	62,400,784	57,829,121	4,571,663
Revenues over (under) expenditures	(4,520,607)	1,047,031	5,567,638
Other Financing Sources (Uses):			
Operating transfers to other funds:			
Capital Projects Fund	(1,282,565)	(1,306,065)	(23,500)
Solid Waste Fund	(390,000)	(264,089)	125,911
Water and Sewer Fund	(37,000)	(37,000)	-
Employee Health Fund	(458,765)	(72,000)	386,765
Total other financing sources (uses)	(2,168,330)	(1,679,154)	489,176
Operating transfers from other funds:			
Capital Projects Fund	-	356,627	356,627
Total	-	356,627	356,627

DAVIE COUNTY, NORTH CAROLINA

GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2019

	Final Budget	Actual	Variance Over/Under
Proceeds from sale of capital assets	15,000	-	(15,000)
Installment debt proceeds	892,000	860,000	(32,000)
Total other financing sources (uses)	(1,261,330)	(462,527)	798,803
Revenues and other financing sources over (under) expenditures and other financing uses	(5,781,937)	584,504	6,366,441
Appropriated fund balance	5,781,937	-	(5,781,937)
Net change in fund balance	$ -	584,504	$ 584,504
Fund Balance:			
Beginning of year - July 1		18,346,462	
End of year - June 30		$ 18,930,966	

DAVIE COUNTY, NORTH CAROLINA

MAJOR CAPITAL PROJECTS FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2019

		Actual			
	Project Authorization	Prior Years	Current Year	Total to Date	Variance Over/Under
Revenues:					
Restricted intergovernmental:					
Scattered Site Housing 2010	$ 400,000	$ 401,000	$ -	$ 401,000	$ 1,000
Single Family Rehabilitation 2010	526,624	528,666	-	528,666	2,042
JP Green Milling Company CDBG grant	90,000	90,000	-	90,000	-
Ashley Furniture - CDBG	712,595	712,595	-	712,595	-
Ashley Furniture - Rural Center	1,230,100	1,230,100	-	1,230,100	-
Ashley Furniture - Golden Leaf	2,500,000	2,500,000	-	2,500,000	-
Ashley Furniture - One NC Fund	1,662,000	825,000	-	825,000	(837,000)
State Superfund Cleanup Grant - oil mitigation	1,430,159	1,245,824	34,381	1,280,205	(149,954)
2012 Urgent Repair grant	75,000	73,793	-	73,793	(1,207)
NC Commerce - CDBG	27,476	25,159	-	25,159	(2,317)
Gildan Project - Golden Leaf grant	1,000,000	1,000,000	-	1,000,000	-
NC Education Lottery	2,000,000	1,831,772	168,227	1,999,999	(1)
NC DOT - Roadways Adjacent to Schools	547,199	547,199	-	547,199	-
NC State Appropriations	250,000	-	-	-	(250,000)
NC State Grant Funds	350,000	-	10,475	10,475	(339,525)
Total restricted intergovernmental	12,801,153	11,011,108	213,083	11,224,191	(1,576,962)
Investment earnings:					
Recreation building	-	19,175	-	19,175	19,175
Urgent Repair program	-	131	-	131	131
Oil spill mitigation	-	6,639	-	6,639	6,639
Interest on Investment Bonds	-	-	12,784	12,784	12,784
Total investment earnings	-	25,945	12,784	38,729	38,729
Miscellaneous:					
Ashley Furniture lease proceeds	2,500,000	2,500,000	-	2,500,000	-
Gildan lease proceeds	1,000,000	1,001,546	-	1,001,546	1,546
Davie Economic Development (Dunlop)	25,000	-	-	25,000	-
Davie Economic Development (Ashley)	24,000	24,000	-	24,000	-
JP Green Milling Company grant	23,500	23,500	(23,500)	-	(23,500)
Sponsorship	45,000	45,000	5,025	50,025	5,025
Total miscellaneous	3,617,500	3,594,046	(18,475)	3,600,571	(16,929)
Total revenues	16,418,653	14,631,099	207,392	14,863,491	(1,555,162)
Expenditures:					
General Government:					
Commerce Fellows	27,476	25,159	-	25,159	2,317
Senior Center Portico	124,179	124,179	-	124,179	-
Admin Building Capital Project	493,225	227,205	29,153	256,358	236,867
Brock Capital Project	410,821	407,024	2,600	409,624	1,197
Davie High School Repurposing Project	5,462,593	517,807	2,384,307	2,902,114	2,560,479
Dodge Building	-	700	-	700	(700)
Hospital	755,848	187,716	10,475	198,191	557,657
Election Equipment	725,565	-	-	-	725,565
Medical Examiner's Room	265,000	-	131,525	131,525	133,475
Total general government	8,264,707	1,489,790	2,558,060	4,047,850	4,216,857

DAVIE COUNTY, NORTH CAROLINA

MAJOR CAPITAL PROJECTS FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2019

		Actual			
	Project Authorization	Prior Years	Current Year	Total to Date	Variance Over/Under
Public safety:					
Viper VHF Comm Project	3,011,426	2,665,653	-	2,665,653	345,773
Courthouse Capital Project	868,273	496,277	12,861	509,138	359,135
EMS Station 2	1,038,528	971,411	3,800	975,211	63,317
Animal control building	476,626	476,626	-	476,626	-
Total public safety	5,394,853	4,609,967	16,661	4,626,628	768,225
Environmental protection:					
Oil spill mitigation	1,525,401	1,487,516	34,022	1,521,538	3,863
Economic and physical development:					
Ashley Furniture	8,666,200	7,822,988	-	7,822,988	843,212
JP Green Milling Company grant	113,500	113,500	-	113,500	-
Gildan Golden Leaf project	3,374,130	3,374,130	-	3,374,130	-
Dunlop Tyres	525,000	-	-	-	525,000
Total economic and physical development	12,678,830	11,310,618	-	11,310,618	1,368,212
Human services:					
Single Family Rehabilitation 2010	526,624	524,897	-	524,897	1,727
2012 Urgent Repair program	75,000	74,008	-	74,008	992
Scattered Site Housing 2010	400,000	400,000	-	400,000	-
Total human services	1,001,624	998,905	-	998,905	2,719
Cultural and recreational:					
Recreation buildings	150,000	31,413	-	31,413	118,587
Davie Little League	300,000	300,000	-	300,000	-
Total cultural and recreational	450,000	331,413	-	331,413	118,587
Education:					
Early College DCCC - Davie Campus	161,252	161,252	-	161,252	-
Early College 2011	1,200,000	1,085,950	-	1,085,950	114,050
Davie County High School	64,122,513	63,096,681	872,667	63,969,348	153,165
Central Davie renovation	613,800	613,800	-	613,800	-
Total education	66,097,565	64,957,683	872,667	65,830,350	267,215
Total expenditures	95,412,980	85,185,892	3,481,410	88,667,302	6,745,678
Revenues over (under) expenditures	(78,994,327)	(70,554,793)	(3,274,018)	(73,803,811)	5,190,516
Other Financing Sources (Uses):					
Operating transfers in (out):					
From General Fund	16,163,128	14,794,364	1,306,065	16,100,429	(62,699)
To General Fund	(9,180,497)	(8,368,735)	(356,627)	(8,725,362)	455,135
Proceeds from debt:					
Installment debt proceeds	3,268,789	3,268,789	-	3,268,789	-
Bond proceeds	59,500,000	54,500,000	5,000,000	59,500,000	-
Bond premium	7,242,907	7,075,314	194,933	7,270,247	27,340
USDA loan proceeds	2,000,000	2,000,000	-	2,000,000	-
Total other financing sources (uses)	78,994,327	73,269,732	6,144,371	79,414,103	419,776
Net change in fund balance	$ -	$ 2,714,939	2,870,353	$ 5,610,292	$ 5,610,292
Fund Balance:					
Beginning of year - July 1			2,687,978		
End of year - June 30			$ 5,558,331		

DAVIE COUNTY, NORTH CAROLINA

EMERGENCY TELEPHONE SYSTEM FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2019

	Budget	Actual	Variance Over/Under
Revenues:			
Restricted intergovernmental	$ 206,760	$ 206,006	$ (754)
Interest on investments	100	1,018	918
Total revenues	206,860	207,024	164
Expenditures:			
Phone & furniture	117,384	47,123	70,261
Software	196,356	78,826	117,530
Hardware	22,060	8,856	13,204
Training	11,060	4,440	6,620
Total expenditures	346,860	139,245	207,615
Revenues over (under) expenditures	(140,000)	67,779	207,779
Other Financing Sources (Uses):			
Appropriated fund balance	140,000	-	(140,000)
Net change in fund balance	$ -	67,779	$ 67,779
Fund Balance:			
Beginning of year - July 1		786,823	
End of year - June 30		$ 854,602	

DAVIE COUNTY, NORTH CAROLINA

EMERGENCY TELEPHONE SYSTEM UNSPENT BALANCE
PSAP RECONCILIATION
FOR THE YEAR ENDED JUNE 30, 2019

Amounts reported on the Emergency Telephone System Fund budget
to actual are different from the PSAP Revenue - Expenditure Report because:

Ending fund balance, reported on budget-to-actual	$ 854,602
Cumulative prior period revenues and expenditures not reported in the fund (difference in beginning Fund Balance - Budget-to-Actual vs. PSAP report)	(446,679)
Ending balance, PSAP Revenue - Expenditure Report	$ 407,923

DAVIE COUNTY, NORTH CAROLINA

WATER AND SEWER FUND
SCHEDULE OF REVENUES AND EXPENDITURES
BUDGET AND ACTUAL (NON-GAAP)
FOR THE YEAR ENDED JUNE 30, 2019

	Budget	Actual	Variance Over/Under
Revenues:			
Operating Revenues:			
Charges for services:			
Water sales	$ 4,300,000	$ 4,544,775	$ 244,775
Sewer charges	375,000	395,570	20,570
East Davie sewer charges	945,000	1,055,533	110,533
Water and sewer taps	125,500	194,739	69,239
East Davie fees	2,500	33,722	31,222
Miscellaneous charges	120,500	137,248	16,748
Total	5,868,500	6,361,587	493,087
Non-Operating Revenues:			
State grant revenues	150,000	38,615	(111,385)
Interest earnings	-	14,814	14,814
Total	150,000	53,429	(96,571)
Total revenues	6,018,500	6,415,016	396,516
Expenditures:			
Administration:			
Salaries and employee benefits		282,654	
Other operating expenditures		110,914	
Total	418,015	393,568	24,447
Water Operations:			
Salaries and employee benefits		530,064	
Utilities		26,594	
Maintenance		184,801	
Other operating expenditures		116,891	
Total	1,027,463	858,350	169,113
Water Treatment Plant:			
Salaries and employee benefits		450,710	
Utilities		191,413	
Maintenance		328,537	
Chemicals		283,860	
Supplies		19,873	
Other operating expenditures		202,507	
Total	2,137,302	1,476,900	660,402
Waste Treatment Plant:			
Salaries and employee benefits		77,543	
Utilities		93,619	
Maintenance		302,028	
Purchased services		4,832	
Other operating expenditures		75,272	
Total	651,193	553,294	97,899

DAVIE COUNTY, NORTH CAROLINA

WATER AND SEWER FUND
SCHEDULE OF REVENUES AND EXPENDITURES
BUDGET AND ACTUAL (NON-GAAP)
FOR THE YEAR ENDED JUNE 30, 2019

	Budget	Actual	Variance Over/Under
Waste Treatment Plant - East Davie:			
Salaries and employee benefits		58,449	
Utilities		31,425	
Maintenance		46,495	
Other operating expenditures		1,299,846	
Total	1,472,219	1,436,215	36,004
Capital Outlay:			
Water lines	200,000	-	200,000
Fire hydrants	37,000	33,198	3,802
Equipment and furniture	50,000	45,100	4,900
Improvements	92,500	91,161	1,339
Total	379,500	169,459	210,041
Contingency	(680,192)	-	(680,192)
Total expenditures	5,405,500	4,887,786	517,714
Revenues over (under) expenditures	613,000	1,527,230	914,230
Other Financing Sources (Uses):			
Transfers from other funds	37,000	37,000	-
Transfer to Water Capital project	(650,000)	(650,000)	-
Total other financing sources (uses)	(613,000)	(613,000)	-
Revenues and other financing sources over (under) expenditures and other financing uses	$ -	914,230	$ 914,230

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

Reconciling items:	
Capital outlay expenditures capitalized	$ 114,161
Capital contribution capital project fund	32,000
Change in deferred outflow of resources - OPEB	41,253
Change in deferred outflow of resources - pensions deferrals	186,144
Change in deferred outflow of resources - contributions to pension plan	(90,827)
Change in deferred inflows of resources - OPEB	(15,364)
Change in net pension liability	(120,398)
Change in deferred inflows of resources - pensions deferrals	25,559
Change in compensated absences payable	(7,373)
Change in other post-employment benefits	(47,341)
Depreciation	(896,335)
Transfer in (out) - Water and Sewer Capital Projects Fund	650,000
Total reconciling items	(128,521)
Change in net position	$ 785,709

DAVIE COUNTY, NORTH CAROLINA

WATER AND SEWER CAPITAL PROJECTS FUND
SCHEDULE OF REVENUES AND EXPENDITURES
BUDGET AND ACTUAL (NON-GAAP)
FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2019

		Actual			
	Project Authorization	Prior Years	Current Year	Total to Date	Variance Over/Under
Revenues:					
Restricted intergovernmental:					
Rural Center grant - Hospital Sewer project	$ 1,000,000	$ 1,000,000	$ -	$ 1,000,000	$ -
EDA Water projects	2,000,000	-	-	-	(2,000,000)
Local contribution	-	-	32,000	32,000	32,000
Investment earnings	-	71,870	-	71,870	71,870
Total revenues	3,000,000	1,071,870	32,000	1,103,870	(1,896,130)
Expenditures:					
Water projects:					
Construction	18,161,950	1,448,897	3,762,652	5,211,549	12,950,401
Land	851,320	228,050	318,344	546,394	304,926
Administrative costs	3,050,500	1,715,740	216,619	1,932,359	1,118,141
Total	22,063,770	3,392,687	4,297,615	7,690,302	14,373,468
Hospital Sewer Project:					
Construction	2,198,550	2,017,181	-	2,017,181	181,369
Administrative costs	55,000	45,035	-	45,035	9,965
Total	2,253,550	2,062,216	-	2,062,216	191,334
Total expenditures	24,317,320	5,454,903	4,297,615	9,752,518	14,564,802
Revenues over (under) expenditures	(21,317,320)	(4,383,033)	(4,265,615)	(8,648,648)	12,668,672
Other Financing Sources (Uses):					
Long-term debt issued	16,402,098	-	-	-	(16,402,098)
Operating transfers - in (out):					
From General Fund	-	200,000	-	200,000	200,000
From Water and Sewer Fund	4,915,222	5,137,459	650,000	5,787,459	872,237
Total other financing sources (uses)	21,317,320	5,337,459	650,000	5,987,459	(15,329,861)
Revenues and other financing sources over (under) expenditures and other financing uses	$ -	$ 954,426	$ (3,615,615)	$ (2,661,189)	$ (2,661,189)

DAVIE COUNTY, NORTH CAROLINA

SOLID WASTE FUND
SCHEDULE OF REVENUES AND EXPENDITURES
BUDGET AND ACTUAL (NON-GAAP)
FOR THE YEAR ENDED JUNE 30, 2019

	Budget	Actual	Variance Over/Under
Revenues:			
Operating revenues:			
Charges for services:			
Recycling	$ 93,000	$ 142,122	$ (49,122)
Expenditures:			
Landfill operations:			
Purchased services	403,000	345,281	57,719
Other operating expenditures	80,000	45,925	34,075
Total expenditures	483,000	391,206	91,794
Revenues over (under) expenditures	(390,000)	(249,084)	(140,916)
Other Financing Sources (Uses):			
Operating transfers in:			
From General Fund	390,000	264,089	(125,911)
Revenues and other financing sources over (under) expenditures and other financing uses	$ -	15,005	$ 15,005
Reconciliation from Budgetary Basis (Modified Accrual) to Full Accrual:			
Reconciling items:			
Decrease in accrued landfill post-closure liabilities		33,900	
Depreciation		(15,005)	
Total reconciling items		18,895	
Change in net position		$ 33,900	

DAVIE COUNTY, NORTH CAROLINA

SELF-INSURANCE INTERNAL SERVICE FUND
STATEMENT OF NET POSITION
JUNE 30, 2019

Assets:	
Current assets:	
Cash and cash equivalents	$ 12,315
Accounts receivable, net	3,945
Due from other funds	6,627
Total assets	22,887
Liabilities:	
Current liabilities:	
Accounts payable and accrued liabilities	330,714
Net Position:	
Unrestricted	$ (307,827)

DAVIE COUNTY, NORTH CAROLINA

SELF-INSURANCE INTERNAL SERVICE FUND
SCHEDULE OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION - FINANCIAL PLAN AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2019

	Financial Plan	Actual	Variance Over/Under
Revenues:			
Operating revenues:			
Charges for services:			
Insurance premiums	$ 3,752,679	$ 3,755,919	$ 3,240
Expenditures:			
Administration	934,432	918,380	(16,052)
Insurance claims paid	3,274,492	2,729,017	(545,475)
Total expenditures	4,208,924	3,647,397	(561,527)
Revenues over (under) expenditures	(456,245)	108,522	564,767
Other Financing Sources (Uses):			
Operating transfers in (out):			
From General Fund	456,245	72,000	(384,245)
Change in net position	$ -	180,522	$ 180,522
Net Position:			
Beginning of year - July 1		(488,349)	
End of year - June 30		$ (307,827)	

DAVIE COUNTY, NORTH CAROLINA

SELF-INSURANCE INTERNAL SERVICE FUND
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2019

Cash Flows from Operating Activities:	
Cash received from customers	$ 3,751,974
Cash paid for goods and services	(3,811,659)
Net cash provided (used) by operating activities	(59,685)
Cash Flows from Non-Capital Financing Activities:	
Interfund transfer in (out)	72,000
Net increase (decrease) in cash and cash equivalents	12,315
Cash and Cash Equivalents:	
Beginning of year - July 1	-
End of year - June 30	$ 12,315
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:	
Operating income (loss)	$ 108,522
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:	
(Increase) decrease in accounts receivable	(3,945)
(Increase) decrease in due from other funds	(6,627)
Increase (decrease) due to other funds	(39,452)
Increase (decrease) in accounts payable and accrued liabilities	(118,183)
Net cash provided (used) by operating activities	$ (59,685)

DAVIE COUNTY, NORTH CAROLINA

AGENCY FUNDS
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
FOR THE YEAR ENDED JUNE 30, 2019

	Balance July 1, 2018	Additions	Deductions	Balance June 30, 2019
Social Services:				
Assets:				
Cash and cash equivalents	$ 24,945	$ 11,190	$ 20,841	$ 15,294
Liabilities:				
Miscellaneous liabilities	$ 24,945	$ 11,190	$ 20,841	$ 15,294
Property Tax:				
Assets:				
Taxes receivable	$ 158,333	$ 4,351,473	$ 4,376,109	$ 133,697
Liabilities:				
Intergovernmental payable:				
Intergovernmental payable	$ 158,333	$ 4,351,473	$ 4,376,109	$ 133,697
Deed of Trust Fund:				
Assets:				
Cash and cash equivalents	$ 2,672	$ 2,716	$ 2,672	$ 2,716
Liabilities:				
Intergovernmental payable:				
State of North Carolina	$ 2,672	$ 2,716	$ 2,672	$ 2,716
Totals - All Agency Funds:				
Assets:				
Cash and cash equivalents	$ 27,617	$ 13,906	$ 23,513	$ 18,010
Taxes receivable	158,333	4,351,473	4,376,109	133,697
Total assets	$ 185,950	$ 4,365,379	$ 4,399,622	$ 151,707
Liabilities:				
Miscellaneous liabilities	$ 24,945	$ 11,190	$ 20,841	$ 15,294
Intergovernmental payable	161,005	4,354,189	4,378,781	136,413
Total liabilities	$ 185,950	$ 4,365,379	$ 4,399,622	$ 151,707

DAVIE COUNTY, NORTH CAROLINA

SCHEDULE OF AD VALOREM TAXES RECEIVABLE
JUNE 30, 2019

Fiscal Year	Uncollected Balance July 1, 2018	Additions	Collections and Credits	Uncollected Balance June 30, 2019
2018-2019	$ -	$ 36,402,469	$ 35,975,289	$ 427,180
2017-2018	405,353	-	237,684	167,669
2016-2017	184,944	-	76,040	108,904
2015-2016	100,030	-	27,143	72,887
2014-2015	59,435	-	14,106	45,329
2013-2014	53,517	-	6,748	46,769
2012-2013	55,483	-	5,990	49,493
2011-2012	48,141	-	4,233	43,908
2010-2011	44,464	-	3,015	41,449
2009-2010	41,766	-	2,265	39,501
2008-2009	35,735	-	35,735	-
Total	$ 1,028,868	$ 36,402,469	$ 36,388,248	1,043,089
Less: Allowance for uncollectible accounts				(542,499)
Ad valorem taxes receivable, net				$ 500,590

Reconciliation with Revenues:	
Ad valorem taxes - General Fund	$ 36,548,369
Reconciling items:	
Taxes written off	35,735
Penalties and interest collected	(153,539)
Future years collection	(52,370)
Miscellaneous	10,053
Total reconciling items	(160,121)
Total collections and credits	$ 36,388,248

DAVIE COUNTY, NORTH CAROLINA

ANALYSIS OF CURRENT YEAR LEVY
COUNTY-WIDE LEVY
FOR THE YEAR ENDED JUNE 30, 2019

	County-Wide			Total Levy	
	Property Valuation	Rate	Total Levy	Property Excluding Registered Motor Vehicles	Registered Motor Vehicles
Original Levy:					
Property taxed at current year's rate	$4,552,500,609	$ 0.778	$ 35,430,825	$ 31,743,331	$ 3,687,494
Utilities	102,750,084	0.778	799,396	799,396	-
Penalties	-		30,469	30,469	-
Total	4,655,250,693		36,260,690	32,573,196	3,687,494
Discoveries:					
Current year taxes	9,672,993	0.778	74,872	74,872	-
Prior year taxes	13,488,548		101,217	100,493	724
Penalties	-		21,089	21,089	-
Total	23,161,541		197,178	196,454	724
Releases	(9,256,151)		(55,399)	(55,392)	(7)
Total property valuation	$4,669,156,083				
Net Levy			36,402,469	32,714,258	3,688,211
Uncollected taxes at June 30, 2019			427,180	426,928	252
Current Year's Taxes Collected			$ 35,975,289	$ 32,287,330	$ 3,687,959
Current Levy Collection Percentage			98.83%	98.69%	99.99%

Secondary Market Disclosures:

Assessed valuation:	100%
Assessment ratio real property	$ 3,582,215,577
Personal property	984,190,422
Public service companies	102,750,084
Total assessed valuation	$ 4,669,156,083
Tax rate per $100	$ 0.778
Levy (includes discoveries, releases, and abatements)	$ 36,402,469

DAVIE COUNTY, NORTH CAROLINA

TEN LARGEST TAXPAYERS
FOR THE YEAR ENDED JUNE 30, 2019

Taxpayer	Type of Business	2019 Assessed Valuation	Percentage of Total Assessed Valuation
Ashley Furniture	Manufacturing	$ 131,027,202	3.13%
Gildan Yarns LLC	Manufacturing	107,301,307	2.57%
Avgol America Inc.	Manufacturing	103,294,292	2.47%
Ingersoll Rand Co.	Manufacturing	59,832,103	1.43%
Duke Energy Corporation	Utility	65,727,985	1.57%
Energy United EMC	Utility	28,553,744	0.68%
VF Jeanswear Inc.	Manufacturing	20,405,317	0.49%
Batangas Consulting LLC	Commercial	20,320,566	0.49%
CPP Global	Manufacturing	19,901,330	0.48%
Funder America Inc.	Manufacturing	17,549,990	0.42%
Total		$ 573,913,836	13.73%