



DARE COUNTY AIRPORT AUTHORITY

Dare County Regional Airport  
P.O. Box 429 ~ 410 Airport Road  
Manteo, NC 27954  
(252) 475-5570 ~ Fax (252) 473-1196



**DARE COUNTY AIRPORT AUTHORITY  
SPECIAL MEETING  
MINUTES of the June 3, 2020**

- Members Present:** Charlie Davidson, Wally Overman, Joe Blakaitis, George Henderson,
- Member Remotely Attending:** Fred Newberry, Jack Shea
- Members Absent:** William Pope, Pete Burkheimer
- Also Present:** David Daniels, Airport Director; Margaret Stauffer, Finance Officer & Clerk to the Board; Jay Wheless, Wheless & Wheless, PLLC,
- Attending Remotely Attending:** Robert Hobbs, Hornthal, Riley, Ellis & Maland; John Massey & Steve Bright, Talbert & Bright; John Ratzenberger, Airport Museum Curator

Chairman Charlie Davidson called the June 3, 2020 meeting of the Dare County Airport Authority to order at approximately 4:00pm.

**ITEM 1 - Public Comments:**

John Ratzenberger, Airport Museum Curator – Mr. Ratzenberger reminded the members of the possibility having a combination celebration of the 50<sup>th</sup> Anniversary of the Airport Authority and Dwight Wheless artifacts sometime in June 2021. Dwight Wheless was apart the development of the Airport Authority and his family wants to attend the event. Mr. Ratzenberger will complete setting up the display with all the items in the museum for viewing and have recognition with the 50<sup>th</sup> anniversary celebration.

George Henderson volunteered to help with the planning committee for the celebration event.

No public was present and no public comments were submitted prior to the board meeting.

**ITEM 2 – Purchase Contract – Parcel # 024268091:**  
(see attached)

*Jay Wheless, Wheless & Wheless, PLLC –*  
Reported that closing was completed on May 19, 2020 with the already known existing overlap issue. The overlap is located at the northwest part corner of the property and is 20'x50' totaling 967sq.ft. Both property owners recognize that is an overlap. There is no access from Airport Road.

Mr. Wheless suggested to the members a few options:

- 1) Do nothing
- 2) To claim all
- 3) Deed all to lot owner-1
- 4) Split in half

Airport Attorney Hobbs stated that there could be some restrictions because of grant funds were used to purchase the property. He offered to research before considering the options that may involve connivance and report back to the board

**ITEM 3 – Presentation of Proposed Budget Ordinance for FYE 20/21:**

(see attached)

Director Daniels presented the Airport's Proposed Budget Ordinance for fiscal year-ending June 20/21. Due to the COVID virus the fuel revenues and expenses were reduced and will monitor throughout the year.

Attorney Hobbs went into detail about the process in having a remote public hearing. If one board member is attending via the telephone then the meeting is to be called a Remote Board meeting.

**MOTION:** Jack Shea motioned to authorize to have a Public Hearing on June 24, 2020 at 4pm for purpose of the Airport's Proposed FYE 20/21 Budget Ordinance.  
**SECOND:** Joe Blakaitis  
**DISCUSSION:** None  
**OPPOSED:** None  
**OUTCOME:** Carried

**ITEM 4 - Potter & Company, PA – Audit Contract 6/30/20:**

(see attachment)

Director Daniels presented the audit contract from for fiscal year ending 6/30/2020. This is the same company from last year and only had a \$250 increase. This is a yearly contract that needs approval.

**MOTION:** Jack Shea motioned to accept the Potter & Company, PA Audit Contract for FYE 6/30/2020 as presented.  
**SECOND:** Wally Overman  
**DISCUSSION:** None  
**OPPOSED:** None  
**OUTCOME:** Carried

**ITEM 5 - Engineer's Report:**

John Massey updated on the following: (see attached)

- *Apron Pavement Rehabilitation* – The plans and specifications are 100% completed and were submitted on June 1, 2020. Waiting for NCDOA to giving the approval to proceed with advertising the project for bids.
- *Runway 17 Land Acquisition* – The acquisition of the parcel of land has been complete. The reimbursement request has been submitted to NCDOA for 90% of the cost of the land purchase.
- *ALP Update, Narrative Report and 18B Survey* - The work authorization including scope, man-hours and cost has been sent MQI for review. Once comments are received, a copy of the work authorization will be sent to NCDOA for review.
- *Runway 23 Land Acquisition* – A Notice to proceed has been finalized by NCDOA. The engineer and Director Daniels will coordinate the Right to Entry to each of the parcels. Once the Right of Entry is obtained, the work will commence within 45 days.

**ITEM 6 – Attorney’s Report:**

Attorney Hobbs stated that he is working with the Airport Director to complete the contracts for Titan Aviation Fuels, AirBoss, Inc. and the housing agreement for the tower staff.

**ITEM 7 – Chair’s Report:**

*Chairman Davidson -*

- *Selection Committee Appointment* – Chairman Davidson appointed the following members to the Selection Committee: Joe Blakaitis and George Henderson

The committee will make their recommendation at the June 24, 2020 board meeting.

**ITEM 8 – Director’s Report:**

*Director David Daniels.*

- *Community Garden License Agreement lease* - Mano al Hermano holds the current Lease Agreement to operate community gardens with the Dare County Airport. This club is now would like step down from the gardens and offered a few suggests of other groups that maybe willing to take over the gardens. The only group that expressed an interest was the Manteo Rotary Club.

The members were in agreement to have the Airport Attorney and Airport Director proceed in contacting the new group and work an agreement to bring back to the next board meeting to be approved.

- *NCAA Conference* - The NCAA Conference for this year has been cancelled.
- *CARES ACT Grant* - The Dare County Airport is eligible to receive \$69,000 from the CARES ACT grant. Once it is clarified on what can be used then the package will be prepared and submitted for reimbursement.

Wally Overman asked about how the air traffic has been at the airport to date.

Director Daniels stated that the most in a day was 100 movements not including banner towers and the airport staff is managing the traffic just fine. The Control Tower is still scheduled to start June 15<sup>th</sup>.

**ITEM 9 – Consent Agenda:**

**MOTION:** Jack Shea motioned to approve the minutes of the January 29, 2020 and February 26, 2020 DCAA board meeting as presented.  
**SECOND:** Wally Overman  
**DISCUSSION:** None  
**OPPOSED:** None  
**OUTCOME:** Carried

**ITEM 10 - Comments from the Authority Members:**

*Fred Newberry updated on the AOPA Fly-in:*

The Tourism Board has awarded the Airport Authority a Grant for \$37,000 to support this event. If the event is extended to the 2022 year an extension will have to be files. It has not yet been decided when the Fly-in will happen, however it is expected to be smaller

**ITEM 11 - Adjourn:**

**MOTION:** Jack Shea motioned to adjourn.  
**SECOND:** George Henderson  
**DISCUSSION:** None  
**OPPOSED:** None  
**OUTCOME:** Carried

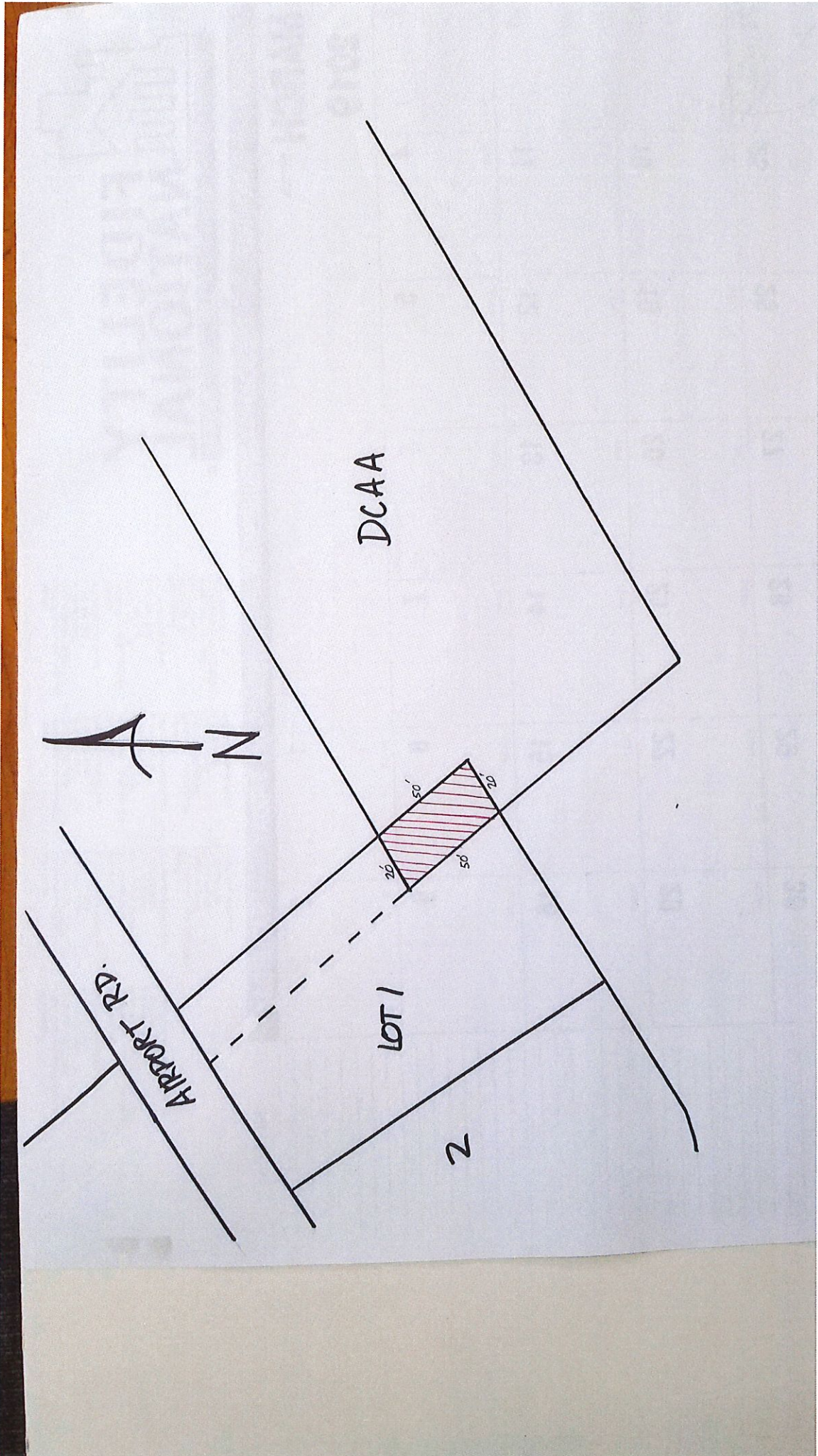
The meeting was adjourned at 5:05PM

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Margaret Stauffer, Clerk to the Board  
Dare County Airport Authority

**DARE COUNTY AIRPORT AUTHORITY  
410 AIRPORT ROAD, MANTEO, NC  
Wednesday, June 3, 2020  
SPECIAL MEETING**

- 4:00 PM      CONVENE AUTHORITY FOR MONTHLY MEETING  
WITH THE PLEDGE OF ALLEGIANCE**
- ITEM 1    PUBLIC COMMENTS**
- ITEM 2    PURCHASE CONTRACT – PARCEL#024268091  
WHELESS & WHELLESS, PLLC**
- ITEM 3    PRESENTATION OF PROPOSED BUDGET**
- ITEM 4    POTTER & COMPANY, PA - AUDIT CONTRACT 6/30/20**
- ITEM 5    ENGINEER'S REPORT**
- ITEM 6    ATTORNEY'S REPORT**
- ITEM 7    CHAIR'S REPORT**  
    a. Appointment of Selection Committee
- ITEM 8    DIRECTOR'S REPORT**
- ITEM 9    CONSENT AGENDA**  
    a. January 29, 2020 - DCAA Meeting Minutes  
    b. February 26, 2020 - DCAA Meeting Minutes
- ITEM 10    COMMENTS FROM THE AUTHORITY MEMBERS**
- ITEM 11    ADJOURN**



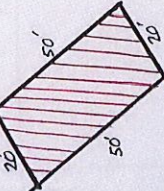
DCAA



AIRPORT RD.

LOT 1

LOT 2



DARE COUNTY AIRPORT AUTHORITY  
DARE COUNTY REGIONAL AIRPORT

BUDGET ORDINANCE 2020/2021

APPROVED 06/\_\_/2021



410 AIRPORT ROAD  
MANTEO, NC 27954

**DARE COUNTY AIRPORT AUTHORITY  
DARE COUNTY REGIONAL AIRPORT  
FISCAL YEAR 2020-2021 BUDGET ORDINANCE**

Be it ordained by the Dare County Airport Authority of Dare County, North Carolina:

**SECTION 1.** The following amounts are hereby appropriated in the Operations Fund for the operation of the Dare County Regional Airport and its activities for the fiscal year beginning July 1, 2020, and ending June 30, 2021 in accordance with the Chart of Accounts heretofore established for the Airport:

<b>Operations Fund</b>	<u><u>\$2,434,292.00</u></u>
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**SECTION 2.** It is estimated that the following revenues will be available in the Operations Fund for the fiscal year beginning July 1, 2020, and ending June 30, 2021:

Auto Rental	\$85,000.00
Hangar Rental	\$265,000.00
Tie Down Fees	\$3,000.00
Landing Fees	\$25,000.00
Land and Building Rentals	\$185,000.00
Vehicle Parking Leases	\$8,000.00
Operation License Agreements	\$9,000.00
Other Charges for Services	\$500.00
Souvenirs	\$3,500.00
After Hours Fuel Service	\$10,000.00
Interest on Investments	\$35,000.00
Miscellaneous	\$3,500.00
Av Gas Sales	\$480,000.00
Jet A Sales	\$510,000.00
Auto Fuel Sales	\$2,300.00
Oil Sales	\$2,600.00
Pilot Supplies	\$500.00
Vending	\$300.00
Transfer from Primary Government	<u>\$806,092.00</u>
<b>Total Estimated Revenues</b>	<u><u>\$2,434,292.00</u></u>



**SECTION 3.** The following amounts are hereby appropriated in the Cemetery fund for the operation of the Roanoke Island Memorial Gardens Cemetery (RIMG) and its activities for the fiscal year beginning July 1, 2020, and ending June 30, 2021, in accordance with the Chart of Accounts heretofore established for the Cemetery:

<b>Cemetery Fund</b>	<b><u>\$28,500</u></b>
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**SECTION 4.** It is estimated that the following revenues will be available in the Cemetery Fund for the fiscal year beginning July 1, 2020, and ending June 30, 2021.

Interest-Other Agencies	\$2,000
Grave Site – Plot Sales	\$2,000
Mausoleum – Crypt Sales	\$2,000
Mausoleum- Niche Sales	\$2,000
Rental Income - Houses	\$20,400
Recording Fees	<u>\$100</u>
<b>Total Estimated Revenues</b>	<b><u>\$28,500</u></b>

**SECTION 5.** The Airport Director is authorized to submit budget amendments to the County Finance Director without prior written approval of the Airport Authority in amounts that do not exceed \$20,000 per line item. For items over \$10,000, the Director must get verbal confirmation from the Dare County Airport Authority’s Chairperson or Vice-Chairperson. The Director shall report such budget amendments to the Dare County Airport Authority no later than the next regularly-scheduled meeting (sooner if possible). Any budget amendments beyond \$20,000 must be submitted to the Airport Authority for approval.

**SECTION 6.** Airport Director's Authority for Expenditures and Execution of Agreements:

a. The Director's annual (fiscal year) expenditure authority for line items in the budget shall not exceed the following without further approval from the Airport Authority:

- (1) For line items of \$20,000 or less of the budgeted line items; or
- (2) For line items exceeding \$20,000, of the budgeted line item.

b. The Airport Director is hereby authorized to execute the necessary agreements for a term of one (1) year or less, to receive or expend funds for the following purposes without further approval from the Airport Authority, as long as any agreements requiring the expenditure of funds are pre-audited and pertain to expenditures included as line items in the budget and are within the limits stated in Subsection (a) of this Section:

- (1) Grant agreements to public and non-profit organizations;
- (2) Leases of normal and routine business equipment;
- (3) Leases with tenants of rental property and hangars owned by the Dare County Airport Authority;
- (4) Consultant, professional, or maintenance service agreements;
- (5) Purchase of apparatus, supplies, materials, or equipment where formal bids are not required by law;

- (6) Agreements for acceptance of state, federal, public, and non-profit organization grant funds, and funds from other governmental units for services to be rendered;
- (7) Construction or repair work where formal bids are not required by law; (Article 8, Chapter 143 of the N. C. G. S., (GS143-129 and GS 143-131)) and
- (8) Liability, casualty, property or other insurance or retention and faithful performance bonds.

c. The limitations specified in Subsections (a) and (b) of this Section may be waived provided there is urgent need to expend the funds prior to the next regularly scheduled meeting of the Dare County Airport Authority, and or commit grant funding provided the waiver is approved by the Chair of the Dare County Airport Authority or another member specifically granted this authority by the Chair. Such approval may be given orally, telephonically, or by electronic mail provided written confirmation is provided as quickly as practicable. The Chair or other authorized member shall notify all members of the Dare County Airport Authority of each such waiver as quickly as practicable.

**SECTION 7.** Fuel prices will be determined as follows:

- a. The Airport Director has the authority to set aviation fuel prices within the parameters listed below:
  - (1) Charge no less than \$0.90 above cost for fuel service Av Gas and \$0.40 above cost for self- service Av Gas with exceptions to our commercial vendors, Wright Flight and special events and for Jet Fuel to charge no less than \$1.20 above cost with exceptions to EMS and special events.
  - (2) Attempt to reasonably keep prices competitive with local surrounding aviation facilities without incurring financial loss.
  - (3) In General not to charge more than \$2.00 above cost for either Av Gas or Jet A regardless of preceding factors 7(a) 1-3.

**SECTION 8.** The Airport Director shall have the authority to pay or remunerate airport employee(s) bonuses and raises in addition to salary adjustment for merit for special circumstances. The amounts of these bonuses or raises shall be warranted, at the Airport Director's discretion and not exceed the Airport Director's budgetary spending limits identified in sections 5 and 6 of this ordinance. Prior to allotting said bonuses or raises, the Airport Director shall get the expressed approval from the Dare County Airport Authority (DCAA) and appropriate documentation coordinated on or signed by the Chairperson or any designated member of the Dare County Airport Authority.

**SECTION 9.** Schedule of Fees are established and approved as part of this ordinance. See the Fees Rates and Charges Schedule for a detailed listing.

**SECTION 10.** Copies of this Budget Ordinance shall be furnished to the Clerk of the Airport Authority and the Budget Officer and Finance Officer to be kept on file by them for their direction in the disbursement of funds.

Adopted this      day of June, 2020.

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Charlie Davidson, Chair  
Dare County Airport Authority

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Margaret L. Stauffer,  
Clerk to the Authority Board

## FEE SCHEDULE

Adopted on May 20, 2019

### HANGARS

#### 1 – 1,700 Sq. Feet \$.27/ Sq. ft. Monthly

2008 T- HANGARS	\$310.00
1994 T- HANGARS *	\$245.00
2001 T-HANGARS	\$300.00

#### 1,701-5,000 Sq. Feet \$.24/ Sq. ft. Monthly

1994 EXECUTIVE	\$430.00	
2001 EXECUTIVE	\$425.00	
CORPORATE 1	\$540.00	
CORPORATE 2 & 3	\$525.00	
CORPORATE 6 & 7	\$860.00	
QUONSET *	2 tenants :\$310 each	\$620.00

#### Over 5,001 Sq. Feet \$.21/ Sq. ft. Monthly

CORPORATE 5	\$1,515.00
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*\*Discounted for fewer amenities*

### T-HANGAR

Daily	\$40.00
Weekly	\$200.00
Monthly	\$350.00

### EXECUTIVE HANGAR

Daily	\$50.00
Weekly	\$250.00
Monthly	\$450.00

### CORPORATE 1

Daily	\$75.00
Weekly	\$350.00
Monthly	\$900.00

### CORPORATE 2

Daily	\$100.00
Weekly	\$420.00
Monthly	\$1,200.00

**10% Discount to tenants with multiple hangar leases**

**TIE DOWN FEES**

SINGLE OR TWIN ENGINE (OVERNIGHT)	\$10.00
TURBO PROP & JET (OVERNIGHT)	\$15.00
Monthly	\$70.00

**LANDING FEE (PER OCCURANCE)**

<b>CARGO/CHARTER</b>	
Category I-II	\$35.00
Category III and up	\$50.00

**SERVICE FEES**

<b>AIRPORT FEE</b>	\$25.00
<b>AIRCRAFT TOW (PER OCCURANCE)</b>	
Category I and II	\$10.00
Category III and up	\$15.00
<b>GROUND POWER UNIT (PER OCCURANCE)</b>	
Start up only	\$25.00
Each 15 minutes- continuous use	\$25.00
<b>CONFERENCE ROOM (CLEANING )</b>	
Per day	\$25.00
<b>VEHICLE PARKING</b>	
Monthly	\$35.00
Yearly	\$300.00
<b>FUEL FOW FEE (PRE-PURCHASED) X GALLON</b>	\$0.30
<b>TERMINAL OFFICE LEASE - YEARLY</b>	\$21/SQ.FT.

**COMMERCIAL FEES**

All fees shall be paid as follows : half within 30 days of approval from Dare County Airport Authority and balance within 60 days. Fees shall run from January 1 to December 31. No discount for part of a year.

<b>AIR TOUR(PER YEAR)</b>	\$700.00
<b>FLIGHT INSTRUCTION AND AIRCRAFT RENTAL(PER YEAR)</b>	\$700.00
<b>BANNER TOWING(PER YEAR)</b>	\$700.00
<b>CHARTER(PER PLANE)</b>	\$700.00
<b>SKY DIVING (PER YEAR)</b>	\$700.00
<b>PUBLIC MAINTENANCE</b>	\$700.00
Per occurrence for off premise companies	\$75.00
<b>CAR RENTAL BY DCRA STAFF (OF GROSS)</b>	30.00%
<b>CAR RENTAL OFF AIRPORT COMPANY</b>	
Pick up or drop off	\$20.00
<b>CAR RENTAL OTHER (BY CONTRACT)</b>	20.00%

All commercial operators wanting to operate out of DCRA must make application and be approved by DCAA or its designee prior to operation.

## GENERAL AVIATION & COMMUTER AIRCRAFT LISTING

### **CATEGORY I**

Cessna- 140,150,170,172,175,177,180,182,185,195,205,206,207,210. Tri-pace, Colt, Commache, Cherokee, Pacer, Musketeer, Bonanza, Debonaire, Staggerwing, Mooney, Navion ,Belanca, Luscombe, Aeronca, Citabria, Stinson, Ercoupe, Hili-Courier, Rockwell Commander, Lance, Arrow, Sundowner, Yankee, Traveler, Small experimental

### **CATEGORY II**

Cessna- All 300 and 400's, Aztec, Apachee, Navajo, Twin Comanche, Twin Bonanza, Duke, Travelaire, Baron, Duchess, Seminole, Seneca, Cougar, Aerostar, Geronimo, War Birds (fighters depending on size).

### **CATEGORY III**

King Air, Twin Beech(D-18), Queenaire, Aero/Grand Commander, Cheyenne, Turbo-Commander, Conquest MU-2, Beechcraft 99, Metroliner, Volpar, Merlin, Caravan, Jetstream, Islander, Trislander.

### **CATEGORY IV**

Lear, Citation, Jet-Commander, Saber-Liner, Hansa, Lodestar, DH-125, Westwind, Vickers, Starship, Diamond, Beech Jet, Falcon10, Astra.

### **CATEGORY V**

Falcon 20, 200, 900, G-I, II, III,IV, Jetstar, DC-3, DH-8, Shorts, SAAB, Challenger, Twin Otter.

## **BUDGET MESSAGE AND HIGHLIGHTS**

**BUDGET MESSAGE:**

To the Dare County Airport Authority:

I am pleased to submit the Dare County Regional Airport FY 2021 Annual Budget. The three following principles were used as a guide in developing the budget:

1. Take care of what we have: (Infrastructure, equipment and employees). The Airport mission can't be implemented if these basic tools of service are not in good working order. We will continue to address, repair, and take care of these assets.
2. Meet the current demand of established and /or new Airport Business: Identify specific services/facility improvements that will help the current demand while also planning for the future.
3. Promote safety while giving our customers the best Airport experience possible: The Airport staff is our greatest asset; therefore we will provide the necessary equipment and training for them to do their jobs as safe and efficient as possible.

The Airport fund provides for operations and maintenance of the Dare County Regional Airport. Revenues are derived from lease of land, buildings and structures, fuel sales, landing and tie down fees, parking fees, other Airport fees and County transfer. Major capital improvements required for the airport capacity and safety are funded through FAA grants (90% federal and 10% local). An acceptance of federal grants funds requires that all revenues generated by the use of Airport assets remain in the Airport Fund for operations and development.

I hope the board will find all the information necessary to thoroughly review and analyze the proposed budget. I believe the budget does a good job in holding the line on rate increases and also delivers much in the way of taking care of key infrastructure and equipment needs, as well as new purchases. Participation from the board, employees and public with recommendations will improve this budget. Please do not hesitate to contact me if you need additional information to help in your decision-making process.

Sincerely,

David Daniels  
Airport Director

## **BUDGET PROCESS**

The Airport operates under an annual budget ordinance adopted by the Board in accordance with the provisions of the N.C.G.S.159- Known as the Local Government Budget and Fiscal Control Act. The Airport Director is required to submit a balanced budget and the Airport Board must adopt the budget by July 1. A copy of the proposed budget is filed with the Airport clerk for public inspection and a public hearing is scheduled prior to the formal adoption of the budget. A budget is balanced when the sum of estimated net revenues is equal to appropriations. The fiscal year encompasses the period between July 1 and June 30.

The adopted budget document acts as a “work plan” and provides Dare County Airport Authority and management staff with a mechanism for evaluating budgetary and organizational performance.

## **BUDGET HIGHLIGHTS**

- Desired capital projects include runway approach and RPZ clearing, land acquisition, and apron rehabilitation. The removal of approach and RPZ obstructions provides for safer conditions.
- Marketing the Airport to attract more business both in season and off season as well as to promote public awareness.
- Continued improvements to the Airport terminal, facilities and equipment.
- The Airport is able to function with 8 full time employees, using external contractors in some areas to promote efficiency.

## **AIRPORT TRANSPORTATION IMPROVEMENT PROGRAM (TIP) 2014-2020**

The TIP is a 5 year plan; the program goal is to maintain the Airport to FAA and NCDOT/DOA certification, safety and efficiency standards. The Airport top priority on the TIP is to address safety issues in the approach to runway 23 through land acquisition and approach clearing.



**FUND 94- OPERATIONS**

# DARE COUNTY AIRPORT AUTHORITY

Account No.	Account Name	FY 18 Actual	FY 19 Actual	FY 20 Budget	FY 21 Recommended	FY 22 Projection
<b>REVENUES</b>						
943785	422270 10761 State Aid to Airport	0	0	0	0	0
	<b>Total State Aid to Airport</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
943785	441070 10703 Auto rentals	74,229	74,108	80,000	85,000	85,000
943785	441071 Hangar Rentals	250,749	249,990	260,000	265,000	265,000
943785	441072 Tie Down Fees	1,660	1,345	3,000	3,000	3,000
943785	441073 Landing Fees	17,195	17,050	35,000	25,000	25,000
943785	441074 Land & Building Rentals	180,192	182,575	190,000	185,000	185,000
943785	441075 Vehicle Parking Fees	6,030	6,060	9,000	8,000	8,000
943785	441076 Operations Licenses	9,800	9,100	9,800	9,000	9,000
	<b>Total Rents, fees, Licenses</b>	<b>539,855</b>	<b>540,227</b>	<b>586,800</b>	<b>580,000</b>	<b>580,000</b>
943785	441085 Other Charges for Services	0	0	500	500	500
943785	441086 10703 Souvenirs	3,128	2,255	3,500	3,500	3,500
943785	441087 After Hours Fuel Service	10,750	6,900	12,000	10,000	10,000
943785	450100 Interest Income	43,327	106,054	40,000	35,000	35,000
943785	460100 Miscellaneous Revenues	2,442	1,266	3,500	3,500	3,500
	<b>Total other Fees</b>	<b>59,647</b>	<b>116,475</b>	<b>59,500</b>	<b>52,500</b>	<b>52,500</b>
943785	466001 10703 Av Gas Sales	550,102	596,732	610,000	480,000	590,000
943785	466002 10703 Jet A Sales	548,750	616,856	580,000	510,000	620,000
943785	466003 10703 Auto Fuel Sales	1,438	1,233	2,300	2,300	2,300
943785	466004 Oil Sales	1,944	2,142	2,600	2,600	2,600
	<b>Total Fuel &amp; Oil Sales</b>	<b>1,102,234</b>	<b>1,216,963</b>	<b>1,194,900</b>	<b>994,900</b>	<b>1,214,900</b>
943785	466005 Pilot Supplies	263	273	500	500	500
943785	466006 10703 Vending Sales	150	150	300	300	300
	<b>Total other Sales</b>	<b>413</b>	<b>423</b>	<b>800</b>	<b>800</b>	<b>800</b>
973785	499900 Appropriated Fund Bal.	0	0	19,125	0	0
943785	491003 Transfer - Primary Government Allotment *\$593,585 **\$621,405 ***\$622,776	763,061	813,859	864,377	806,092	805,691
			*	**	***	
		<b>763,061</b>	<b>813,859</b>	<b>883,502</b>	<b>806,092</b>	<b>805,691</b>
	<b>TOTAL REVENUES</b>	<b>2,465,210</b>	<b>2,687,947</b>	<b>2,725,502</b>	<b>2,434,292</b>	<b>2,653,891</b>

**DARE COUNTY AIRPORT AUTHORITY**

Account No.	Account Name	FY 18 Actual	FY 19 Actual	FY 20 Budget	FY 21 Recommended	FY 22 Projection
<b>EXPENDITURES</b>						
	<u>Number of employees 8</u>					
944785	500200 Salaries	385,362	407,798	380,000	366,252	380,000
944785	500202 Salaries- Board members	1,825	4,700	4,000	4,000	4,000
944785	500208 Salaries - On call	11,376	11,916	12,000	12,046	12,000
944785	500300 FICA	29,315	31,010	31,510	29,246	32,467
944785	500400 Retirement	30,177	33,132	36,791	38,660	32,875
944785	500500 Health Insurance	148,977	155,276	155,305	130,939	138,853
944785	500700 Retiree Health Insurance	700	0	692	642	714
944785	500705 Pre-65 Health Insurance	6,853	7,333	23,694	33,163	24,333
944785	500900 Longevity	9,504	12,038	9,410	7,828	9,500
944785	501050 Salary Adjustment Merit	0	0	5,773	0	4,745
	<b>Total Personnel Services</b>	<b>624,088</b>	<b>663,203</b>	<b>659,175</b>	<b>622,776</b>	<b>639,487</b>
944785	510700 Contracted Services	46,545	126,825	224,125	240,000	240,000
944785	510900 Professional Service	13,660	11,180	30,000	26,704	26,704
944785	511100 Telephone & Postage	4,128	4,221	5,200	5,200	5,200
944785	511300 Utilities	27,134	29,391	30,000	30,000	30,000
944785	511500 Maintenance & Repairs Rentals	54,876	47,588	50,000	60,000	60,000
944785	511501 Maintenance & Repairs Equipment	18,555	24,918	25,000	25,000	25,000
944785	511502 Maintenance & Repairs Buildings	73,697	39,643	30,000	60,000	60,000
944785	511503 Maintenance & Repairs Vehicle	5,554	5,295	6,500	6,500	6,500
944785	511901 Credit Card Processing	32,938	32,383	40,000	40,000	40,000
944785	512102 Leases Copiers	993	961	2,500	2,500	2,500
944785	512103 Leases PC's	0	0	1,000	2,000	2,000
944785	513100 Fuel	7,001	4,491	6,000	6,500	6,500
944785	513300 Supplies	6,417	5,389	8,216	6,500	6,500
944785	513400 Museum Operation	0	21	500	500	500
944785	513500 Computer Software	828	0	1,000	15,000	15,000
944785	513600 Uniforms	1,455	0	2,500	2,500	2,500
	<b>Total other Expenditures</b>	<b>293,780</b>	<b>332,306</b>	<b>462,541</b>	<b>528,904</b>	<b>528,904</b>
944785	513701 10703 AV Gas	444,822	469,302	510,000	370,000	500,000
944785	513702 10703 Jet A	349,945	439,005	410,000	330,000	440,000
944785	513703 10703 Auto Fuel	739	3,036	3,000	3,000	3,000
944785	513704 10703 Oil	2,455	1,588	2,000	2,000	2,000
	<b>Total Fuel and Oil Disbursement</b>	<b>797,960</b>	<b>912,931</b>	<b>925,000</b>	<b>705,000</b>	<b>945,000</b>

Account No.	Account Name	FY 18 Actual	FY 19 Actual	FY 20 Budget	FY 21 Recommended	FY 22 Projection
944785	513705 10703 Pilot Supplies	278	295	500	500	500
944785	513708 10703 Auto Rentals	46,326	40,022	55,000	50,000	50,000
944785	513709 10703 Souvenirs	1,583	2,010	2,500	2,500	2,500
944785	516100 Shop Overhead	8,371	10,128	11,286	7,756	11,500
944785	525000 Training	92	331	6,000	4,000	4,000
944785	525100 Travel	9,128	10,025	10,000	10,000	10,000
944785	525200 Dues & Subscriptions	1,717	2,000	2,000	2,000	2,000
944785	525400 Insurance & Bonds	50,410	51,174	59,910	59,340	60,000
944785	525401 Insurance Airport	26,557	26,888	55,000	55,000	55,000
944785	525600 Advertising & Promotions	848	379	4,000	4,000	4,000
944785	525604 Marketing & Public Relations	1,957	21,573	9,000	20,000	20,000
944785	525620 Youth Aviation Day	809	1,662	6,000	4,000	4,000
944785	525710 Indirect Costs per CAP	100,044	108,984	112,590	116,220	112,000
944785	525730 Bad Debts	0	0	0	0	0
944785	537400 Capital Outlay	0	19,582	345,000	150,000	130,000
944785	539500 Depreciation	563,402	528,359	0	0	0
944785	548190 DS- Principal Property	130,000	0	0		0
944785	549190 DS-Interest Property	2,152	0	0	0	0
944785	550000 Contingency	0	0	0	92,296	75,000
944785	599500 10768 Capital Project Fund	0	0	0	0	0
	<b>Total Other Expenditures</b>	<b>943,674</b>	<b>823,412</b>	<b>678,786</b>	<b>577,612</b>	<b>540,500</b>
	<b>TOTAL EXPENDITURES</b>	<b>2,659,502</b>	<b>2,731,851</b>	<b>2,725,502</b>	<b>2,434,292</b>	<b>2,653,891</b>

**FUND 96- CEMETERY**

**DARE COUNTY AIRPORT AUTHORITY**

Account No.	Account Name	FY 18 Actual	FY 19 Actual	FY 20 Budget	FY 21 Recommended	FY 22 Projection
<b>REVENUES</b>						
963785	450101 Interest- Other Agencies	3,473	8,441	2,000	2,000	2,000
963785	464501 Grave Sites- Plot	2,252	6,330	2,000	2,000	2,000
963785	464502 Mausoleum- Crypt	0	0	2,000	2,000	2,000
963785	464503 Mausoleum- Niche	0	526	2,000	2,000	2,000
963785	464510 Rental Income Houses	18,700	21,766	20,400	20,400	20,400
963785	464515 Recording Fees	0	26	100	100	100
<b>TOTAL REVENUES</b>		<b>24,425</b>	<b>37,089</b>	<b>28,500</b>	<b>28,500</b>	<b>28,500</b>
<b>EXPENDITURES</b>						
964785	511300 Utilities	354	265	1,000	1,000	1,000
964785	511502 Maintenance & Repairs Buildings	0	5,651	12,000	12,000	12,000
964785	511508 Maintenance & Repairs Yard	9	5,855	6,000	6,000	6,000
964785	511903 Recording Fees	52	192	100	100	100
964785	537400 Capital Outlay	0	0	9,400	9,400	9,400
<b>TOTAL EXPENDITURES</b>		<b>415</b>	<b>11,963</b>	<b>28,500</b>	<b>28,500</b>	<b>28,500</b>

The	Governing Board Board of Commissioners
of	Primary Government Unit (or charter holder) Dare County Airport Authority
and	Discretely Presented Component Unit (DPCU) (if applicable) N/A

*Primary Government Unit, together with DPCU (if applicable), hereinafter referred to as Governmental Unit(s)*

and	Auditor Name Potter & Company, PA
	Auditor Address 106 Welton Way, Mooresville, NC 28117

*Hereinafter referred to as Auditor*

for	Fiscal Year Ending 06/30/20	Audit Report Due Date 10/31/20
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*Must be within four months of FYE*

hereby agree as follows:

1. The Auditor shall audit all statements and disclosures required by U.S. generally accepted auditing standards (GAAS) and additional required legal statements and disclosures of all funds and/or divisions of the Governmental Unit(s). The non-major combining, and individual fund statements and schedules shall be subjected to the auditing procedures applied in the audit of the basic financial statements and an opinion shall be rendered in relation to (as applicable) the governmental activities, the business-type activities, the aggregate DPCUs, each major governmental and enterprise fund, and the aggregate remaining fund information (non-major government and enterprise funds, the internal service fund type, and the fiduciary fund types).

2. At a minimum, the Auditor shall conduct his/her audit and render his/her report in accordance with GAAS. The Auditor shall perform the audit in accordance with *Government Auditing Standards* if required by the State Single Audit Implementation Act, as codified in G.S. 159-34. If required by OMB *Uniform Administration Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance) and the State Single Audit Implementation Act, the Auditor shall perform a Single Audit. This audit and all associated audit documentation may be subject to review by Federal and State agencies in accordance with Federal and State laws, including the staffs of the Office of State Auditor (OSA) and the Local Government Commission (LGC). If the audit requires a federal single audit performed under the requirements found in Subpart F of the Uniform Guidance (§200.501), it is recommended that the Auditor and Governmental Unit(s) jointly agree, in advance of the execution of this contract, which party is responsible for submission of the audit and the accompanying data collection form to the Federal Audit Clearinghouse as required under the Uniform Guidance (§200.512).

If the audit and Auditor communication are found in this review to be substandard, the results of the review may be forwarded to the North Carolina State Board of CPA Examiners (NC State Board).

3. If an entity is determined to be a component of another government as defined by the group audit standards, the entity's auditor shall make a good faith effort to comply in a timely manner with the requests of the group auditor in accordance with AU-6 §600.41 - §600.42.
4. This contract contemplates an unmodified opinion being rendered. If during the process of conducting the audit, the Auditor determines that it will not be possible to render an unmodified opinion on the financial statements of the unit, the Auditor shall contact the LGC staff to discuss the circumstances leading to that conclusion as soon as is practical and before the final report is issued. The audit shall include such tests of the accounting records and such other auditing procedures as are considered by the Auditor to be necessary in the circumstances. Any limitations or restrictions in scope which would lead to a qualification should be fully explained in an attachment to this contract.
5. If this audit engagement is subject to the standards for audit as defined in *Government Auditing Standards*, 2018 revision, issued by the Comptroller General of the United States, then by accepting this engagement, the Auditor warrants that he/she has met the requirements for a peer review and continuing education as specified in *Government Auditing Standards*. The Auditor agrees to provide a copy of the most recent peer review report to the Governmental Unit(s) and the Secretary of the LGC prior to the execution of an audit contract. Subsequent submissions of the report are required only upon report expiration or upon auditor's receipt of an updated peer review report. If the audit firm received a peer review rating other than pass, the Auditor shall not contract with the Governmental Unit(s) without first contacting the Secretary of the LGC for a peer review analysis that may result in additional contractual requirements.

If the audit engagement is not subject to *Government Accounting Standards* or if financial statements are not prepared in accordance with U.S. generally accepted accounting principles (GAAP) and fail to include all disclosures required by GAAP, the Auditor shall provide an explanation as to why in an attachment to this contract or in an amendment.

6. It is agreed that time is of the essence in this contract. All audits are to be performed and the report of audit submitted to LGC staff within four months of fiscal year end. If it becomes necessary to amend this due date or the audit fee, an amended contract along with a written explanation of the delay shall be submitted to the Secretary of the LGC for approval.
7. It is agreed that GAAS include a review of the Governmental Unit's (Units') systems of internal control and accounting as same relate to accountability of funds and adherence to budget and law requirements applicable thereto; that the Auditor shall make a written report, which may or may not be a part of the written report of audit, to the Governing Board setting forth his/her findings, together with his recommendations for improvement. That written report shall include all matters defined as "significant deficiencies and material weaknesses" in AU-C 265 of the *AICPA Professional Standards (Clarified)*. The Auditor shall file a copy of that report with the Secretary of the LGC.
8. All local government and public authority contracts for audit or audit-related work require the approval of the Secretary of the LGC. This includes annual or special audits, agreed upon procedures related to internal controls, bookkeeping or other assistance necessary to prepare the Governmental Unit's (Units') records for audit, financial statement preparation, any finance-related investigations, or any other audit-related work in the State of North Carolina. Approval is not required on contracts and invoices for system improvements and similar services of a non-auditing nature.
9. Invoices for services rendered under these contracts shall not be paid by the Governmental Unit(s) until the invoice has been approved by the Secretary of the LGC. (This also includes any progress billings.) [G.S. 159-34 and 115C-447] All invoices for Audit work shall be submitted in PDF format to the Secretary of the LGC for approval. The invoice marked 'approved' with approval date shall be returned to



the Auditor to present to the Governmental Unit(s) for payment. This paragraph is not applicable to contracts for audits of hospitals.

10. In consideration of the satisfactory performance of the provisions of this contract, the Governmental Unit(s) shall pay to the Auditor, upon approval by the Secretary of the LGC if required, the fee, which includes any costs the Auditor may incur from work paper or peer reviews or any other quality assurance program required by third parties (federal and state grantor and oversight agencies or other organizations) as required under the Federal and State Single Audit Acts. This does not include fees for any pre-issuance reviews that may be required by the NC Association of CPAs (NCACPA) Peer Review Committee or NC State Board of CPA Examiners (see Item 13).

11. If the Governmental Unit(s) has/have outstanding revenue bonds, the Auditor shall submit to LGC staff, either in the notes to the audited financial statements or as a separate report, a calculation demonstrating compliance with the revenue bond rate covenant. Additionally, the Auditor shall submit to LGC staff simultaneously with the Governmental Unit's (Units') audited financial statements any other bond compliance statements or additional reports required by the authorizing bond documents, unless otherwise specified in the bond documents.

12. After completing the audit, the Auditor shall submit to the Governing Board a written report of audit. This report shall include, but not be limited to, the following information: (a) Management's Discussion and Analysis, (b) the financial statements and notes of the Governmental Unit(s) and all of its component units prepared in accordance with GAAP, (c) supplementary information requested by the Governmental Unit(s) or required for full disclosure under the law, and (d) the Auditor's opinion on the material presented. The Auditor shall furnish the required number of copies of the report of audit to the Governing Board upon completion.

13. If the audit firm is required by the NC State Board, the NCACPA Peer Review Committee, or the Secretary of the LGC to have a pre-issuance review of its audit work, there shall be a statement in the engagement letter indicating the pre-issuance review requirement. There also shall be a statement that the Governmental Unit(s) shall not be billed for the pre-issuance review. The pre-issuance review shall be performed prior to the completed audit being submitted to LGC Staff. The pre-issuance review report shall accompany the audit report upon submission to LGC Staff.

14. The Auditor shall submit the report of audit in PDF format to LGC Staff. For audits of units other than hospitals, the audit report should be submitted when (or prior to) submitting the final invoice for services rendered. The report of audit, as filed with the Secretary of the LGC, becomes a matter of public record for inspection, review and copy in the offices of the LGC by any interested parties. Any subsequent revisions to these reports shall be sent to the Secretary of the LGC along with an Audit Report Reissued Form (available on the Department of State Treasurer website). These audited financial statements, excluding the Auditors' opinion, may be used in the preparation of official statements for debt offerings by municipal bond rating services to fulfill secondary market disclosure requirements of the Securities and Exchange Commission and for other lawful purposes of the Governmental Unit(s) without requiring consent of the Auditor. If the LGC Staff determines that corrections need to be made to the Governmental Unit's (Units') financial statements, those corrections shall be provided within three business days of notification unless another deadline is agreed to by LGC staff.

15. Should circumstances disclosed by the audit call for a more detailed investigation by the Auditor than necessary under ordinary circumstances, the Auditor shall inform the Governing Board in writing of the need for such additional investigation and the additional compensation required therefore. Upon approval by the

Secretary of the LGC, this contract may be modified or amended to include the increased time, compensation, or both as may be agreed upon by the Governing Board and the Auditor.

16. If an approved contract needs to be modified or amended for any reason, the change shall be made in writing, on the Amended LGC-205 contract form and pre-audited if the change includes a change in audit fee (pre-audit requirement does not apply to charter schools or hospitals). This amended contract shall be completed in full, including a written explanation of the change, signed and dated by all original parties to the contract. It shall then be submitted to the Secretary of the LGC for approval. No change to the audit contract shall be effective unless approved by the Secretary of the LGC, the Governing Board, and the Auditor.

17. A copy of the engagement letter, issued by the Auditor and signed by both the Auditor and the Governmental Unit(s), shall be attached to this contract, and except for fees, work, and terms not related to audit services, shall be incorporated by reference as if fully set forth herein as part of this contract. In case of conflict between the terms of the engagement letter and the terms of this contract, the terms of this contract shall take precedence. Engagement letter terms that conflict with the contract are deemed to be void unless the conflicting terms of this contract are specifically deleted in Item 28 of this contract. Engagement letters containing indemnification clauses shall not be accepted by LGC Staff.

18. Special provisions should be limited. Please list any special provisions in an attachment.

19. A separate contract should not be made for each division to be audited or report to be submitted. If a DPCU is subject to the audit requirements detailed in the Local Government Budget and Fiscal Control Act and a separate audit report is issued, a separate audit contract is required. If a separate report is not to be issued and the DPCU is included in the primary government audit, the DPCU shall be named along with the parent government on this audit contract. DPCU Board approval date, signatures from the DPCU Board chairman and finance officer also shall be included on this contract.

20. The contract shall be executed, pre-audited (pre-audit requirement does not apply to charter schools or hospitals), and physically signed by all parties including Governmental Unit(s) and the Auditor, then submitted in PDF format to the Secretary of the LGC.

21. The contract is not valid until it is approved by the Secretary of the LGC. The staff of the LGC shall notify the Governmental Unit and Auditor of contract approval by email. The audit should not be started before the contract is approved.

22. Retention of Client Records: Auditors are subject to the NC State Board of CPA Examiners' Retention of Client Records Rule 21 NCAC 08N .0305 as it relates to the provision of audit and other attest services, as well as non-attest services. Clients and former clients should be familiar with the requirements of this rule prior to requesting the return of records.

23. This contract may be terminated at any time by mutual consent and agreement of the Governmental Unit(s) and the Auditor, provided that (a) the consent to terminate is in writing and signed by both parties, (b) the parties have agreed on the fee amount which shall be paid to the Auditor (if applicable), and (c) no termination shall be effective until approved in writing by the Secretary of the LGC.

24. The Governmental Unit's (Units') failure or forbearance to enforce, or waiver of, any right or an event of breach or default on one occasion or instance shall not constitute the waiver of such right, breach or default on any subsequent occasion or instance.

25. There are no other agreements between the parties hereto and no other agreements relative hereto that shall be enforceable unless entered into in accordance with the procedure set out herein and approved by the Secretary of the LGC.

26. E-Verify. Auditor shall comply with the requirements of NCGS Chapter 64 Article 2. Further, if Auditor utilizes any subcontractor(s), Auditor shall require such subcontractor(s) to comply with the requirements of NCGS Chapter 64, Article 2.

27. For all non-attest services, the Auditor shall adhere to the independence rules of the AICPA Professional Code of Conduct and Governmental Auditing Standards, 2018 Revision (as applicable). Financial statement preparation assistance shall be deemed a "significant threat" requiring the Auditor to apply safeguards sufficient to reduce the threat to an acceptable level. If the Auditor cannot reduce the threats to an acceptable level, the Auditor cannot complete the audit. If the Auditor is able to reduce the threats to an acceptable level, the documentation of this determination, including the safeguards applied, must be included in the audit workpapers.

All non-attest service(s) being performed by the Auditor that are necessary to perform the audit must be identified and included in this contract. The Governmental Unit shall designate an individual with the suitable skills, knowledge, and/or experience (SKE) necessary to oversee the services and accept responsibility for the results of the services performed. If the Auditor is able to identify an individual with the appropriate SKE, s/he must document and include in the audit workpapers how he/she reached that conclusion. If the Auditor determines that an individual with the appropriate SKE cannot be identified, the Auditor cannot perform both the non-attest service(s) and the audit. See "Fees for Audit Services" page of this contract to disclose the person identified as having the appropriate SKE for the Governmental Unit.

28. Applicable to charter school contracts only: No indebtedness of any kind incurred or created by the charter school shall constitute an indebtedness of the State or its political subdivisions, and no indebtedness of the charter school shall involve or be secured by the faith, credit, or taxing power of the State or its political subdivisions.

29. All of the above paragraphs are understood and shall apply to this contract, except the following numbered paragraphs shall be deleted (See Item 16 for clarification).

30. The process for submitting contracts, audit reports and invoices is subject to change. Auditors and units should use the submission process and instructions in effect at the time of submission. Refer to the N.C. Department of State Treasurer website at <https://www.nctreasurer.com/slg/Pages/Audit-Forms-and-Resources.aspx>.

31. All communications regarding audit contract requests for modification or official approvals will be sent to the email addresses provided on the signature pages that follow.

32. Modifications to the language and terms contained in this contract form (LGC-205) are not allowed.

## FEES FOR AUDIT SERVICES

1. For all non-attest services, the Auditor shall adhere to the independence rules of the AICPA Professional Code of Conduct (as applicable) and *Governmental Auditing Standards, 2018 Revision*. Refer to Item 27 of this contract for specific requirements. The following information must be provided by the Auditor; contracts presented to the LGC without this information will not be approved.

Financial statements were prepared by:  Auditor  Governmental Unit  Third Party

If applicable: Individual at Governmental Unit designated to have the suitable skills, knowledge, and/or experience (SKE) necessary to oversee the non-attest services and accept responsibility for the results of these services:

Name:

Title and Unit / Company:

Email Address:

Sally Defosse

CPA, Asst FO, Dare County

sally@darenc.com

2. Fees may not be included in this contract for work performed on Annual Financial Information Reports (AFIRs), Form 990s, or other services not associated with audit fees and costs. Such fees may be included in the engagement letter but may not be included in this contract or in any invoices requiring approval of the LGC. See Items 8 and 13 for details on other allowable and excluded fees.

3. Prior to submission of the completed audited financial report, applicable compliance reports and amended contract (if required) the Auditor may submit invoices for approval for services rendered, not to exceed 75% of the total of the stated fees below. If the current contracted fee is not fixed in total, invoices for services rendered may be approved for up to 75% of the prior year billings. Should the 75% cap provided below conflict with the cap calculated by LGC staff based on the prior year billings on file with the LGC, the LGC calculation prevails. All invoices for services rendered in an audit engagement as defined in 20 NCAC 3 .0503 shall be submitted to the Commission for approval before any payment is made. Payment before approval is a violation of law. (This paragraph not applicable to contracts and invoices associated with audits of hospitals).

## PRIMARY GOVERNMENT FEES

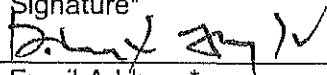
Primary Government Unit	Dare County Airport Authority
Audit Fee	\$ 16,250
<b>Additional Fees Not Included in Audit Fee:</b>	
Fee per Major Program	\$
Writing Financial Statements	\$ 2,250
All Other Non-Attest Services	\$
<b>75% Cap for Interim Invoice Approval</b> <i>(not applicable to hospital contracts)</i>	\$ 13,500.00

## DPCU FEES (if applicable)

Discretely Presented Component Unit	N/A
Audit Fee	\$
<b>Additional Fees Not Included in Audit Fee:</b>	
Fee per Major Program	\$
Writing Financial Statements	\$
All Other Non-Attest Services	\$
<b>75% Cap for Interim Invoice Approval</b> <i>(not applicable to hospital contracts)</i>	\$

SIGNATURE PAGE

AUDIT FIRM

Audit Firm* Potter & Company, PA	
Authorized Firm Representative (typed or printed)* Robert W. Taylor	Signature* 
Date* 05/01/20	Email Address* btaylor@gotopotter.com

GOVERNMENTAL UNIT

Governmental Unit* Dare County Airport Authority	
Date Primary Government Unit Governing Board Approved Audit Contract* (G.S.159-34(a) or G.S.115C-447(a)) <input checked="" type="checkbox"/>	
Mayor/Chairperson (typed or printed)* <input checked="" type="checkbox"/>	Signature* <input checked="" type="checkbox"/>
Date <input checked="" type="checkbox"/>	Email Address <input checked="" type="checkbox"/>

Chair of Audit Committee (typed or printed, or "NA")	Signature
Date	Email Address

GOVERNMENTAL UNIT – PRE-AUDIT CERTIFICATE

Required by G.S. 159-28(a1) or G.S. 115C-441(a1).  
Not applicable to hospital contracts.

*This instrument has been pre-audited in the manner required by The Local Government Budget and Fiscal Control Act or by the School Budget and Fiscal Control Act.*

Primary Governmental Unit Finance Officer* (typed or printed) <input checked="" type="checkbox"/>	Signature* <input checked="" type="checkbox"/>
Date of Pre-Audit Certificate* <input checked="" type="checkbox"/>	Email Address* <input checked="" type="checkbox"/>

SIGNATURE PAGE – DPCU  
(complete only if applicable)

DISCRETELY PRESENTED COMPONENT UNIT

DPCU* N/A	
Date DPCU Governing Board Approved Audit Contract* (Ref: G.S. 159-34(a) or G.S. 115C-447(a))	
DPCU Chairperson (typed or printed)*	Signature*
Date*	Email Address*

Chair of Audit Committee (typed or printed, or "NA")	Signature
Date	Email Address

DPCU – PRE-AUDIT CERTIFICATE

Required by G.S. 159-28(a1) or G.S. 115C-441(a1).  
Not applicable to hospital contracts.

*This instrument has been pre-audited in the manner required by The Local Government Budget and Fiscal Control Act or by the School Budget and Fiscal Control Act.*

DPCU Finance Officer (typed or printed)*	Signature*
Date of Pre-Audit Certificate*	Email Address*

Remember to print this form, and obtain all required signatures prior to submission.

PRINT



**POTTER & COMPANY**  
CERTIFIED PUBLIC ACCOUNTANTS

May 1, 2020

To the Board  
Dare County Airport Authority  
Manteo, North Carolina

We are pleased to confirm our understanding of the services we are to provide for the Dare County Airport Authority for the year ending June 30, 2020. We will audit the financial statements of the governmental activities, the business-type-activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information, which collectively comprise the entity's basic financial statements, of the Dare County Airport Authority's of and for the year ending June 30, 2020. Accounting standards general accepted in the United States provide for certain required supplementary information (RSI), such as management's discussion and analysis (MD&A), to accompany the Dare County Airport Authority basic financial statements. As part of our engagement, we will apply certain limited procedures to the Dare County Airport Authority RSI. These limited procedures will consist principally of inquiries of management regarding the methods of measurement and presentation, which management is responsible for affirming to us in its representation letter. Unless we encounter problems with the presentation of the RSI or with procedures relating to it, we will disclaim an opinion on it. The following RSI is required by generally accepted accounting principles and will be subjected to certain limited procedures, but will not be audited:

1. Management's discussion and analysis.
2. Letter of Transmittal.
3. Budgetary comparison schedules.
4. Other Post Benefits schedules
5. Local Government Retirement Schedules

### **Audit Objectives**

The objective of our audit is the expression of an opinion as to whether your general purpose financial statements are fairly presented, in all material respects, in conformity with U.S. generally accepted accounting principles and to report on the fairness of the supplementary information when considered in relation to the general purpose financial statements taken as a whole. Our audit will be conducted in accordance with auditing standards generally accepted in the United States of America and the standards for financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, and will include tests of the accounting records of the Dare County Airport Authority and other procedures we consider necessary to enable us to express such opinions. We will issue a written report upon completion of our audit of The Dare County Airport Authority's financial statements. Our report will be addressed to the Board of the Dare County Airport Authority. We cannot provide assurance that unmodified opinions will be expressed. Circumstances may arise in which it is necessary for us to modify our opinions or add emphasis-of-matter or other-matter paragraphs. If our opinions on the financial statements are other than unmodified, we will discuss the reasons with you in advance. If, for any reason, we are unable to complete the audit or are unable to form or have not formed opinion, we may decline to express opinions or issue reports, or may withdraw from the engagement.

### **Audit Procedures—General**

An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; therefore, our audit will involve judgment about the number of transactions to be examined and the areas to be tested. We will plan and perform the audit to obtain reasonable rather than absolute assurance about whether the financial statements are free of material misstatement, whether from errors, fraudulent financial reporting, misappropriation of assets, or violations of laws or governmental regulations that are attributable to the entity or to acts by management or employees acting on behalf of the entity. Because the determination of abuse is subjective, *Government Auditing Standards* do not expect auditors to provide reasonable assurance of detecting abuse.

Because of the inherent limitations of an audit, combined with the inherent limitation of internal control, and because we will not perform a detailed examination of all transactions, there is a risk that material misstatements or noncompliance may exist and not be detected by us even though the audit is properly planned and performed in accordance with U.S. generally accepted auditing standards and *Government Auditing Standards*. In addition, an audit is not designed to detect immaterial misstatements or violations of laws or governmental regulations that do not have a direct and material effect on the financial statements or major programs. However, we will inform you of any material errors and any fraudulent financial reporting or misappropriation of assets that comes to our attention. We will also inform you of any violations of laws or governmental regulations that come to our attention, unless clearly inconsequential. We will include such matters in the reports required for a Single Audit. Our responsibility as auditors is limited to the period covered by our audit and does not extend to matters that might arise during any later periods for which we are not engaged as auditors.

Our procedures will include tests of documentary evidence supporting the transactions recorded in the accounts, and may include tests of the physical existence of inventories, and direct confirmation of receivables and certain other assets and liabilities by correspondence with selected individuals, creditors, and financial institutions. We will request written representations from your attorneys as part of the engagement, and they may bill you for responding to this inquiry. At the conclusion of our audit, we will also require certain written representations from you about the financial statements and related matters.

### **Audit Procedures—Internal Controls**

Our audit will include obtaining an understanding of the entity and its environment, including internal control, sufficient to assess the risks of material misstatement of the financial statements to design the nature, timing, and extent of further audit procedures. Tests of controls may be performed to test the effectiveness of certain controls that we consider relevant to preventing and detecting errors and fraud that are material to the general purpose financial statements and to preventing and detecting misstatements resulting from illegal acts and other noncompliance matters that have a direct and material effect on the general purpose financial statements. Tests of controls relative to the general purpose financial statements are required only if control risk is assessed below the maximum level. Our tests, if performed, will be less in scope than would be necessary to render an opinion on internal control and, accordingly, no opinion will be expressed in our report on internal control issued pursuant to *Government Auditing Standards*.

An audit is not designated to provide assurance on internal control or to identify significant deficiencies. However, during the audit, we will communicate to management and those charged with governance internal control related matters that are required to be communicated under professional standards, *Government Audit Standards*.



### **Audit Procedures—Compliance**

As part of obtaining reasonable assurance about whether the financial statements are free of material misstatement, we will perform tests of the Dare County Airport Authority compliance with applicable laws and regulations and the provisions of contracts and agreements, including grant agreements. However, the objective of those procedures will not be to provide an opinion on overall compliance and we will not express such an opinion in our report on compliance issued pursuant to *Government Auditing Standards*.

### **Other Services**

We will also assist in preparing the financial statements and related notes of the Dare County Airport Authority in conformity with U.S. generally accepted accounting principles based on information provided by you. These nonaudit services do not constitute an audit under *Government Auditing Standards* and such services will not be conducted in accordance with *Government Auditing Standards*.

### **Management Responsibilities**

Management is responsible for establishing and maintaining effective internal controls, including internal controls over compliance, and for evaluation and monitoring ongoing activities, to help ensure that appropriate goals and objectives are met and that there is reasonable assurance that government programs are administered in compliance with compliance requirements. You are also responsible for the selection and application of accounting principles; for the fair presentation in the financial statements of the respective financial position for the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the Dare County Airport Authority and the respective changes in financial position and, where applicable, cash flows in conformity with U.S. generally accepted accounting principles; and for compliance with applicable laws and regulations and the provision of contract and grant agreements.

Management is also responsible for making all financial records and related information available to us and for ensuring that management is reliable and financial information is reliable and properly recorded. You are also responsible for providing us with 1) access to all information of which you are aware that is relevant to the preparation and fair presentation of the financial statements, 2) additional information that we may request for the purpose of the audit, and 3) unrestricted access to persons within the government from whom we determine it necessary to obtain audit evidence.

Your responsibilities also include identifying significant vendor relationships in which the vendor has responsibility for program compliance and for the accuracy and completeness of that information. Your responsibilities include adjusting the financial statements to correct material misstatements and confirming to us in the written representation letter that the effects of any uncorrected misstatements aggregated by us during the current engagement and pertaining to the latest period presented are immaterial, both individually and in the aggregate, to the financial statements taken as a whole.

You are responsible for the design and implementation of programs and controls to prevent and detect fraud, and for informing us about all known or suspected fraud or illegal acts affecting the government involving 1) management, 2) employees who have significant roles in internal control, and 3) others where the fraud or illegal acts could have a material effect on the financial statements. Your responsibilities include informing us of your knowledge of any allegation of fraud or suspected fraud affecting the government received in communications from employees, former employees, grantors, regulators, or others. In addition, you are responsible for identifying and ensuring that the entity complies with applicable laws, regulations contracts, agreements, and grants.

You are also responsible for the preparation of the other supplementary information, which we have been engaged to report on, in conformity with U. S. generally accepted accounting principles. You agree to include our report on

the supplementary information in any document that contains and indicates that we have reported on the supplementary information. Your responsibilities include acknowledging to us in the written representation letter that s) you are responsible for presentation of the supplementary information in accordance with GAAP; b) that you believe the supplementary information, including its form and content, is fairly presented in accordance with GAAP; c) that the methods of measurement or presentation have not changed from those used in the prior period; and d) you have disclosed to us any significant assumptions or interpretations underlying the measurement or presentation of the supplementary information.

Management is responsible for establishing and maintaining process for tracking the status of audit findings and recommendation. Management is also responsible for identifying for us previous financial audits, attestation engagements, performance audits, or other studies related to the objectives discussed in the Audit Objectives section of the letter. This responsibility includes relaying to us corrective actions taken to address significant finding and recommendations resulting from those audits, attestation engagements, performance audits, or studies. You are also responsible for providing managements' view on our current findings, conclusions, and recommendation, as well as your planned corrective action, for the report, and for the timing and format for providing that information.

#### **Audit Administration, Fees, and Other**

We may from time to time, and depending on the circumstances, use third-party service providers in serving your account. We may share confidential information about you with these service providers, but remain committed to maintaining the confidentiality and security of your information. Accordingly, we maintain internal policies, procedures, and safeguards to protect the confidentiality of your personal information. In addition, we will secure confidentiality agreements with all serviced providers to maintain the confidentiality of your information and we will take reasonable precautions to determine that they have appropriate procedures in place to prevent the unauthorized release of your confidential information to others. In the event that we are unable to secure an appropriate confidentiality agreement, you will be asked to provide your consent prior to the sharing of your confidential information with the third-party service provider. Furthermore, we will remain responsible for the work provided by any such third-party service providers.

We understand that your employees will prepare all cash, accounts receivable, or other confirmations we request and will locate any invoices selected by us for testing.

We will provide copies of our reports to the Dare County Airport Authority; however, management is responsible for distribution of the reports and the financial statements. Unless restricted by law or regulation, or containing privileged and confidential information, copies of our reports are to be made available for public inspection.

The audit documentation for this engagement is the property of Potter & Company, PA, and constitutes confidential information. However, pursuant to authority given by law or regulation, we may be requested to make certain audit documentation available to a Cognizant or Oversight Agency for Audit or its designee, a federal agency providing direct or indirect funding, or the U.S. General Accounting Office for purposes of a quality review of the audit, to resolve audit findings, or to carry out oversight responsibilities. We will notify you of any such request. If requested, access to such audit documentation will be provided under the supervision of Potter & Company, PA personnel. Furthermore, upon request, we may provide copies of selected audit documentation to the aforementioned parties. These parties may intend, or decide, to distribute the copies or information contained therein to others, including other governmental agencies.

The audit documentation for this engagement will be retained for a minimum of five years after the date the auditors' report is issued or for any additional period requested by the Cognizant Agency. If we are aware that a federal awarding agency, pass-through entity, or auditee is contesting an audit finding, we will contact the party(ies) contesting the audit finding for guidance prior to destroying the work papers.

Robert W. Taylor, CPA, is the engagement partner and is responsible for supervising the engagement and signing the report or authorizing another individual to sign it.

We expect to begin our audit in August 2020 and to issue our reports no later than October 31, 2020. Our fee for these services will be \$18,500. The fee is based on anticipated cooperation from your personnel and the assumption that unexpected circumstances will not be encountered during the audit. If significant additional time is necessary for other audit procedures not anticipated, procedures of a bookkeeping nature, preparation of schedules or reconciliations for the audit, including adjusting journal entries, fixed asset reconciliations, construction project reconciliations or assistance with preparation of the Comprehensive Annual Financial Report, we will discuss these procedures with Management and bill you at the following discounted hourly rates:

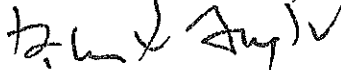
	<u>Discounted Hourly Rates</u>
Partner	\$250
Manager	175
Other Team Members	125
Clerical	50

*Government Auditing Standards* require that we provide you with a copy of our most recent external peer review report and any letter of comment, and any subsequent peer review reports and letters of comment received during the period of the contract. Our 2019 peer review report accompanies this letter.

We appreciate the opportunity to be of service to the Dare County Airport Authority and believe this letter accurately summarizes the significant terms of our engagement. If you have any questions, please let us know. If you agree with the terms of our engagement as described in this letter, please sign the enclosed copy and return it to us.

Very truly yours,

POTTER & COMPANY, P.A.



Robert W. Taylor, CPA/PFS

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RESPONSE:

This letter correctly sets forth the understanding of the Dare County Airport Authority.

By: ✓ \_\_\_\_\_

Title: ✓ \_\_\_\_\_

Date: ✓ \_\_\_\_\_



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## Report on the Firm's System of Quality Control

To: The Owners of Potter & Company, P.A. and the Peer Review Committee of the North Carolina Association of Certified Public Accountants

We have reviewed the system of quality control for the accounting and auditing practice of Potter & Company, P.A. (the firm) in effect for the year ended December 31, 2018. Our peer review was conducted in accordance with the Standards for Performing and Reporting on Peer Reviews established by the Peer Review Board of the American Institute of Certified Public Accountants (Standards).

A summary of the nature, objectives, scope, limitations of, and the procedures performed in a System Review, as described in the Standards, may be found at [www.aicpa.org/prsummary](http://www.aicpa.org/prsummary). The summary also includes an explanation of how engagements identified as not performed or reported in conformity with applicable professional standards, if any, are evaluated by a peer reviewer to determine a peer review rating.

### Firm's Responsibility

The firm is responsible for designing a system of quality control and complying with it to provide the firm with reasonable assurance of performing and reporting in conformity with applicable professional standards in all material respects. The firm is also responsible for evaluating actions to promptly remediate engagements deemed as not performed or reported in conformity with professional standards, when appropriate, and for remediating weaknesses in its system of quality control, if any.

### Peer Reviewer's Responsibility

Our responsibility is to express an opinion on the design of the system of quality control and the firm's compliance therewith based on our review.

### Required Selections and Considerations

Engagements selected for review included engagements performed under *Government Auditing Standards*, including compliance audits under the Single Audit Act and audits of employee benefit plans. As a part of our peer review, we considered reviews by regulatory entities as communicated by the firm, if applicable, in determining the nature and extent of our procedures.



**DMJ & Co., PLLC**

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## Opinion

In our opinion, the system of quality control for the accounting and auditing practice of Potter & Company, P.A., in effect for the year ended December 31, 2018, has been suitably designed and complied with to provide the firm with reasonable assurance of performing and reporting in conformity with applicable professional standards in all material respects. Firms can receive a rating of *pass*, *pass with deficiency(ies)* or *fail*. Potter & Company, P.A. has received a peer review rating of *pass*.

*DMG & Co., PLLC*

Certified Public Accountants  
Greensboro, North Carolina

June 27, 2019

## **Talbert & Bright Engineers Update – June 3, 2020**

### **Apron Pavement Rehabilitation**

100% plans and specifications for the apron rehabilitation project have been completed and submitted to MQI and NCDOA on June 1, 2020. In the email transmitting plans and specifications to NCDOA, TBI requested NCDOA's concurrence with proceeding with advertising the project for bids. Assuming we obtain NCDOA concurrence, based on the current schedule, bids would be taken in late July/early August 2020 with construction beginning in the Fall 2020 (after Labor Day).

### **Runway 17 Land Acquisition**

Acquisition of the parcel of land in the approach to Runway 17 is complete. A reimbursement request has been submitted to NCDOA for MQI to receive reimbursement of 90% of the cost of the land purchase.

### **ALP Update, Narrative Report and 18B Survey**

Work authorization including work scope, manhours and cost has been sent to MQI for review. Once comments are received, a copy of the work authorization will be sent to NCDOA for review.

### **Runway 23 Land Acquisition**

The grant for acquisition of four parcels in the approach to Runway 23 has been finalized by NCDOA and a Notice to Proceed has been issued. The acquisition will allow the airport to control the land within the Runway 23 RPZ and allow the airport to remove obstructions from the approach. Fee simple acquisition is proposed for all properties.

The Airport Authority previously approved the work authorization for services to include Grant Administration, Environmental Documentation, Acquisition Assistance, Relocation Assistance, Subconsultant Appraisal services, Subconsultant Boundary Survey services, Subconsultant Phase I EDDA services. The grant MQI received from NCDOA will reimburse the Authority for 90% of the costs of the work authorization.

TBI will work with David Daniels to coordinate Right of Entry to each of the parcels. Once Right of Entry is obtained, we expect Boundary Survey and Phase I Environmental Due Diligence Audit work will commence within the next 45 days. Appraisal work will follow completion of the survey and environmental work.