



THE TOWN OF

# Kill Devil Hills

NORTH CAROLINA

DREAMS TAKE FLIGHT HERE



# Report Overview



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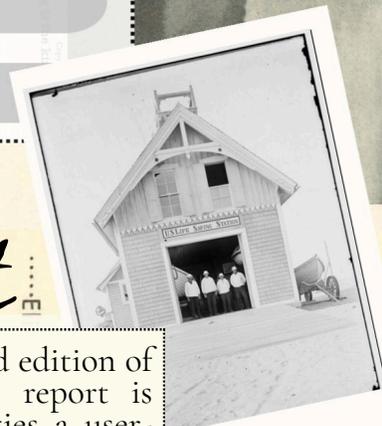
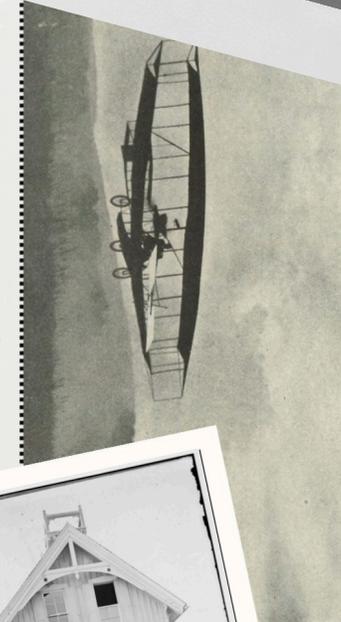


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## Purpose of Report

The Town of Kill Devil Hills is proud to present the third edition of our Popular Annual Financial Report (PAFR). This report is designed to provide citizens and other interested parties a user-friendly overview of the financial results of the Town of Kill Devil Hills for the fiscal year ended June 30, 2025 (FY 2024-25) as reported in the 2025 Annual Comprehensive Financial Report (ACFR). The ACFR is prepared in conformance with Generally Accepted Accounting Principles (GAAP). The ACFR was audited by DMJPS PLLC and received an unmodified or "clean" opinion. The Town submits the ACFR to the Government Finance Officers Association annually and has received the Certificate of Achievement for Excellence in Financial Reporting for 36 years. This report highlights the overall financial condition and trends of the Town, and is not required to present the same level of detail as the ACFR; as a result, it may not fully conform to GAAP. For more information, the ACFR can be reviewed on our website, [kdhnc.com](http://kdhnc.com).



Meet our...

# Board of Commissioners



Ivy Ingram

Mayor Pro Tem



BJ McAvoy

Commissioner



Terry Gray

Commissioner



T. Dillon Heikens

Commissioner



John Windley

Mayor

A five-member Board governs the operations of the Town with a council-manager government. Authority is vested in the Board to adopt the Town's operating budget, establish policy, adopt ordinances, appoint advisory boards and committees, and appoint the Town Manager and Town Attorney.

## Core Values

- Citizen Participation 
- Honesty & Integrity 
- Unity & Teamwork 
- Fairness & Equality 
- Our Unique Natural Environment 

## Boards & Committees



Board of Adjustment



Historic Landmarks Commission



Community Appearance Commission



Street Improvement & Special Projects Committee



Planning Board



Personnel Board

A message from our

## Town Manager

Thank you for taking an interest in how taxpayer dollars are used to operate Kill Devil Hills' services. The Popular Annual Financial Report (PAFR), is an annual report to provide those with an interest in the Town's financial activities a summary of our financial operations in a concise and user-friendly format. While thorough, it's an abbreviated version of the Town's Annual Comprehensive Financial Report (ACFR) for fiscal data ending June 30, 2025. The PAFR is intended to be a supplement to the ACFR, not a replacement. It's our hope that the PAFR provides a better understanding of the Town's financial activities and our commitment to fiscal integrity and sound financial management. In addition, our aim with this report is to provide a level of transparency that gives you the utmost confidence in how your Town operates. The Town prides itself on its comprehensive and quality services, all provided while maintaining a sound financial position. We hope that you find it to be informative and understandable. As you review this PAFR, please feel free to share any questions, concerns, or recommendations you may have with us.

Debora P. Díaz  
Town Manager

## Stay in the know!

Sign up to receive emergency alerts, daily beach conditions and local news on our website!



[www.kdhnc.com](http://www.kdhnc.com)

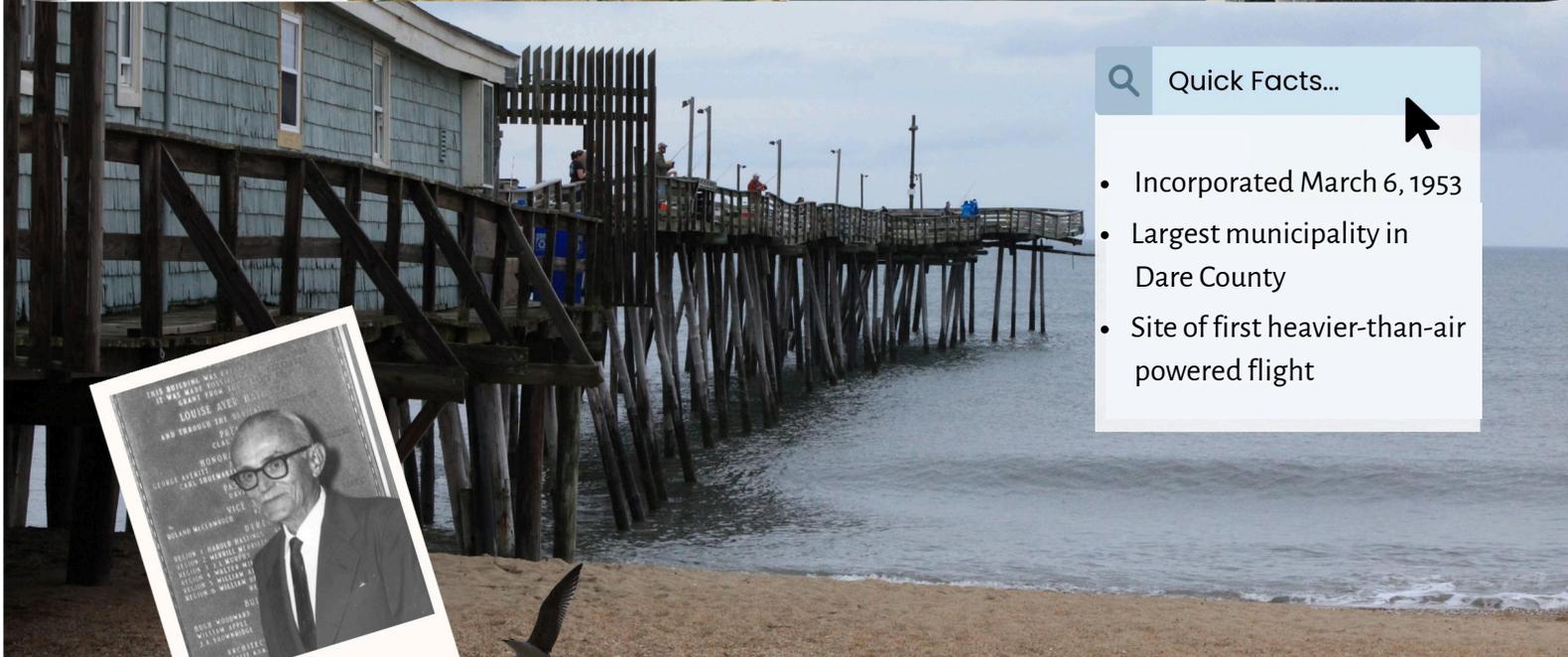


How to...

## GET INVOLVED!

Resident volunteers provide an invaluable service to our community by serving on the Town's boards and committees, advising the Board of Commissioners and Town staff on a variety of subjects, and offering diverse voices to ensure community access and input. [Click here](#) to learn more or to submit a board/committee application today!

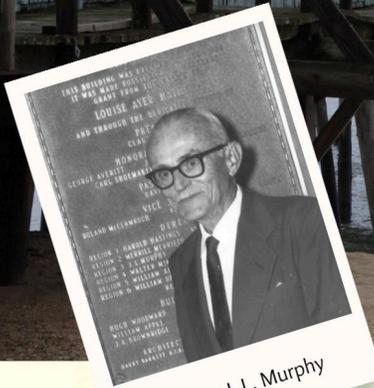
Established 1953



### Quick Facts...

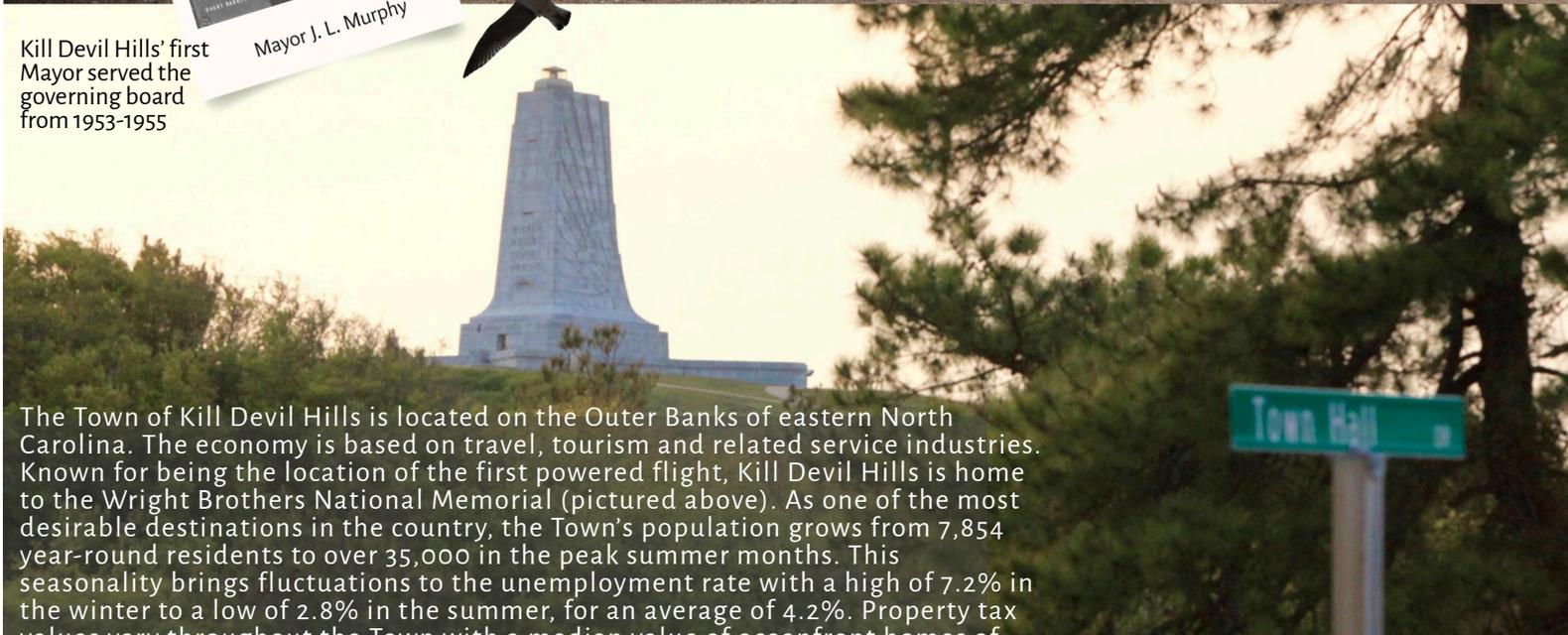


- Incorporated March 6, 1953
- Largest municipality in Dare County
- Site of first heavier-than-air powered flight



Mayor J. L. Murphy

Kill Devil Hills' first Mayor served the governing board from 1953-1955



The Town of Kill Devil Hills is located on the Outer Banks of eastern North Carolina. The economy is based on travel, tourism and related service industries. Known for being the location of the first powered flight, Kill Devil Hills is home to the Wright Brothers National Memorial (pictured above). As one of the most desirable destinations in the country, the Town's population grows from 7,854 year-round residents to over 35,000 in the peak summer months. This seasonality brings fluctuations to the unemployment rate with a high of 7.2% in the winter to a low of 2.8% in the summer, for an average of 4.2%. Property tax values vary throughout the Town with a median value of oceanfront homes of \$900,085 and median value of non-oceanfront homes of \$287,918. The Town's total property valuation is \$3,202,251,715.



### Mission:

The Town of Kill Devil Hills is dedicated to enhancing the quality of life for all citizens, businesses, and property owners by providing the maximum level of service in the most effective and efficient manner while exercising sound fiscal responsibility.

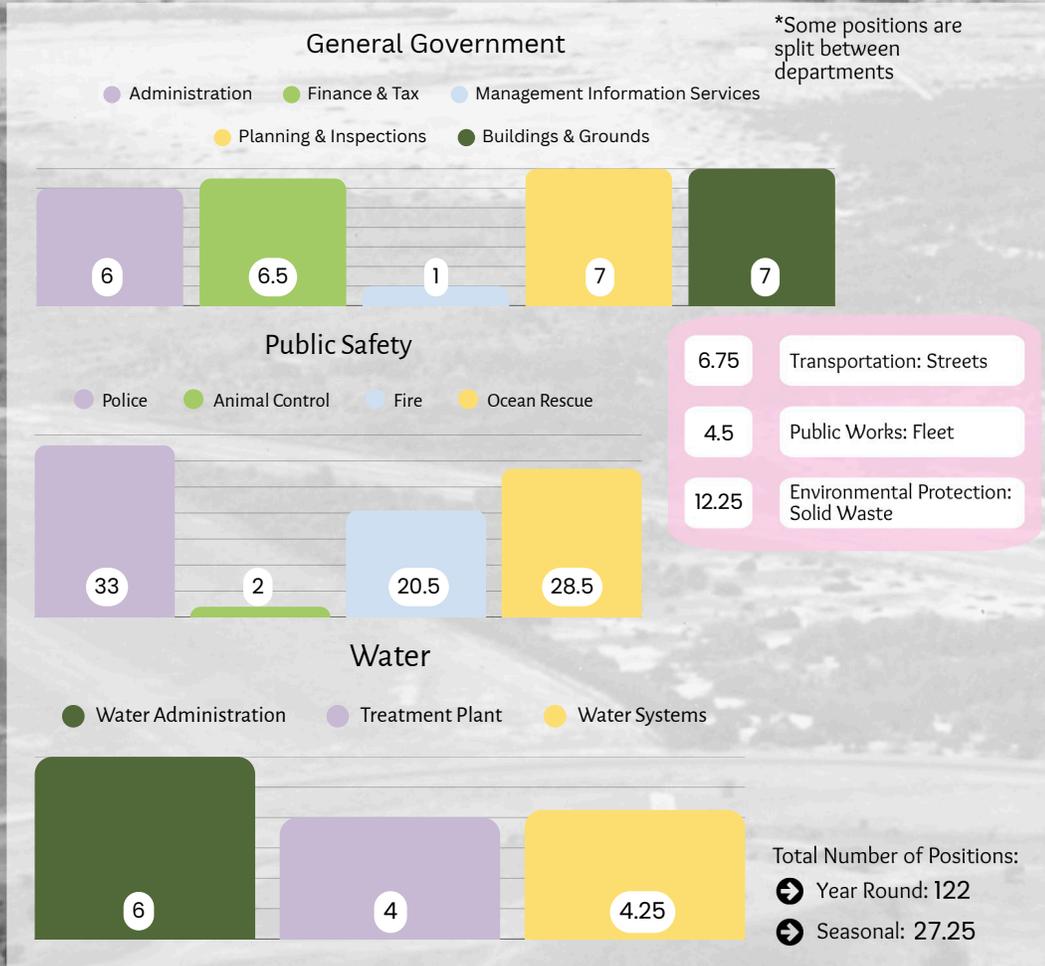
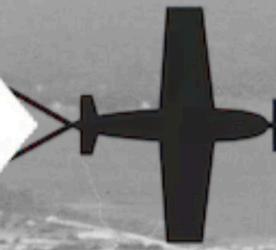


### Vision:

Our desire is for Kill Devil Hills to be recognized as a wonderful place to live, where our citizens, businesses, and property owners receive high quality services, our employees work in an atmosphere of respect and support and our leadership stimulates cooperation and innovation in our community.



# KDH By The Numbers



Real Property Valuation:  
**\$2,946,937,256**

Personal Property Valuation:  
**\$230,219,496**

Total Tax Levy:  
**\$ 11,375,211**

- ➔ Building Permits issued for new construction: **50**
- ➔ Total Construction Valuation for Permits issued: **\$62,057,921**

Number of calls answered by:

- ➔ Police: **16,250**
- ➔ Fire: **1,954**
- ➔ Animal Control: **600**

- ➔ Paved Streets: **60.72 miles**
- ➔ Unpaved Streets: **3.15 miles**
- ➔ Bike Paths: **13.45 miles**

- ➔ Daily Water Consumption: **1.2 Million Gallons**
- ➔ Miles of Water Mains: **80.96 Miles**

- ➔ Refuse Collected: **10,191.54 Tons**
- ➔ Refuse Collection Trucks: **15**

- ➔ Work Orders Completed: **662**
- ➔ In-Shop Vehicle Repairs: **\$191,385**

# Annual Special Events



## July 4th Firework Show

Fireworks are launched from the end of a popular fishing pier in the center of Town. Residents and visitors are invited to visit one of our many beach accesses, where beach chairs can be set up to watch the spectacular show.



## National Night Out

An annual event held to promote police-community partnerships. It brings law enforcement and the community together for an evening of fun with lots of activities, information booths, and food.



## Trash Attack!

An annual community clean-up event, typically held in the spring. During this event, volunteers head out across Town to "attack" the trash: beach, soundside and everywhere in between.



## Ice Cream Social

Neighbors love coming together to enjoy an evening of ice cream, food and fellowship at the Town's annual Ice Cream Social event. The Fire Department, Fire Auxiliary Staff and Police Department can be found grilling up delicious food and positively engaging with community members. The local school's bands usually set the tune for the evening.

A prime example of what our Town is all about - community!



## First Flight Markets

The Town is proud to support our small business community by hosting farmers markets throughout the year. Markets are held on a regular basis throughout the summer season and special holiday markets occur in the winter months. There are typically about 50 local vendors that participate, including food trucks.



## Santa & Wright Lights Illumination

Each year, the community is invited to create everlasting holiday memories by attending this special event, which features a wide array of outdoor holiday lights and displays, a sleigh ride through the park, visits with Santa Claus, music from local school choirs and numerous other festive activities.



## Mary's Paws Park Celebration

In honor of former Town Clerk, Mary Quidley, who served the Town for over 37 years, a celebration is held each spring at the dog park (of which she was instrumental in developing) to support local animal shelters. This event features donations, giveaways for dogs and owners, ice cream treats, & safety and educational information.

Please consider bringing donations to help dogs in need!

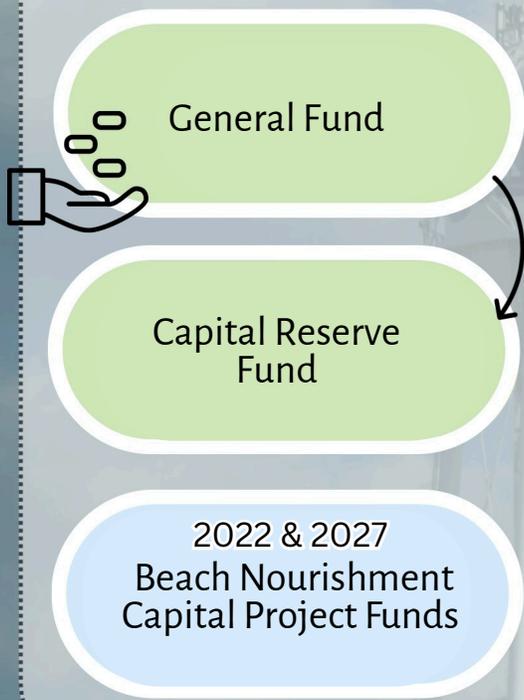


# Financial Organization

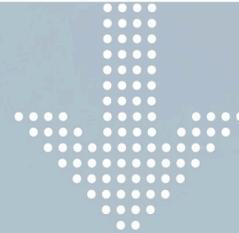
## Governmental Activities



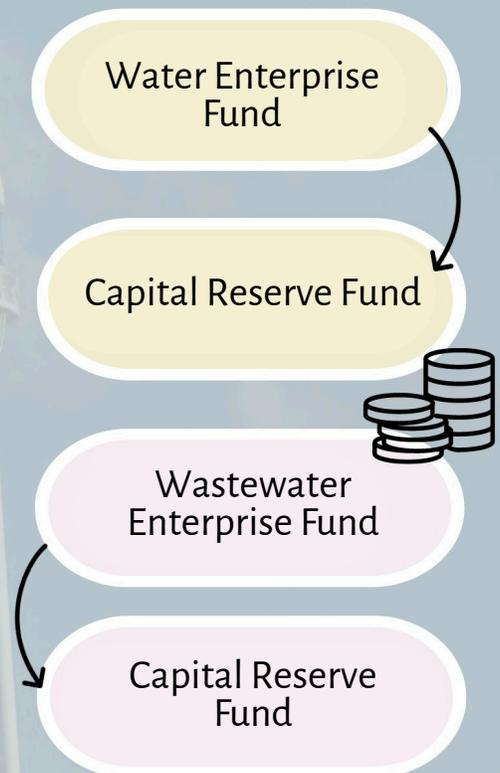
Governmental funds account for most of the basic services provided by a government. They are generally financed through taxes, intergovernmental revenues, and other nonexchange transactions.



## Business-Type Activities



Business-type activities account for the Town's ongoing activities that are similar to businesses found in the private sector. These activities are financed mostly through fees charged to consumers.



Local government accounting systems must be organized and operated on a fund basis. A fund is a grouping of related accounts used to maintain control over resources that have been segregated for specific activities or objectives. The funds specific to the Town of Kill Devil Hills are outlined above. The Town's 2022 Beach Nourishment Capital Project Fund and 2027 Beach Nourishment Capital Project Fund are not discussed in detail in this report as activity in these funds was minimal in FY 2024-25. The Town's Fiduciary Funds are also not included since they cannot be used to support the activities of the Town.

# Town-Wide Financials:

## Statement of Net Position

### What are...

This document works as the Town's balance sheet and displays overall financial health over the long and short term.

#### Assets:

Anything that provides value to the town.

#### Liabilities:

Current and future obligations that the Town will have to pay.

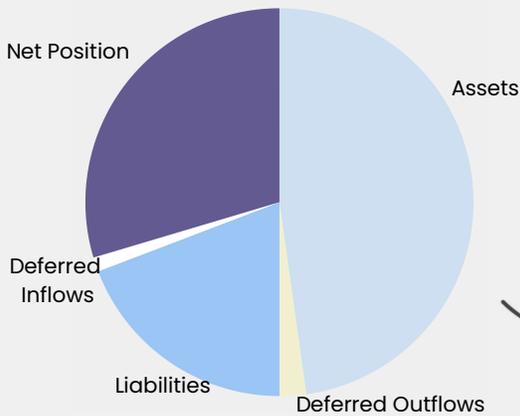
#### Deferred Resources:

Deferred outflows are the use of net assets applicable to future periods. Deferred inflows are the acquisition of net assets applicable to future periods.

#### Net Position:

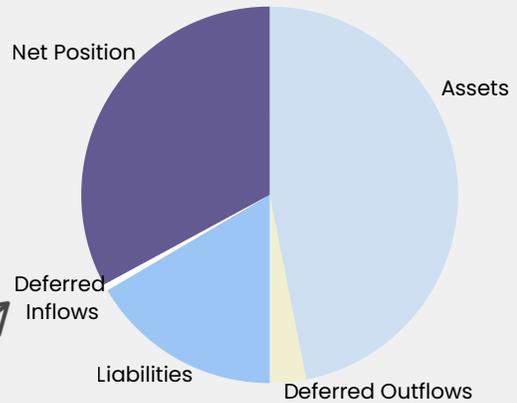
The excess of assets and deferred outflows over liabilities and deferred inflows. It is classified as net investment in capital assets, restricted and unrestricted.

Governmental Activities 2025



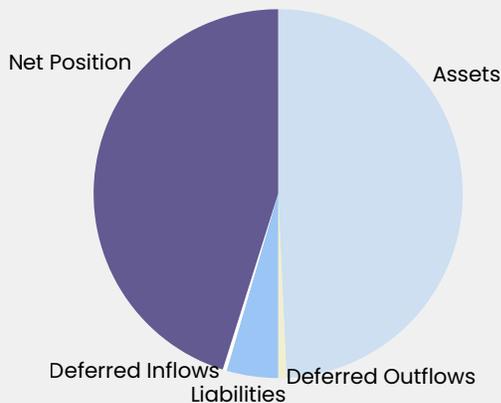
Assets \$83,613,659  
 Deferred Outflows \$3,874,949  
 Liabilities \$33,581,187  
 Deferred Inflows \$2,091,994  
 Net Position \$51,815,427

Governmental Activities 2024



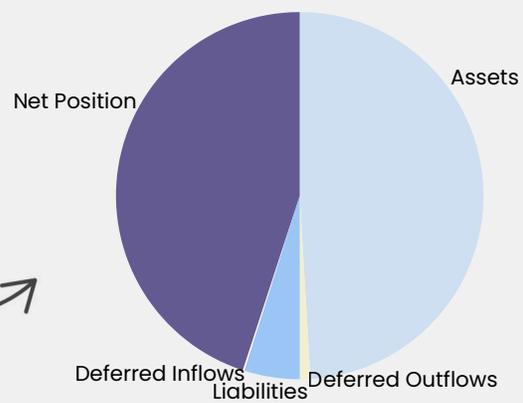
Assets \$72,971,974  
 Deferred Outflows \$4,849,293  
 Liabilities \$25,733,360  
 Deferred Inflows \$877,356  
 Net Position \$51,210,551

Business-Type Activities 2025



Assets \$32,225,344  
 Deferred Outflows \$474,279  
 Liabilities \$2,949,501  
 Deferred Inflows \$227,998  
 Net Position \$29,522,124

Business-Type Activities 2024

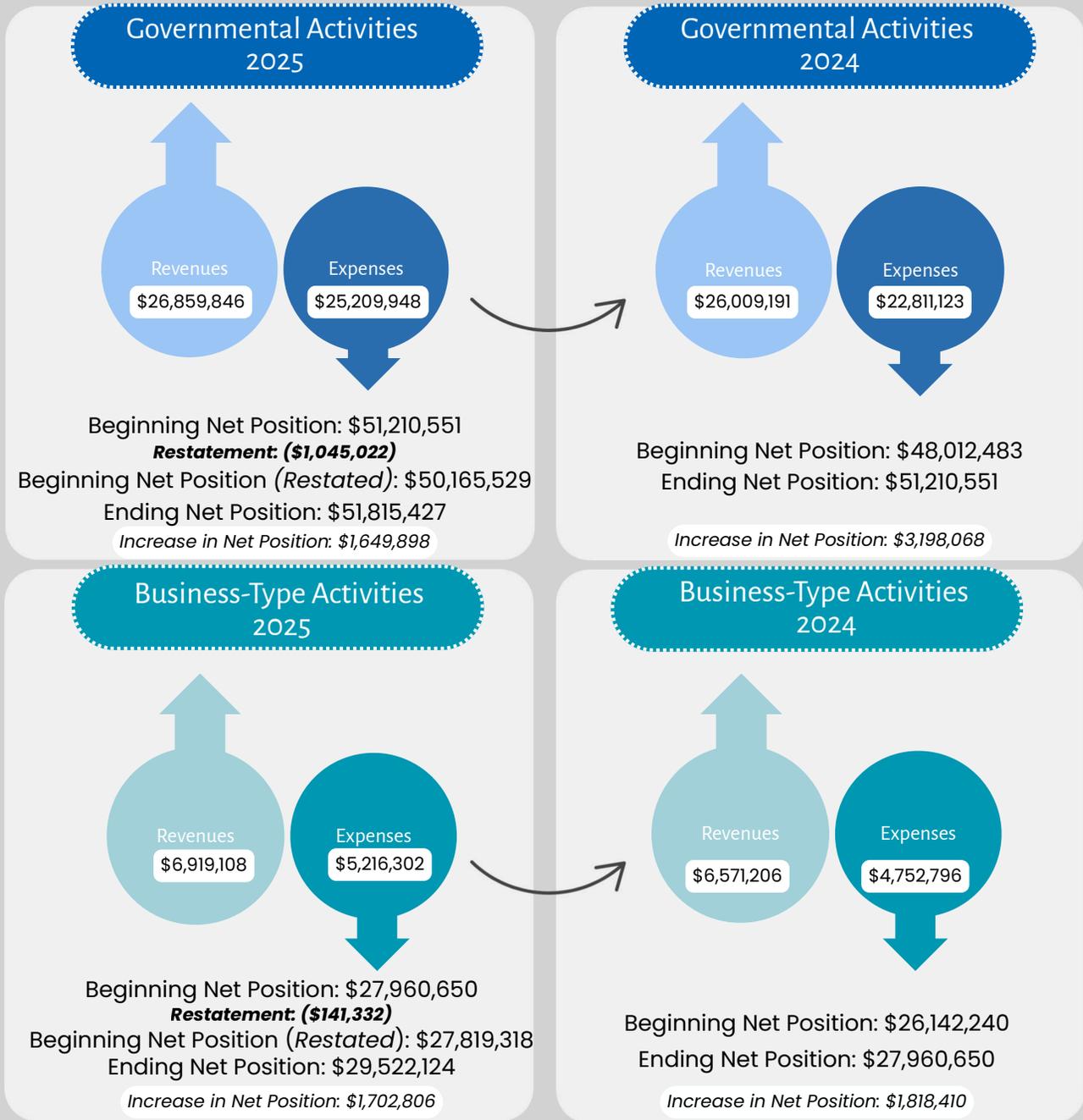


Assets \$30,493,756  
 Deferred Outflows \$585,301  
 Liabilities \$3,037,112  
 Deferred Inflows \$81,295  
 Net Position \$27,960,650

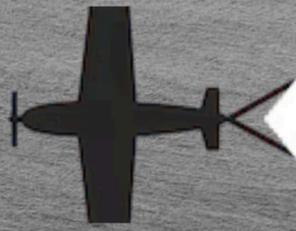
# Town-Wide Financials:

## Statement of Activities

This statement serves as the Town's income statement, providing a summary of amounts received (revenues) and amounts spent (expenses). The difference between revenues and expenses shows the Town's change in net position.



The Town's overall beginning net position was restated and reduced by \$1,186,354 due to a change in accounting principle. After the restatement, the Town's overall net position increased \$3,352,704 in FY 2024-25. Governmental activities increased the Town's net position by \$1,649,898, accounting for 49.2% of the total growth in net position of the Town. This increase is \$1,548,170 less than the increase in the prior fiscal year. This is due to the \$2,398,825 increase in expenses compared to a \$850,655 increase in revenues. The remaining 50.8% increase in the Town's net position resulted from an increase in business-type activities of \$1,702,806. This was largely due to the 4% increase in water rates. The increase in expenses for both governmental and business-like activities was largely attributable to salary increases and inflation.



# General Fund Overview

The General Fund is the only type of fund every government is required to maintain. It is the primary operating fund of the Town, accounting for all financial resources except those that are required to be accounted for in another fund. Unlike the government-wide statements, the governmental fund statements focus on providing information on the near-term inflows, outflows, and balances of spendable resources. The General Fund of the Town of Kill Devil Hills has five primary functions.

## 1 General Government

This encompasses a variety of services including Administration, Finance and Tax, Management Information Services, Planning and Inspections, Buildings and Grounds, and Beach Nourishment.

## 2 Public Safety

This encompasses services that focus on keeping citizens and visitors safe. It includes Police, Animal Control, Fire and Ocean Rescue.

## 3 Transportation

This focuses on the construction and maintenance of streets and sidewalks. It includes funds received through the state's Powell Bill program.

## 4 Public Works

This focuses on the maintenance of the Town's vehicles and equipment.

## 5 Environmental Protection

This is comprised of Solid Waste, which focuses on meeting the refuse collection and disposal needs of the Town.

# General Fund: Financial Results



## Revenues:



## Expenditures:



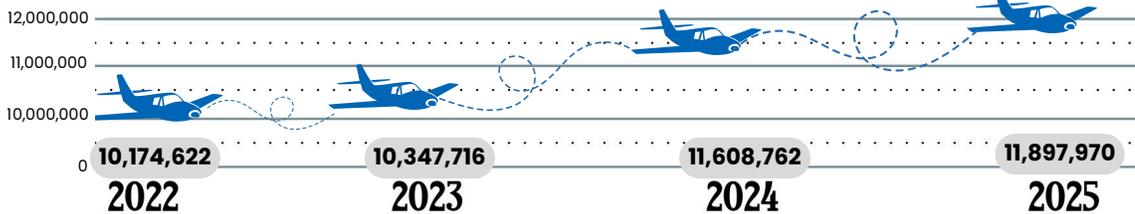
# General Fund: Tax Revenues

## Ad Valorem Taxes

Ad valorem taxes are calculated based on each \$100 valuation of assessed property. The Town-wide tax rate remained \$.355 in FY 2024-25. An additional \$.24 was charged to property owners who live within the Municipal Service District (MSD). Continued development in the Town led to a 2.5% increase in ad valorem tax revenues. A revaluation was completed as of January 1, 2025. The town-wide tax rate is .28 per \$100 valuation and the MSD tax rate is \$.1638 per \$100 valuation for FY 2025-26.

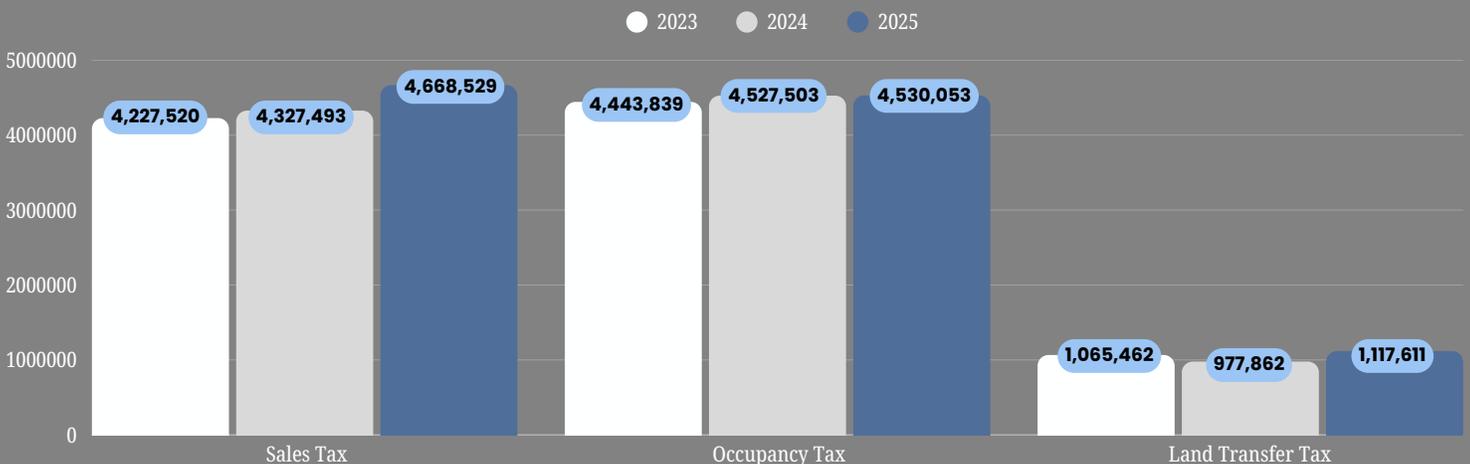
## Other Taxes & Licenses

Other taxes and licenses increased 4.9% from \$9,845,662 in FY 2023-24 to \$10,329,706 in FY 2024-25. This increase is a reflection of a strong and stable tourism economy. Sales taxes increased 7.9%, occupancy tax increased .1%, and land transfer tax increased 1.4% from FY 2023-24 to FY 2024-25. The increases in these shared revenues can, in part, be attributed to the increase in the Town's levy share percentage, which is a direct result of the town-wide tax increase in FY 2023-24.



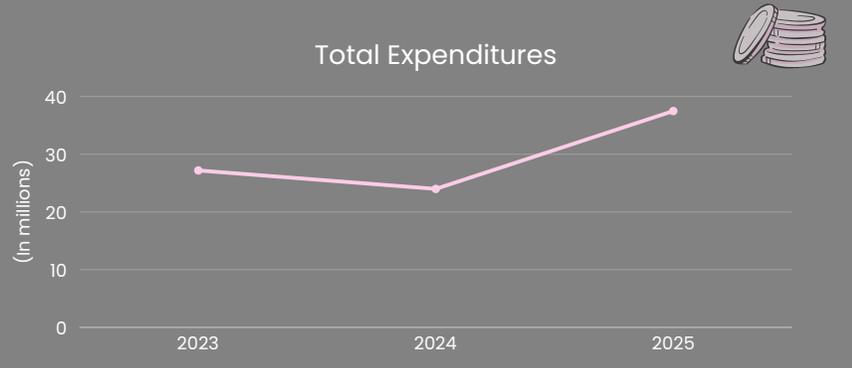
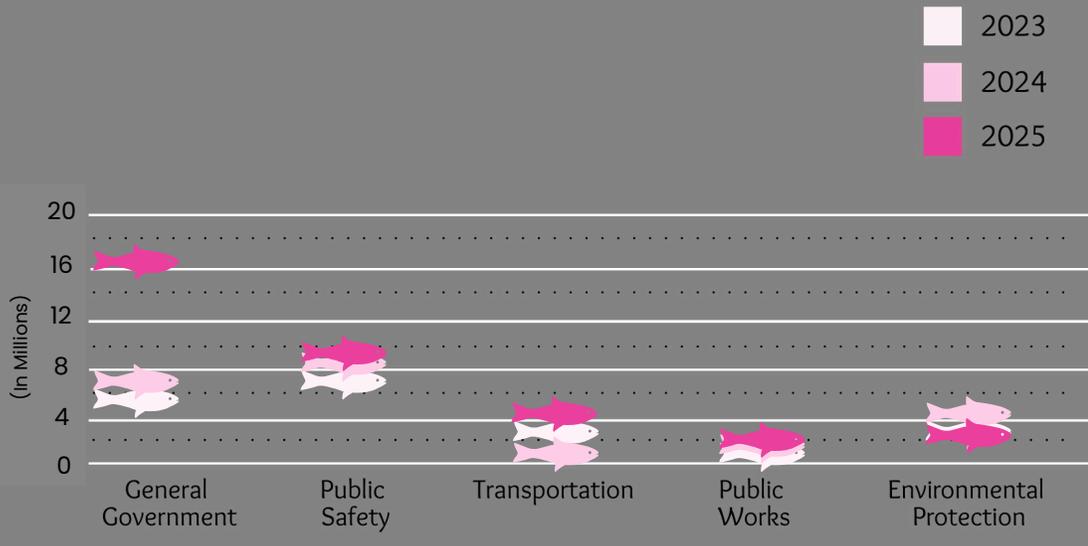
:Ad Valorem Tax Revenues

## Other Taxes & Licenses



# General Fund: Expenditures

Total General Fund expenditures increased 56.0%, from \$24,014,284 in FY 2023-24 to \$37,452,991 in FY 2024-25. The bulk of this increase is attributed to recording the lease of the new fire station of \$10,264,085. Though the full amount of this lease had to be recorded this year, this amount will be paid over 20 years. The lease for the fire station also contributed to the \$489,922 increase in interest paid. Completion of the Wrightsville Blvd Street Improvement Project in FY 2024-25 led to an increase of \$2,185,414 in street construction costs over FY 2023-24. Other factors contributing to the increase in expenditures were the rising costs of salaries and benefits, as well as inflation.



## Capital Outlay Purchases

1

- General Government**
- Generator
  - Bobcat Loader
  - Mower
  - Planning Pick-up Truck
  - Fiber Optic Line
  - Buildings and Grounds Pick-up Truck

2

- Public Safety**
- 6 Police Vehicles
  - CAD Reporting Software
  - 2 Fire Pick-up Trucks
  - Ocean Rescue Pick-up Truck

3

- Transportation**
- Motor Grader
  - Jetter Trailer

4

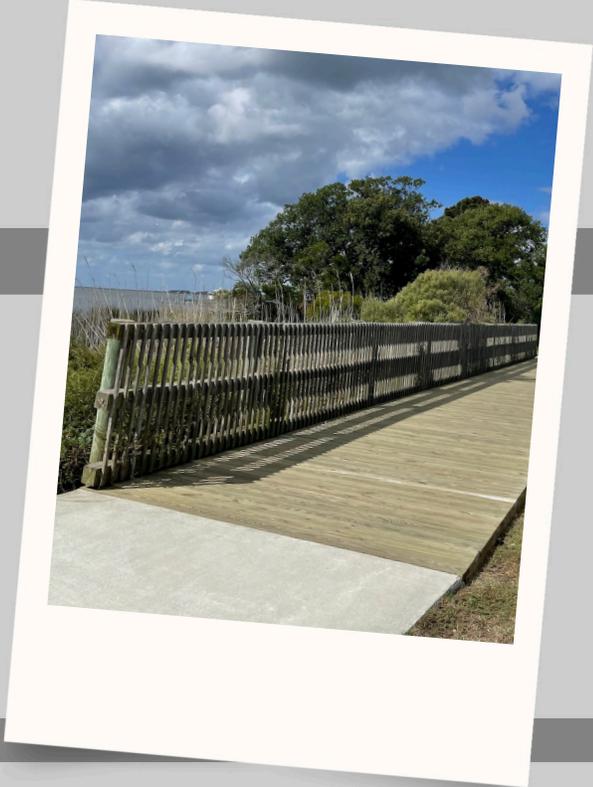
- Environmental Protection**
- Roll-off Containers
  - Roll-off Truck
  - Pick-up Truck

# General Fund: Capital Projects



## Hayman Street Walkover

The Hayman Street walkover was built using a combination of grant funds from NCDEQ (\$69,199) and capital reserve funds (\$23,066) for a total project cost of \$92,265.



The walkway on Bay Drive was repaired for a total project cost of \$11,764.

## Bay Drive Walkway Repair

## Streets Project: Wrightsville Blvd

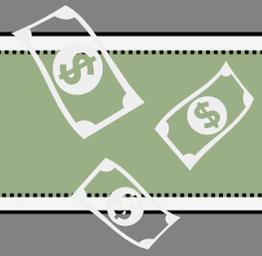
A total of \$4,254,467 has been paid on the the Wrightsville Blvd Street, Drainage, and Right-of-Way Improvements Project, with \$4,020,648 paid in FY 2024-25. \$160,152 remained on the contract as of June 30, 2025.

## Sound System at Aviation Park

A new and improved zone-controlled sound system was installed throughout Aviation Park for events, music & more!



# General Fund: Fund Balance

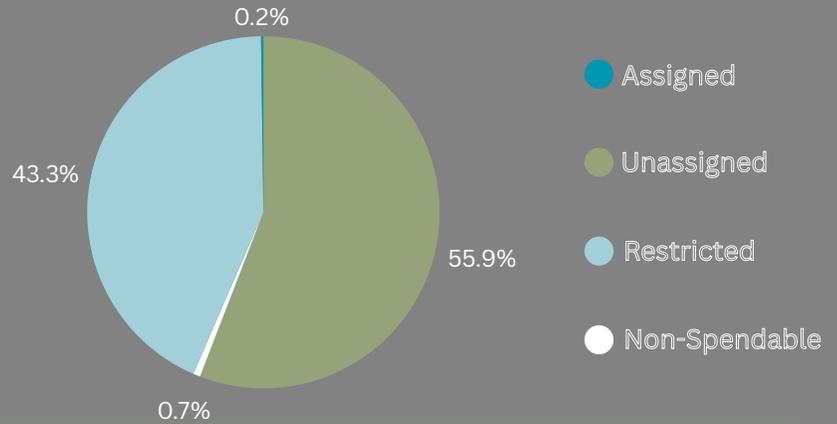


Fund balance is one indicator of the financial health of the Town as it represents the excess of revenues over expenditures in governmental funds since the beginning of the Town's existence. There are five classifications of fund balance based on level of restriction. Any fund balance that has no restrictions placed on it is classified as unassigned and represents the net resources available for spending at the end of the year. Town policy requires unassigned fund balance to be at least 35% of budgeted General Fund expenditures in case of unforeseen needs or opportunities, in addition to meeting the cash flow needs of the Town. With budgeted expenditures of \$27,873,379 for FY 2025-26, the Town's unassigned fund balance of \$19,689,025 as of June 30, 2025, exceeds the policy requirement.



Total General Fund Balance:

**\$35,246,289**



## → Non-Spendable: \$230,348

not in spendable form

- Inventory **\$227,134**
- Pre-paid Items **\$3,214**

## → Restricted: \$15,249,299

limitations from external forces such as lenders, creditors and policymakers

- State Statute **\$6,803,379**
- Public Safety **\$48,013**
- Streets **\$329,985**
- Capital Reserve **\$8,067,922**

## → Committed:

funds committed for a purpose as established by Board resolution

**\$0 for FY24/25**

## → Assigned: \$77,617

funds for which the Board has an intended use

- Subsequent Years Expenditures **\$77,617**

## → Unassigned: \$19,689,025

Residual classification for all spendable amounts that have not been restricted, assigned or committed (**\$19,689,025**). Of this amount, **\$9,755,683** is required to meet the fund balance policy, leaving **\$9,933,342** to meet the needs of the Town.



Unassigned Funds (In Millions)

# General Fund: Capital Reserves

The Town has legally adopted a capital reserve fund that is consolidated into the General Fund in the financial statements. Capital reserve funds are a way to designate funds for future capital projects. The five purposes for which funds have been set aside are outlined below:

## Beach Nourishment

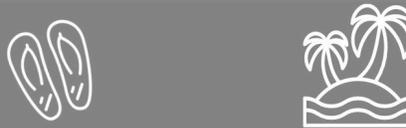
Nourishing approximately 2.6 miles of oceanfront beaches through an engineered maintenance schedule



Balance: **\$5,720,300**

## Shoreline Access

Building, maintaining, and improving public beach accesses



Balance: **\$399,887**

## Recreational Facilities

Development of recreational facilities



Balance: **\$266,058**

## Sidewalks & Multi-Use Paths

Construction of sidewalks and multi-use paths



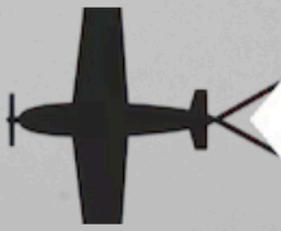
Balance: **\$284,014**

## Streets

Construction of and improvements to streets and stormwater systems

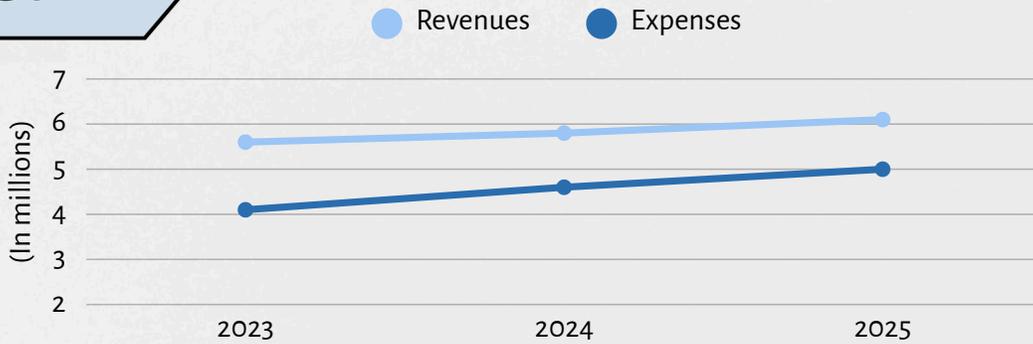


Balance: **\$1,397,663**



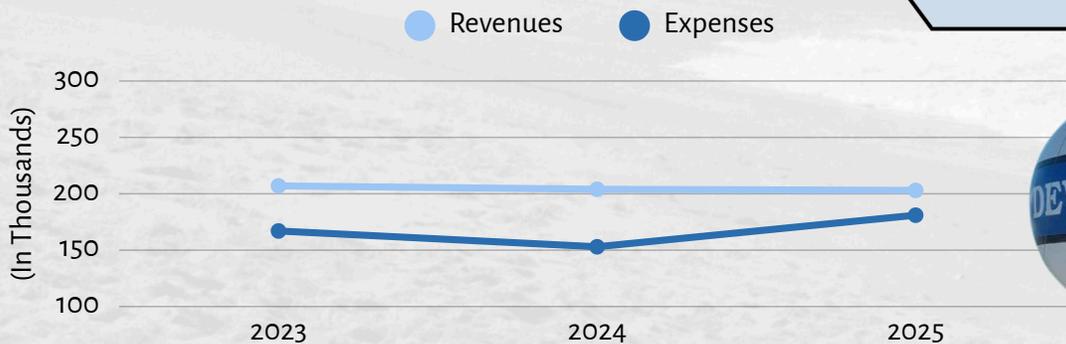
# Business-Type Activities

## Water



Total Water Fund operating revenues were \$6,086,886 for FY 2024-25, an increase of \$291,120 (5.0%) from the prior year, mostly due to the 4% increase in water rates. The majority of revenue was from water sales (\$5,474,074). Other revenues included connection fees (\$86,323), system development fees (\$437,300), penalties and interest (\$41,015), and miscellaneous revenues (\$48,174). Operating expenses totaled \$5,035,558, an increase of \$435,756 (9.5%) over the prior year, mostly due to the increases in salaries and benefits for employees and an increase in maintenance and repair costs. Investment earnings (\$623,414) and a transfer from the wastewater fund (\$18,750) resulted in an increase to net position of \$1,693,492, for a total net position of \$29,714,259.

## Wastewater



Operation and maintenance of the wastewater plant, which services only the Southern Sanitary District, has been contracted, resulting in stable operating revenues (\$202,641) and expenses (\$180,744). The majority of revenues came from wastewater sales (\$199,203). Other revenues included system development fees (\$1,554) and penalties and interest (\$1,884). The main expenses consisted of maintenance and repairs (\$50,233), contracted services for operation of the plant (\$36,000), and treated wastewater costs (\$84,072). There was also a transfer of \$18,750 from the Wastewater Fund to the Water Fund for debt repayment.



# PAFR

## 2025 Popular Annual Financial Report

*Thanks for reading!*



[www.kdhnc.com](http://www.kdhnc.com)



@townofkdh



@townofkilldevilhills



@townofkdh



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Kill Devil Hills, NC 27948



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[info@kdhnc.com](mailto:info@kdhnc.com)