

COMPREHENSIVE ANNUAL FINANCIAL REPORT
For the Fiscal Year Ended June 30, 2008



County of Currituck, North Carolina

Prepared by the Currituck County Finance Department

County of Currituck, North Carolina
Table of Contents
June 30, 2008

Exhibit		Page
	Introductory Section	
	Letter of Transmittal	5
	Organizational Chart	11
	List of Elected and Appointed Officials	12
	Financial Section	
	Independent Auditor's Report	13
	Management's Discussion and Analysis	15
	Basic Financial Statements:	
	Government-wide Financial Statements:	
Exhibit 1	Statement of Net Assets	27
Exhibit 2	Statement of Activities	28
	Fund Financial Statements:	
Exhibit 3	Balance Sheet – Governmental Funds	30
Exhibit 3	Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Assets	30
Exhibit 4	Statement of Revenues, Expenditures, and Changes in Fund Balances – Governmental Funds	31
Exhibit 4	Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities	32
Exhibit 5	Statement of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual – General Fund	33
Exhibit 6	Statement of Fund Net Assets – Proprietary Funds	34
Exhibit 7	Statement of Revenues, Expenses, and Changes in Fund Net Assets – Proprietary Funds	35
Exhibit 8	Statement of Cash Flows – Proprietary Funds	36
Exhibit 9	Statement of Fiduciary Net Assets – Fiduciary Funds	37
Exhibit 10	Statement of Changes in Fiduciary Net Assets – Fiduciary Funds	38
	Notes to the Financial Statements	39

	Page
Required Supplemental Financial Data:	
Law Enforcement Officers' Special Separation Allowance – Schedule of Funding Progress	74
Law Enforcement Officers' Special Separation Allowance – Schedule of Employer Contributions	75
Law Enforcement Officers' Special Separation Allowance – Notes to the Required Schedules	75
Combining and Individual Fund Statements and Schedules:	
Statement of Revenues, Expenditures, and Changes in Fund Balance – General Fund – Budget and Actual	77
Combining Balance Sheet – Nonmajor Governmental Funds	86
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances – Nonmajor Governmental Funds	88
Schedules of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual:	
Multi-Year Grant Fund	90
Emergency Telephone System Fund	91
Revaluation Fund	92
Fire District Fund	93
Fire Equipment Replacement Fund	94
Guinea Mill Watershed Improvements Fund	95
Hog Ditch Watershed Improvement Fund	96
Moyock Watershed Improvements Fund	97
Northwest Watershed Improvements Fund	98
Whalehead Watershed Improvements Fund	99
Land Banking Fund	100
Capital Improvements Fund	101
School Capital Fund	102
County Governmental Facilities Fund	103
School Capital Projects Fund	104
Transfer Tax Capital Fund	105
Combining Statement of Net Assets – Nonmajor Proprietary Funds	107
Combining Statement of Revenues, Expenses, and Changes in Fund Net Assets – Nonmajor Proprietary Funds	108
Combining Statement of Cash Flows – Nonmajor Proprietary Funds	109
Newtown Road Sewer Fund	110

	Page
Moyock Commons Sewer Fund	111
Southern Outer Banks Water System Fund	112
Solid Waste Fund	114
Ocean Sands Water and Sewer Fund	116
Mainland Water Fund	118
Mainland Water Construction Fund	120
 Combining Statement of Fiduciary Assets and Liabilities – Agency Funds	 121
 Other Schedules	
 Schedule of Ad Valorem Taxes Receivable	 123
Analysis of Current Tax Levy – County-Wide Levy	124
Secondary Market Disclosures	125
 Ten Largest Taxpayers	 126
 Statistical Section:	
 Schedule 1 – Net Assets by Component	 128
Schedule 2 – Changes in Net Assets	129
Schedule 3 – Fund Balances, Governmental Funds	131
Schedule 4 – Changes in Fund Balances, Governmental Funds	132
Schedule 5 – Assessed Value and Actual Value of Taxable Property	133
Schedule 6 – Direct and Overlapping Property Tax Rates	134
Schedule 7 – Principal Taxpayers	135
Schedule 8 – Property Tax Levies and Collections	136
Schedule 9 – Ratios of General Bonded Debt Outstanding	137
Schedule 10 – Legal Debt Margin Information	138
Schedule 11 – Revenue Bond Coverage	139
Schedule 11 – Demographic and Economic Statistics	140
Schedule 12 – Full-time Equivalent County Employees by Function	141
Schedule 13 – Operating Indicators	142
 Compliance Section:	
 Report on Compliance and on Internal Control Over Financial Reporting Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	 143
 Report on Compliance with Requirements Applicable to Each Major Program and Internal Control Over Compliance in Accordance with OMB Circular A-133	 144
 Report On Compliance With Requirements Applicable To Each Major State Program And Internal Control Over Compliance In Accordance With Applicable Sections of OMB Circular A-133 and the State Single Audit Implementation Act	 146
 Schedule of Findings and Questioned Costs	 148
Schedule of Prior Year Audit Findings	150
Schedule of Expenditures of Federal and State Awards	151



BOARD OF COMMISSIONERS

Barry Nelms, Chairman
Gene Gregory, Vice-Chairman
Ernie Bowden
J. Owen Etheridge
Janet Taylor

COUNTY OF CURRITUCK

Post Office Box 39
Currituck, North Carolina 27929-0039
Telephone (252) 232-2075 / Fax (252) 232-3551
State Courier # 10-69-17

Daniel F. Scanlon II, CPA

Donald Ike McRee
County Attorney
Gwen H. Keene, CMC
Clerk to the Board

November 25, 2008

The Board of Commissioners
Currituck County, North Carolina

We are pleased to present the Comprehensive Annual Financial Report (CAFR) of Currituck County for the fiscal year ended June 30, 2008. The financial statements and supplemental schedules contained herein have been audited by the independent, certified public accounting firm of Pittard, Perry, and Crone Inc., and that firm's unqualified opinion is included in the Financial Section of this report. The report itself, however, is presented by the County, which is responsible for the accuracy of the data and for the completeness and fairness of its presentation including all disclosures. We believe the data presented is accurate in all material respects; that it is presented in a manner designed to set forth fairly the financial position and results of operations of the County as measured by the financial activity of its various funds; and that all disclosures necessary to enable the reader to gain the maximum understanding of the County's financial affairs have been included.

This report consists of management's representations concerning the finances of Currituck County. To provide a reasonable basis for making these representations, management of Currituck County has established a comprehensive internal control framework that is designed both to protect the government's assets from loss, theft, or misuse and to compile sufficient reliable information for the preparation of Currituck County's financial statements in conformity with GAAP. Because the cost of internal controls should not outweigh their benefits, Currituck County's comprehensive framework of internal controls has been designed to provide reasonable rather than absolute assurance that the financial statements will be free from material misstatement. As management, we assert that, to the best of our knowledge and belief, this financial report is complete and reliable in all material respects.

Generally accepted accounting principles (GAAP) require that management provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of Management's Discussion and Analysis (MD&A). This letter of transmittal is designed to complement the MD&A and should be read in conjunction with it. The County of Currituck's MD&A can be found immediately following the report of the independent auditors.

DESCRIPTION OF THE COUNTY

Founded in 1668, Currituck (Indian for "land of the wild goose") is the most northeastern county in North Carolina. Currituck County is one of the state's four original counties and is currently one of the fastest

growing counties in the State. In addition to the more than 22 miles of beaches along the Atlantic Ocean, the County has numerous sounds, rivers, and creeks that provide some of the most memorable game fishing, waterfowl hunting, and other recreational activities that can be experienced. The County has a permanent population of approximately 25,089; although, the strong tourism industry produces a large seasonal population that results in an average daily population from May through September estimated to be approximately 45,000 to 55,000. There are no incorporated areas located within Currituck County.

The County has a Commissioner-Manager form of government. The Board of Commissioners currently consists of five members, that serve staggered four-year terms. Beginning December 1, 2008, the board will increase to seven members. Members are elected County-wide on a partisan basis in even numbered years. The Commissioners hold policy-making and legislative authority. They also annually adopt a balanced budget and establish a tax rate for the support of County operations. The Commissioners appoint the county manager whose responsibility it is to implement policies, manage daily operations, and appoint department heads.

The County provides its citizens with a wide range of services that include public safety, transportation, environmental protection, economic and physical development, human services, cultural and recreational services, and others. This report includes all the County's activities in maintaining these services. The County also extends financial support to certain boards, agencies, and commissions to assist their efforts in serving citizens. Among these are the Currituck County Board of Education, Albemarle Regional Health Services, Albemarle Commission, Albemarle Mental Health, Albemarle Regional Solid Waste Authority, East Albemarle Regional Library and others.

ECONOMIC CONDITIONS AND OUTLOOK

Currituck County's leading "industry" is travel and tourism and related services. The Currituck Outer Banks is a major destination for tourists and more vacationers are visiting the Outer Banks during the non-peak months of March through May and September through November. The longer tourist season is increasing rental income and other economic benefits to local businesses. Although construction has slowed significantly, development on the Currituck Outer Banks continues with large homes for rentals and personal use dominating the new construction. This construction has grown to the point that the majority of the ad valorem tax base is located on the Outer Banks. Although hurricanes are a continuing threat to coastal investment, new construction has remained stable.

Currituck County is in the Hampton Roads Metropolitan Statistical Area (MSA). Currituck, located within sixteen miles of Interstate 64 and the Chesapeake Expressway, makes the county convenient to the Norfolk International Airport and to the deepwater ports in Hampton Roads. This favorable location continues to attract residents and the population has increased 37.06 percent from 1999 to 2008. Revisions in the North Carolina William S. Lee Act will give Currituck County a more favorable tier status allowing better State provided incentives to attract new industry and business.

Not surprisingly, the largest industries in Currituck County are intimately related to Travel and Tourism: Retail trade, construction, real estate and accommodation/services. The largest employers in Currituck County are Currituck County Schools and Currituck County Government, followed by a training facility, grocery store, health care service and several real estate brokerage firms.

The ad valorem tax base grew from \$7,903,781,250 to \$8,052,933,751 an average increase of 1.89 percent. The octennial revaluation as required by the North Carolina General Statutes became effective on January 1, 2006. Market values of both commercial and residential property throughout the county increased in values. The county-wide tax rate for the fiscal year ending June 30, 2008 is \$0.32 per \$100, which is favorable for new residents and businesses.

Currituck County continues its commitment to expand the Parks and Recreation facilities within the County. Funds have been appropriated for an additional skate park and the design of a recreation/community center in Maple, while a park facility in Carova Beach was completed during the summer of 2008.

To summarize, the County's very favorable tax rate, mild climate, location, improving regional transportation systems and overall quality of life ensure that its economic outlook is bright.

MAJOR INITIATIVES

During the year the County was involved in a number of major projects, some of which will not be completed until future years. Highlights of these projects are discussed in the following paragraphs.

The Board of Commissioners and the Currituck County Board of Education continue their joint commitment of providing adequate school facilities. Both of the above boards are working together to meet the needs to maintain quality education for the children of our County. The County is closing out the Jarvisburg Elementary School project, which opened for students in August 2008, and the Shawboro Elementary School, which opened for students in October 2008. (The Currituck County Board of Education is a separate reporting entity apart from the County; a detailed discussion of their activities and initiatives can be found in their Comprehensive Annual Financial Report.)

Throughout this fiscal year, several County facilities were also under construction; a park at Carova Beach; the Knotts Island fire station; continued expansion at the Airport; expansion of the Mainland Water system, which includes construction of a reverse osmosis water treatment facility; and the acquisition and remodel of a facility in Moyock for a Welcome Center. In addition, the Board of Commissioners authorized design for a Library and Museum in Moyock and design of a recreation facility in Maple.

Factors Affecting Financial Condition

In government, much more than in business, the budget is an integral part of a unit's accounting system and daily operations. An annual or projected budget ordinance, as amended by the governing body, creates a legal limit on spending authorizations. For Currituck County, annual budgets are adopted for the General, Special Revenue (except the Multi-Year Grant Fund), Capital Projects (except the County Governmental Facilities Fund and the School Facilities Fund) and Enterprise Funds. Multi-year project budgets are adopted for the Multi-Year Grant Fund, the County Governmental Facilities Fund and the School Facilities Fund. Appropriations in the General Fund and the Special Revenue Funds are made at the departmental level; Capital Projects appropriations are made at the project level; and Enterprise Fund appropriations are made at the function level. However, for internal accounting purposes, budgetary control is generally maintained by object class (line item account). Purchase orders that would create an over encumbrance at that level are not written until appropriations are made available either through budget amendments or intradepartmental transfers approved by the county manager. The county manager may transfer amounts within a department up to \$10,000 or between departments within the same fund up to \$1,000 providing an official report on such transfers at the next regular meeting of the Board of Commissioners, or make interfund loans for a period of not more than sixty days. However, the county manager may not transfer any amounts between funds or from any contingency line items within any funds.

In accordance with State law, the County's budget is prepared on the modified accrual basis, and its accounting records also are maintained on that basis. Under modified accrual accounting, revenues are recorded when they are both measurable and available. Expenditures are recorded when a fund liability is incurred, except for unmatured principal and interest on long-term debt and certain compensated absences. Governmental Fund types, such as the County's General Fund, Special Revenue Funds, Capital Projects Fund, and Agency Funds are reported on the modified accrual basis in the financial statements. The County's Enterprise and the Pension

Trust Fund are reported on the full accrual basis in the financial statements, under which revenues are recorded when earned and expenses are recorded when incurred.

County management is responsible for the accounting system and for establishing and maintaining an internal control structure. The internal control structure is designed to provide reasonable, but not absolute, assurance regarding (1) the safeguarding of assets against loss from unauthorized use or disposition; (2) the reliability of financial records for preparing financial statements in conformity with generally accepted accounting principles and maintaining accountability for assets; and (3) compliance with applicable laws and regulations related to federal and State financial assistance programs. The concept of reasonable assurance recognizes that (1) the cost of a control should not exceed the benefits likely to be derived and (2) the evaluation of costs and benefits require estimates and judgments by management.

All internal control evaluations occur within the above framework. We believe that the County's internal accounting controls adequately protect assets and provide reasonable assurance of the proper recording of financial transactions. As part of the County's single audit (discussed in more detail in a later paragraph), the independent auditor performed a review of the County's internal control structure. This review was not an audit and no opinion was issued on the County's internal control structure; however, the procedures performed by the independent auditor did not indicate any material internal control weaknesses or reportable conditions.

Local Economy. Currituck County enjoys a favorable economic environment due to a continued increase in tourism over previous years. The County recognizes the importance of tourism to our economy and in an effort to assist potential visitors to have more access to information on the area, the County established a Visitor's Center in Corolla and a Welcome Center, located on the North Carolina and Virginia state lines, opened during this year.

Long-term Financial Planning. The governing board has developed a long-term construction plan for both County governmental facilities and education facilities, which are funded by the County even though they are assets of the school. The County has committed to construct a building for expansion of library services that will be in Moyock, an additional skate park, and a building for Parks and Recreation in Maple. The County enterprise funds are expanding to increase capacity in the Mainland Water system by constructing a reverse osmosis water plant in Maple and expanding the distribution system. The County is also investigating expanding the sewer capacity in the Moyock area. In addition, the County, working in cooperation with the Board of Education, has constructed two elementary schools, one in Shawboro and the other in Jarvisburg, both needed due to increased school enrollment in the County. Within the next ten years, the County anticipates continued demands for additional recreational, emergency response facilities, utility expansion and schools.

Cash management policies and practices. Cash temporarily idle during the year was invested in certificates of deposit, obligations of the U. S. Treasury, commercial paper and the North Carolina Cash Management Trust. The maturities range from 1 month to 30 years, with an average maturity of 689 days for U. S. Treasury obligations and 92 days for commercial paper. The average yield on investments was 3.50% for federal agency funds, 4.49% for North Carolina School Bonds, 3.95% for certificates of deposit and 3.09% for commercial paper.

Risk management. The County participates in the North Carolina Association of County Commissioners property and general liability, worker's compensation and Health insurance benefits insurance pools. The pools provide coverage for property, general liability, vehicle, crime, professional liability, environmental impairment, worker's compensation and employee health benefits.

OTHER INFORMATION

Currituck County is required by State law (G.S. 159-34) to have an annual independent financial audit. A compliance audit on federal and State financial assistance programs is also required under the federal Single Audit Act of 1984 and the State Single Audit Implementation Act. The County's auditors, Pittard, Perry and Crone Inc., were selected through a formal request for proposals process. The auditor's report on the General Purpose Financial Statements is included in the Financial Section of this report. The auditors' reports required as a part of the single audit are found in the Compliance Section of this report. The findings and questioned costs reported in the Compliance Section are subject to a subsequent review by the appropriate grantor agencies. This review could result in reimbursements to grantor agencies if some expenditures are deemed inappropriate. However, every effort has been made to insure that all disbursements are made in compliance with the applicable financial assistance program provisions. Required refunds, if any, should be immaterial.

This is the eighth Comprehensive Annual Financial Report prepared by Currituck County. It is the County's intention to submit this years report to the Government Finance Officers Association (GFOA) for its Certificate of Achievement for Excellence in Financial Reporting Program. This program recognizes governmental units that publish easily read and efficiently organized Comprehensive Annual Financial Reports that confirm to program standards. A Certificate of Achievement is the highest form of recognition awarded in the field of governmental financial reporting.

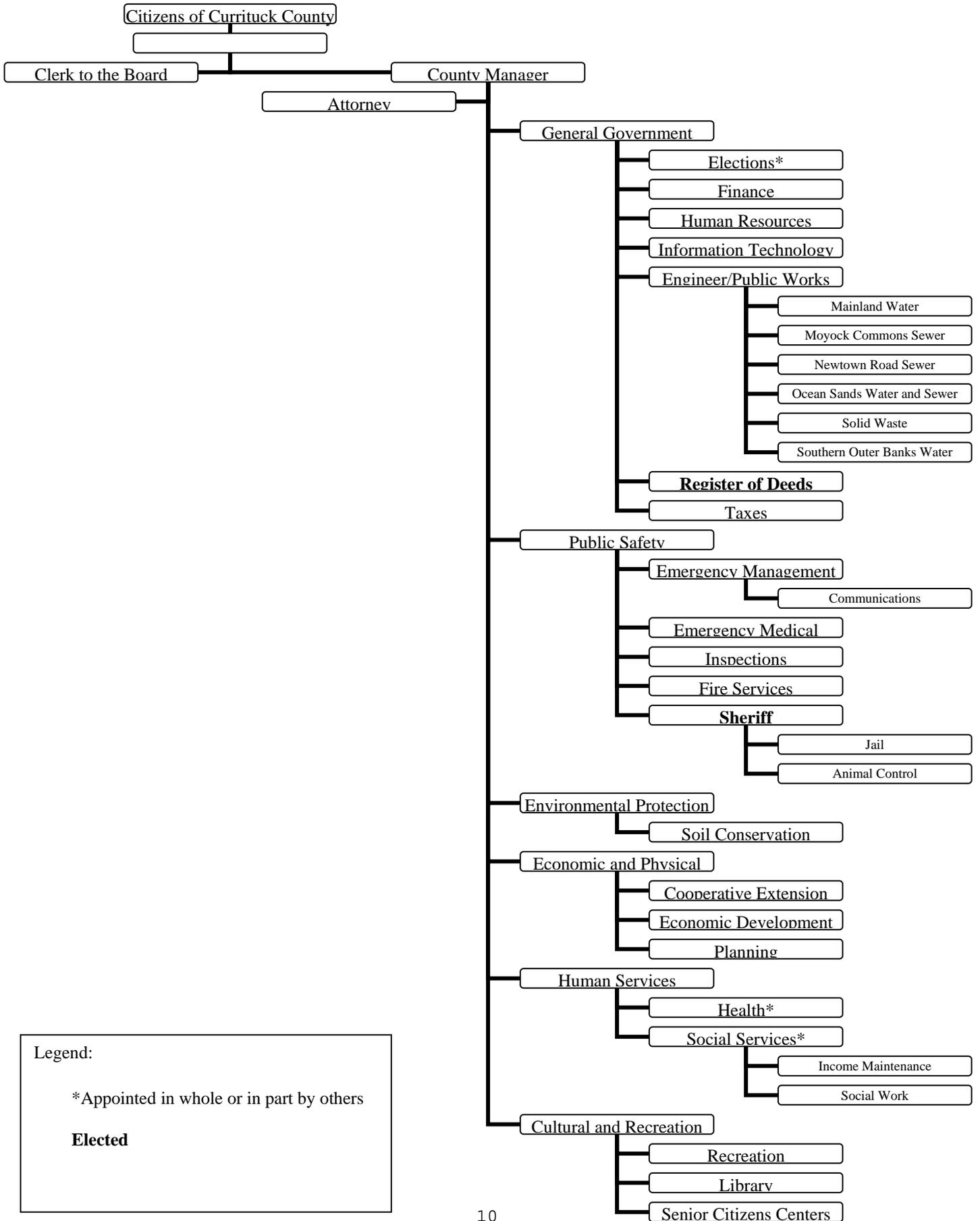
AWARDS AND ACKNOWLEDGEMENTS

Preparation of this report would not have been possible without the dedicated efforts of the entire staff of the Finance Department and support from the Administrative, Human Resources and Tax Departments. Credit must also be given to the governing board for their support for maintaining the highest standards of professionalism in the management of the Currituck County finances.

Respectfully submitted,

Daniel F. Scanlon II
County Manager

Sandra L. Hill
Finance Director



Legend:

*Appointed in whole or in part by others

Elected

CURRITUCK, NORTH CAROLINA

Barry Nelms, Chairman

Gene Gregory, Vice-Chairman

Ernie Bowden

J. Owen Etheridge

Janet Taylor

OFFICIALS

County Manager	Daniel F. Scanlon, II
County Attorney	Donald “Ike” McRee
Clerk to the Board	Gwen H. Keene
Board of Elections	Mary Etheridge
Sheriff	Susan Johnson
Register of Deeds	Charlene Y. Dowdy
Cooperative Extension	M. Rodney Sawyer
Economic Development	Peter Bishop
Emergency Management	Stanley Griggs
Emergency Medical Services	Michael Carter
Finance Director	Sandra L. Hill
Human Resources Director.....	Derinda Leary
Information Technology.....	Tina I. Scanlon
Library	Vickie Hagemeister
Planning & Inspections	Ben Woody
Public Works	Eric Weatherly
Recreation	Jason Weeks
Social Services	Kathlyn S. Romm
Soil Conservation	James M. Doxey
Tax Administrator	Tracy Sample

This page left blank intentionally



Independent Auditor's Report

To the Board of County Commissioners
Currituck County, North Carolina

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Currituck County, North Carolina, as of and for the year ended June 30, 2008, which collectively comprise the County's basic financial statements as listed in the table of contents. These financial statements are the responsibility of Currituck County's management. Our responsibility is to express an opinion on these basic financial statements based on our audit. We did not audit the financial statements of the Currituck County ABC Board or the Whalehead Preservation Trust and Currituck Wildlife Museum. Those financial statements were audited by other auditors whose reports thereon have been furnished to us; and our opinion, insofar as it relates to the amounts included for the Currituck County ABC Board and the Whalehead Preservation Trust and Currituck Wildlife Museum, is based on the reports of the other auditors.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. The financial statements of Currituck County ABC Board were not audited in accordance with *Government Auditing Standards*. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the basic financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit and the report of the other auditors provide a reasonable basis for our opinions.

In our opinion, based on our audit and the report of other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Currituck County, North Carolina as of June 30, 2008, and the respective changes in financial position and cash flows, where appropriate, thereof and the respective budgetary comparison for the general fund for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Management's Discussion and Analysis, the schedules of funding progress, and employer contributions and the notes to the required schedules for the Law Enforcement Officers' Special Separation Allowance are not a required part of the basic financial statements but is supplementary information required by the Governmental Accounting Standards Board. We have applied certain limited procedures, which consisted principally of

inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit this information and express no opinion thereon.

In accordance with *Government Auditing Standards*, we have also issued our report dated November 25, 2008 on our consideration of Currituck County's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, and grants. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

Our audit was performed for the purpose of forming an opinion on the financial statements that collectively comprise the basic financial statements of Currituck County, North Carolina. The combining and individual nonmajor fund financial statements and schedules and the statistical tables, as well as the accompanying schedule of expenditures of federal and State awards as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations* and the State Single Audit Implementation Act, and the statistical information are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole. The introductory information and the statistical tables have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion on them.

Pittard Perry + Crane, Inc.
November 25, 2008

Management's Discussion and Analysis

As management of Currituck County, we offer readers of Currituck County's financial statements this narrative overview and analysis of the financial activities of Currituck County for the fiscal year ended June 30, 2008. We encourage readers to read the information presented here in conjunction with additional information that we have furnished in the County's financial statements which follow this narrative.

Financial Highlights

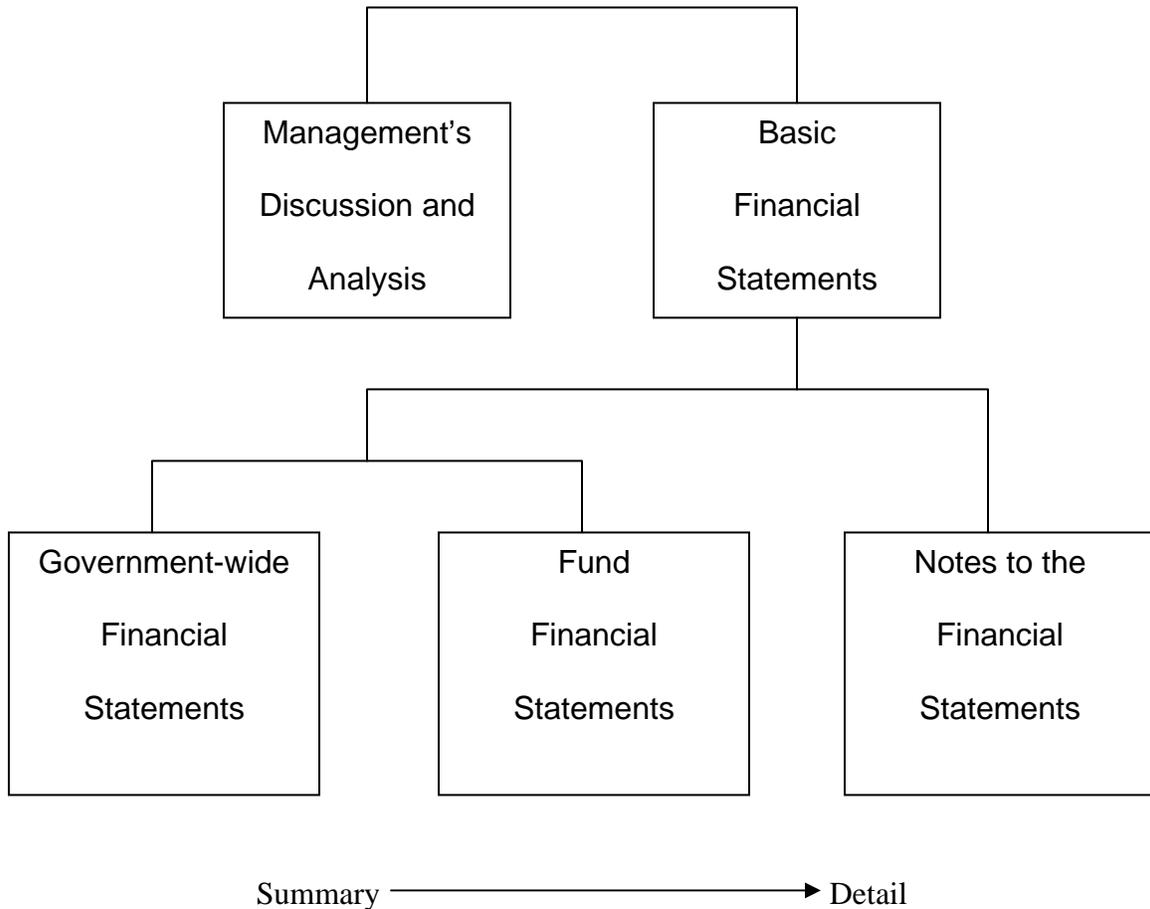
- The assets of Currituck County exceeded its liabilities at the close of the fiscal year by \$152,583,604.
- The government's total net assets increased by \$7,088,913, 70% of this increase is from governmental activities.
- As of the close of the current fiscal year, Currituck County's governmental funds reported combined ending fund balances of \$ 61,716,915, a decrease of \$7,081,596 in comparison with the prior year. Approximately 74.83% of this total amount or \$46,184,789 is available for spending at the government's discretion.
- At the end of the current fiscal year, unreserved fund balance for the General Fund was \$23,918,070, or 53.36% of total general fund expenditures for the fiscal year; \$4,321,893 of this amount is designated to fund next year's budget.
- Currituck County's total debt increased by \$23,730,560 or 58.57% during the current fiscal year. This increase is due to an \$8,000,000 installment purchase financing for the Shawboro elementary school and \$19,000,000 in revenue bonds for the Mainland Water system reverse osmosis plant and distribution line expansion..

Overview of the Financial Statements

This discussion and analysis are intended to serve as an introduction to Currituck County's basic financial statements. The County's basic financial statements consist of three components; 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements (see Figure 1). The basic financial statements present two different views of the County through the use of government-wide statements and fund financial statements. In addition to the basic financial statements, this report contains other supplemental information that will enhance the reader's understanding of the financial condition of Currituck County.

Required Components of Annual Financial Report

Figure 1



Basic Financial Statements

The first two statements (Exhibits 1 and 2) in the basic financial statements are the **Government-wide Financial Statements**. They provide both short and long-term information about the County's financial status.

The next statements (Exhibits 3 through 10) are **Fund Financial Statements**. These statements focus on the activities of the individual parts of the County's government. These statements provide more detail than the government-wide statements. There are four parts to the Fund Financial Statements: 1) the governmental funds statements; 2) the budgetary comparison statements; 3) the proprietary fund statements; and 4) the fiduciary fund statements.

The next section of the basic financial statements is the **notes**. The notes to the financial statements explain in detail some of the data contained in those statements. After the notes, supplemental information is provided to show details about the County's non-

major governmental funds, all of which are added together in one column on the basic financial statements. Budgetary information required by the General Statutes also can be found in this part of the statements.

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

Government-wide Financial Statements

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

The two government-wide statements report the County's net assets and how they have changed. Net assets are the difference between the County's total assets and total liabilities. Measuring net assets is one way to gage the County's financial condition.

The government-wide statements are divided into three categories: 1) governmental activities; 2) business-type activities; and 3) component units. The governmental activities include most of the County's basic services such as public safety, parks and recreation, and general administration. Property taxes and state and federal grant funds finance most of these activities. The business-type activities are those that the County charges customers to provide. These include the water and sewer and landfill services offered by Currituck County. The final category is the component units. The Whalehead Preservation Trust and Currituck Wildlife Museum is a governmental non-profit organization; that is also a component unit of the County because a controlling majority of the Board of Directors is appointed by the Currituck County Governing Board. Although legally separate from the County, the ABC Board is important to the County because the County is financially accountable for the Board by appointing its members and because the Board is required to distribute its profits to the County.

The government-wide financial statements are on Exhibits 1 and 2 of this report.

Fund Financial Statements

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

Governmental Funds – Governmental funds are used to account for those functions reported as governmental activities in the government-wide financial statements. Most of the County's basic services are accounted for in governmental funds. These funds focus

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

Currituck County adopts an annual budget for its General Fund, as required by the General Statutes. The budget is a legally adopted document that incorporates input from the citizens of the County, the management of the County, and the decisions of the Board about which services to provide and how to pay for them. It also authorizes the County to obtain funds from identified sources to finance these current period activities. The budgetary statement provided for the General Fund demonstrates how well the County complied with the budget ordinance and whether or not the County succeeded in providing the services as planned when the budget was adopted. The budgetary comparison statement uses the budgetary basis of accounting and is presented using the same format, language, and classifications as the legal budget document. The statement shows four columns: 1) the original budget as adopted by the board; 2) the final budget as amended by the board; 3) the actual resources, charges to appropriations, and ending balances in the General Fund; and 4) the difference or variance between the final budget and the actual resources and charges. To account for the difference between the budgetary basis of accounting and the modified accrual basis, a reconciliation showing the differences in the reported activities is shown at the end of the budgetary statement.

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

Fiduciary Funds – Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Currituck County has three fiduciary funds, one of which is a post-employment retiree benefits fund and the other two are agency funds to account for fines and forfeitures and the social services trust fund.

Notes to the Financial Statements – The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements.

Other Information – In addition to the basic financial statements and accompanying notes, this report includes certain required supplementary information concerning Currituck County's progress in funding its obligation to provide pension benefits to its employees. Required supplementary information can be found beginning on page 71 of this report.

Government-Wide Financial Analysis

As noted earlier, net assets may serve over time as one useful indicator of a government's financial condition. The assets of Currituck County exceeded liabilities by \$152,583,604 as of June 30, 2008. The County's net assets increased by \$7,088,913 for the fiscal year ended June 30, 2008. One of the largest portions (40.03 %) reflects the County's investment in capital assets (e.g. land, buildings, machinery, and equipment), less any related debt still outstanding that was issued to acquire those items. As of June 30, 2008, all long-term debt in governmental activities was for school buildings. The Currituck County High School is not a capital asset for the County and therefore does not reduce capital assets. However, the County holds title to the Shawboro Elementary School as a part of the financing agreement and therefore this school is recorded as a County capital asset, net of the associated debt. Currituck County uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although Currituck County's investment in its capital assets is reported net of the outstanding related debt, the resources needed to repay that debt must be provided by other sources, since the capital assets cannot be used to liquidate these liabilities. An additional portion of Currituck County's net assets (< 1%) represents resources that are subject to external restrictions on how they may be used. Although the remaining balance of \$73,289,634 is unrestricted, the County has designated a significant portion of this balance for capital construction projects for schools, County facilities and expansion of the Mainland Water system. As of June 30, 2008, the County has designated \$11,739,924 for future school construction and \$19,996,921 for governmental facilities.

Currituck County's Net Assets

Figure 2

CURRITUCK COUNTY'S NET ASSETS

	Governmental Activities		Business-type Activities		Total	
	2008	2007	2008	2007	2008	2007
Current and other assets	\$ 79,801,428	\$ 73,329,411	\$ 31,657,466	\$ 15,591,480	\$ 111,458,894	\$ 88,920,891
Capital assets	56,558,162	51,299,094	32,263,984	27,233,466	88,822,146	78,532,560
Total assets	<u>\$ 136,359,590</u>	<u>\$ 124,628,505</u>	<u>\$ 63,921,450</u>	<u>\$ 42,824,946</u>	<u>\$ 200,281,040</u>	<u>\$ 167,453,451</u>
Long-term liabilities outstanding	\$ 11,551,508	\$ 6,840,000	\$ 26,034,141	\$ 11,172,708	\$ 37,585,649	\$ 18,012,708
Other liabilities	6,239,126	4,185,608	3,872,661	989,982	10,111,787	5,175,590
Total liabilities	<u>17,790,634</u>	<u>11,025,608</u>	<u>29,906,802</u>	<u>12,162,690</u>	<u>47,697,436</u>	<u>23,188,298</u>
Net assets:						
Invested in capital assets, net of related debt	56,558,162	51,299,094	22,735,808	17,290,296	79,293,970	68,589,390
Unrestricted	62,010,794	62,303,803	11,278,840	14,601,498	73,289,634	76,905,301
Total net assets	<u>\$ 118,568,956</u>	<u>\$ 113,602,897</u>	<u>\$ 34,014,648</u>	<u>\$ 31,891,794</u>	<u>\$ 152,583,604</u>	<u>\$ 145,494,691</u>

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

- Ad valorem tax revenues increased by \$615,758 due to a moderate growth in the tax base.
- Other taxes and license increased by \$471,664. This year, the County received \$427,814 in Medicaid hold harmless funding. This along with a steady increase in occupancy tax of \$888,333, a level sales tax with a minimal increase of \$28,881 and a continued decrease in land transfer tax of \$678,156 account for this increase.
- Permits and fees had a decrease of \$195,406 over the prior year in total; the only revenue in this category with increase revenues was administration and filing fees of \$162,583, which was due to increased administration fees from enterprise funds and the election.
- Inter-governmental revenues increased by \$753,972. This increase reflects grants received for airport expansion of \$722,136.
- Continued low cost of debt due to the County's A2 and A+ bond ratings from Moody's investors Service and Standard and Poor's, respectively
- General government expenditures increase by 3.25% due to cost of living salary increases and the purchase of a modular unit for the Board of Elections.
- Public safety expenditures increased by 1.93% primarily due to a 12.14% increase in expenditures in the Sheriff's Department, a 40.57% increase in Emergency services and construction of the Knotts Island Fire Station.
- Transportation expenditures increased by \$28,236, 2.69%, due to continued expansion at the Currituck County airport
- Economic and physical development expenditures decreased by \$3,158,964, 26.46% over the previous year primarily due to the majority of construction of the Cooperative Extension completed in the prior fiscal year.
- Currituck County's funding for education increased by 122.36% over the prior year, which reflects the construction of two elementary schools in the County.
- The general fund debt service was increased by \$5,932,575, which represents the \$8,000,000 installment purchase agreement for the Shawboro Elementary school and principal payments of \$2,067,425 during the year.

Currituck County Changes in Net Assets

Figure 3

	Governmental Activities		Business-type Activities		Total	Total
	2008	2007	2008	2007	2008	2007
Revenues:						
Program revenues:						
Charges for services	\$ 2,206,060	\$ 2,042,141	\$ 8,074,613	\$ 8,895,637	\$ 10,280,673	\$ 10,937,778
Operating grants and contributions	3,795,776	3,812,979	140,902	2,032,174	3,936,678	5,845,153
Capital grants and contributions	1,382,461	888,757	-	-	1,382,461	888,757
General revenues:						
Property taxes	25,978,670	23,582,470	57,943	-	26,036,613	23,582,470
Other taxes	21,148,755	20,677,091	-	-	21,148,755	20,677,091
Investment earnings, unrestricted	3,795,801	3,475,928	746,480	672,453	4,542,281	4,148,381
Miscellaneous	-	-	-	-	-	-
Total revenues	<u>58,307,523</u>	<u>54,479,366</u>	<u>9,019,938</u>	<u>11,600,264</u>	<u>67,327,461</u>	<u>54,332,256</u>
Expenses:						
General government	3,230,828	5,155,428	-	-	3,230,828	5,155,428
Public safety	15,490,648	14,759,626	-	-	15,490,648	14,759,626
Transportation	1,379,504	576,920	-	-	1,379,504	576,920
Economic and physical development	6,176,978	3,430,161	-	-	6,176,978	3,430,161
Environmental protection	385,879	303,871	-	-	385,879	303,871
Human services	4,550,718	4,236,355	-	-	4,550,718	4,236,355
Cultural and recreation	1,523,197	376,240	-	-	1,523,197	376,240
Education	18,420,509	13,869,357	-	-	18,420,509	13,869,357
Interest on long-term debt	418,693	325,600	-	-	418,693	325,600
Solid Waste	-	-	3,788,615	4,274,781	3,788,615	4,274,781
Water and sewer	-	-	4,844,089	4,761,213	4,844,089	4,761,213
Total expenses	<u>51,576,954</u>	<u>43,033,558</u>	<u>8,632,704</u>	<u>9,035,994</u>	<u>60,209,658</u>	<u>41,109,000</u>
Increase in net assets before transfers and special items	6,730,569	11,445,808	387,234	2,564,270	7,117,803	14,010,078
Loss on sale of capital assets	(22,271)	-	(6,619)	-	(28,890)	-
Transfers	(1,742,239)	(281,367)	1,742,239	281,367	-	-
Increase in net assets	4,966,059	11,164,441	2,122,854	2,845,637	7,088,913	14,010,078
Net assets, July 1	113,602,897	102,438,456	31,891,794	29,046,157	145,494,691	131,484,613
Prior period adjustment	-	-	-	-	-	-
Net assets, June 30	<u>\$ 118,568,956</u>	<u>\$ 113,602,897</u>	<u>\$ 34,014,648</u>	<u>\$ 31,891,794</u>	<u>\$ 152,583,604</u>	<u>\$ 145,494,691</u>

Governmental activities. Governmental activities increased the County's net assets by \$4,966,059, thereby accounting for 70.05% of the total growth in the net assets of Currituck County. Key elements of this increase are as follows:

- Increase in ad valorem tax revenues due to continued construction
- Increase in occupancy tax due to increased tourism over the previous year
- Construction of Knotts Island Fire Station, Cooperative Extension facility and Shawboro Elementary school
- Purchase of Moyock Welcome Center

Business-type activities: Business-type activities increased Currituck County's net assets by \$2,122,854, accounting for 29.95 % of the total growth in the government's net assets. This growth is attributed to steady growth in operations across all major enterprise funds and a decrease in solid waste expenditures.

Financial Analysis of the County's Funds

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

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

Figure 4 below illustrates the changes in fund balances for the County's governmental funds as compared to the prior year.

Figure 4
Changes in Fund Balances for Governmental Funds

	Reserved	2008		2007	Change in
		Unreserved	Total	Total	Fund Balances
General	\$ 2,561,068	\$ 22,509,248	\$ 25,070,316	\$ 23,651,008	\$ 1,419,308
County Governmental Facilities	116,402	19,649,987	19,766,389	22,038,536	(2,272,147)
School Capital Projects	329,918	3,703,014	4,032,932	11,416,758	(7,383,826)
Transfer Tax Capital	-	3,724,608	3,724,608	4,342,359	(617,751)
Other Governmental	774,372	8,348,298	9,122,670	7,349,850	1,772,820
	<u>\$ 3,781,760</u>	<u>\$ 57,935,155</u>	<u>\$ 61,716,915</u>	<u>\$ 68,798,511</u>	<u>\$ (7,081,596)</u>

The general fund is the chief operating fund of Currituck County. At the end of the current fiscal year, unreserved fund balance of the General Fund was \$22,509,248, while total fund balance reached \$25,070,316. As a measure of the general fund's liquidity, it may be useful to compare both unreserved fund balance and total fund balance to total fund expenditures. Unreserved fund balance represents 53.47% of total General Fund expenditures, while total fund balance represents 55.94% of that same amount. The decrease in this fund balance is primarily due to the purchase of the Moyock Welcome Center and increases in public safety expenditures.

Fund balances in the County Governmental Facilities Fund, the School Capital Projects Fund and the Transfer Tax Capital Fund are for ongoing and future capital construction projects. The significant decrease in the Transfer Tax Capital Fund is due to a decrease in transfer tax collections of \$765,916 over the prior year, which continued to be impacted by the rising borrowing rates. In addition, \$2,000,000 in transfer tax was transferred to the School Construction Fund for the Shawboro Elementary School.

At June 30, 2008, the governmental funds of Currituck County reported a combined fund balance of \$61,716,915, a 10.29% decrease over last year. The primary reason for this decrease is the decrease in fund balances in the General Fund due to using resources for capital construction projects.

General Fund Budgetary Highlights: During the fiscal year, the County revised the budget on several occasions. Generally, budget amendments fall into one of three categories: 1) amendments made to adjust the estimates that are used to prepare the original budget ordinance once exact information is available; 2) amendments made to recognize new funding amounts from external sources, such as Federal and State grants; and 3) increases in appropriations that become necessary to maintain services. Total amendments to the General Fund increase revenues by \$2,411,807. The significant variances in revenues exceeding budget were in ad valorem taxes, other taxes and licenses and investment earnings, which had favorable variances of \$1,349,279, \$767,829, and \$181,092, respectively. The final budget exceeded actual revenues in permits and fees by \$310,942, which was due to a negative variance in building permit fee collection. Exhibit 5 on page 33 shows all variances in the General Fund. Actual revenues exceeded revised budget by \$2,268,430, which is a result of conservative budgeting, higher tax revenues than projected, steady increase in occupancy tax and favorable earnings on investments. The final budget for expenditures was \$47,928,471, which was a \$3,160,153 increase over the original budget. This increase was due in part to an increase of \$719,611 in general government, which was for legal services to support Camden County's effort against the outlying landing field for the US Navy, purchase of a modular unit for the Board of Elections, increased costs of fuel and to carry forward some technology projects from the prior fiscal year. Public safety budget expenditures increased by \$554,391, which was for grants received for a fingerprint machine and Emergency Management disaster practice exercises, overtime in Emergency Medical Services and increased costs of fuel. Economic and physical development expenditures increased by \$1,939,218, which was due to increased in tourism promotion and the purchase of a building for the Moyock Welcome Center. Human services had a slight decrease in budgeted expenditures of \$119,599 and cultural and recreational services had a slight increase of \$110,560.

Proprietary Funds. Currituck County's proprietary funds provide the same type of information found in the government-wide statements but in more detail. Unrestricted net assets of the Solid Waste Fund at the end of the fiscal year amounted to \$4,959,725, and those for the Water and Sewer Districts totaled \$24,532,094. The total growth in net assets for the proprietary funds is shown in Figure 5, below.

Figure 5
Changes in Net Assets for Proprietary Funds

	June 30 2008	June 30 2007	Change in Net Assets
Solid Waste	\$ 5,597,509	\$ 4,762,799	\$ 834,710
Ocean Sands Water and Sewer	7,326,547	7,092,822	233,725
Mainland Water	11,568,515	10,772,015	796,500
Southern Outer Banks Water	8,594,304	8,375,587	218,717
Non-Major Proprietary Funds			
Newtown Road Sewer	475,708	484,134	(8,426)
Moyock Commons Sewer	452,065	404,437	47,628
Total	\$ 34,014,648	\$ 31,891,794	\$ 2,122,854

Capital Asset and Debt Administration

Capital assets. Currituck County's capital assets for its governmental and business – type activities as of June 30, 2008, totals \$101,594,723, net of depreciation. These assets include buildings, land, machinery and equipment, park facilities, water and sewer distribution systems and vehicles.

Major capital asset transactions during the year include:

- Cooperative Extension Building
- Continued expansion of the Airport runway and taxiway
- Replacement of the Moyock Commons Sewer Plan
- Construction of a reverse osmosis plant and expansion of the Mainland Water distribution system
- Purchase of Moyock Welcome Center

Currituck County's Capital Assets

Figure 6

CURRITUCK COUNTY'S CAPITAL ASSETS (net of depreciation)

	Governmental Activities	Business-type Activities	Total	Total
	2008	2008	2008	2007
Land	\$ 15,853,347	\$ 1,153,124	\$ 17,006,471	\$ 16,084,963
Buildings and system	22,404,617	16,651,892	39,056,509	38,979,566
Furniture & Fixtures	5,892,000	206,783	6,098,783	5,481,470
Equipment	2,599,370	8,347,524	10,946,894	11,048,534
Vehicles and motorized equipment	2,379,207	117,642	2,496,849	2,313,258
Construction in progress	20,202,196	5,787,021	25,989,217	4,624,680
Total	\$ 69,330,737	\$ 32,263,986	\$ 101,594,723	\$ 78,532,471

Additional information on the County's capital assets can be found in note III.A. 5, beginning on page 53 of the Basic Financial Statements.

Long-term Debt. As of June 30, 2008, Currituck County had total bonded debt outstanding of \$27,855,000. Of that amount, \$8,855,000 is debt backed by the full faith and credit of the County while the remaining \$19,000,000 is backed by certain revenues of the Mainland Water System.. The County also had installment purchase agreements for the construction of the Shawboro Elementary School and for Southern Outer Banks Water System, with outstanding balances of \$6,852,575 and \$5,806,155, respectively. These debt instruments are backed by their respective assets.

**Currituck County's Outstanding Debt
General Obligation and Installment Purchase Agreements**

	Governmental Activities		Business-type Activities		Business-type Activities		Total	
	2008	2007	2008	2007	2008	2007	2008	2007
Installment Purchase	\$ 6,852,575	\$ -	\$ 5,806,155	\$ 6,748,170	\$ 12,658,730	\$ 6,748,170		
Revenue bonds	-	-	19,000,000	-	19,000,000	-		
General obligation bonds	5,920,000	6,840,000	2,935,999	3,195,000	8,855,999	10,035,000		
Total debt	\$ 12,772,575	\$ 6,840,000	\$ 27,742,154	\$ 9,943,170	\$ 40,514,729	\$ 16,783,170		

Figure 7

Currituck County's total debt increased by \$23,731,559 (141.40%) during the past fiscal year, due installment purchase financing of the Shawboro Elementary School and Revenue Bonds for the Mainland Water System.

As mentioned in the financial highlights section of this document, Currituck County's bond ratings are A2 from Moody's Investor Service and A+ from Standard and Poor's Corporation.

The State of North Carolina limits the amount of general obligation debt that a unit of government can issue to 8 percent of the total assessed value of taxable property located within that government's boundaries. The legal debt margin for Currituck County is \$624,587,420. The County has no bonds authorized but un-issued at June 30, 2008.

Additional information regarding Currituck County's long-term debt can be found in note III.B.7. beginning on page 66 of this audited financial report.

Economic Factors and Next Year's Budgets and Rates

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

- The County is enjoying a low unemployment rate of 3.6% at June 30, 2008
- Property values increased 1.89% over the previous year
- Occupancy tax increased 11.03% due to increased tourism

Budget Highlights for the Fiscal Year Ending June 30, 2009

Governmental Activities: Currituck County's octennial revaluation became effective for the 2006 fiscal year. General fund revenues are expected to decrease 16.44% this year. Effective July 1, 2008, the County will not include occupancy tax as a part of the General Fund. Occupancy tax will be reported separately in future years.

Budgeted expenditures in the General Fund are anticipated to be \$47,418,743, approximately 5.80% increase over the prior year.

Business – type Activities: All of the enterprise funds are expected to maintain level operations this during the next year. The Mainland Water System has started phase I of expansion of the distribution system and converting to a reverse osmosis system on the Currituck mainland.

Requests for Information

This report is designed to provide an overview of the County's finances for those with an interest in this area. This document is also available online at www.currituckgovernment.com under the Finance Department. Questions concerning any of the information found in this report or requests for additional information should be directed to the Currituck County Finance Director, Currituck County Finance Department, 153 Courthouse Road, Room 103, PO Box 39, Currituck, North Carolina 27929-0039 or e-mail shill@co.currituck.nc.us.

County of Currituck, North Carolina
Statement of Net Assets
June 30, 2008

	Primary Government			Component Units	
	Governmental Activities	Business-type Activities	Total	Whalehead Preservation Trust and Wildlife Museum	Currituck County ABC Board
ASSETS					
Cash and cash equivalents	\$ 61,862,289	\$ 12,630,887	\$ 74,493,176	\$ 879,715	\$ 978,056
Receivables (net)	780,465	618,755	1,399,220	122,246	-
Due from other governments	3,765,130	-	3,765,130	-	-
Internal balances	-	-	-	-	-
Due from component unit	7,553	-	7,553	-	-
Inventories	856	-	856	96,945	623,180
Prepaid items	-	-	-	14,230	33,459
Deferred charges - issuance costs	59,335	33,423	92,758	-	-
Deferred charges -refunding	316,580	161,422	478,002	-	-
Prepaid pension costs	236,645	-	236,645	-	-
Endowment fund	-	-	-	14,604	-
Restricted assets:					
Cash and cash equivalents	-	18,212,979	18,212,979	-	-
Capital assets:					
Land, improvements, non- depreciable collections and construction in progress	36,055,543	6,940,145	42,995,688	732,300	425,900
Other capital assets, net of depreciation	33,275,194	25,323,839	58,599,033	112,584	1,791,981
Total capital assets	69,330,737	32,263,984	101,594,721	844,884	2,217,881
Total assets	136,359,590	63,921,450	182,068,061	1,972,624	3,852,576
LIABILITIES					
Accounts payable and accrued expenses	3,353,160	1,833,933	5,187,093	50,570	616,332
Unearned revenue	24,131	-	24,131	41,060	-
Customer deposits	-	71,353	71,353	8,346	-
Deposits held in trust	541,623	-	541,623	-	-
Due to primary government	-	-	-	-	6,032
Premium on debt issued	375,915	188,967	564,882	-	-
Long-term liabilities:					
Due within one year	1,944,297	1,778,408	3,722,705	-	209,338
Due in more than one year	11,551,508	26,034,141	37,585,649	-	722,671
Total liabilities	17,790,634	29,906,802	47,697,436	99,976	1,554,373
NET ASSETS					
Invested in capital assets, net of related debt	56,558,162	22,735,808	79,293,970	844,884	1,285,872
Restricted for:					
Capital assets	-	-	-	739,456	396,774
Unrestricted (deficit)	62,010,794	11,278,840	73,289,634	288,308	615,557
Total net assets	\$ 118,568,956	\$ 34,014,648	\$ 152,583,604	\$ 1,872,648	\$ 2,298,203

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

County of Currituck County, North Carolina
Statement of Activities
For the Year Ended June 30, 2008

Program Revenues

Functions/Programs	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Primary government:				
Governmental Activities:				
General government	\$ 3,230,828	\$ 523,617	\$ 433,683	\$ -
Public safety	15,490,648	1,250,083	284,580	-
Transportation	1,379,504	299,781	262,251	722,136
Economic and physical development	6,176,978	93,122	141,865	-
Environmental protection	385,879	-	40,683	-
Human services	4,550,718	-	2,611,369	-
Cultural and recreation	1,523,197	39,457	21,345	-
Education	18,420,509	-	-	660,325
Interest on long-term debt	418,693	-	-	-
Total governmental activities	<u>51,576,954</u>	<u>2,206,060</u>	<u>3,795,776</u>	<u>1,382,461</u>
Business-type activities:				
Solid Waste	3,788,615	2,510,093	139,856	-
Water and Sewer	4,844,089	5,564,520	1,046	-
Total business-type activities	<u>8,632,704</u>	<u>8,074,613</u>	<u>140,902</u>	<u>-</u>
	<u>\$ 60,209,658</u>	<u>\$ 10,280,673</u>	<u>\$ 3,936,678</u>	<u>\$ 1,382,461</u>
Component units:				
Whalehead Preservation Trust	\$ 1,177,339	\$ 583,875	\$ 314,608	\$ 483,747
ABC Board	2,827,100	3,117,248	-	-
Total component units	<u>\$ 4,004,439</u>	<u>\$ 3,701,123</u>	<u>\$ 314,608</u>	<u>\$ 483,747</u>

General revenues:

Taxes:

Property taxes, levied for general purpose
Property taxes, levied for sewer district
Property taxes, levied for watershed improvement
Local option sales taxes
Land transfer taxes
Occupancy taxes
Animal taxes
Deed stamp excise tax
Franchise taxes
Other taxes

Investment earnings, unrestricted

Miscellaneous

Gain (loss) on sale of capital assets

Transfers

Total general revenues and transfers

Change in net assets

Net assets-beginning

Net assets-ending

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

Exhibit 2

Net (Expense) Revenue and Changes in Net Assets				
Primary Government			Component Units	
Governmental Activities	Business-type Activities	Total	Whalehead Preservation Trust and Wildlife Museum	Currituck County ABC Board
(2,273,528)		\$ (2,273,528)		
(13,955,985)		(13,955,985)		
(95,336)		(95,336)		
(5,941,991)		(5,941,991)		
(345,196)		(345,196)		
(1,939,349)		(1,939,349)		
(1,462,395)		(1,462,395)		
(17,760,184)		(17,760,184)		
(418,693)		(418,693)		
<u>(44,192,657)</u>	<u>-</u>	<u>(44,192,657)</u>		
-	(1,138,666)	(1,138,666)		
-	721,477	721,477		
-	(417,189)	(417,189)		
<u>(44,192,657)</u>	<u>(417,189)</u>	<u>(44,609,846)</u>		
			\$ 204,891	\$ -
			-	290,148
			<u>204,891</u>	<u>290,148</u>
25,849,531	-	25,849,531	-	-
-	57,943	57,943	-	-
129,139	-	129,139	-	-
8,646,536	-	8,646,536	-	-
2,559,784	-	2,559,784	-	-
8,944,369	-	8,944,369	-	-
12,816	-	12,816	-	-
544,968	-	544,968	-	-
222,745	-	222,745	-	-
217,537	-	217,537	-	-
3,795,801	746,480	4,542,281	22,262	5,858
-	-	-	-	-
(22,271)	(6,619)	(28,890)	-	248,964
(1,742,239)	1,742,239	-	-	-
<u>49,158,716</u>	<u>2,540,043</u>	<u>51,698,759</u>	<u>22,262</u>	<u>254,822</u>
4,966,059	2,122,854	7,088,913	227,153	544,970
113,602,897	31,891,794	145,494,691	1,645,495	1,753,233
<u>\$ 118,568,956</u>	<u>\$ 34,014,648</u>	<u>\$ 152,583,604</u>	<u>\$ 1,872,648</u>	<u>\$ 2,298,203</u>

County of Currituck, North Carolina
Balance Sheet
Governmental Funds
June 30, 2008

	Major				Nonmajor	Total
	County	School Capital	Transfer Tax	Other	Governmental	
	General	Facilities Fund	Projects Fund	Capital Fund	Funds	Governmental Funds
ASSETS						
Cash and cash equivalents	\$ 24,444,069	\$ 19,880,519	\$ 5,410,006	\$ 3,724,608	\$ 8,403,087	\$ 61,862,289
Taxes receivable, net	766,038	-	-	-	14,427	780,465
Other receivables, net	139,207	-	-	-	-	139,207
Due from other governments	2,393,301	116,402	329,918	-	786,302	3,625,923
Due from component unit	7,553	-	-	-	-	7,553
Due from Multi-year grant Fund	-	-	-	-	-	-
Inventories	856	-	-	-	-	856
Total assets	<u>\$ 27,751,024</u>	<u>\$ 19,996,921</u>	<u>\$ 5,739,924</u>	<u>\$ 3,724,608</u>	<u>\$ 9,203,816</u>	<u>\$ 66,416,293</u>
LIABILITIES AND FUND BALANCES						
Liabilities:						
Accounts payable and accrued liabilities	\$ 1,348,917	\$ 230,532	\$ 1,706,992	\$ -	\$ 66,719	\$ 3,353,160
Miscellaneous liabilities	541,623	-	-	-	-	541,623
Due to other funds	-	-	-	-	-	-
Deferred revenue	790,168	-	-	-	14,427	804,595
Total liabilities	<u>2,680,708</u>	<u>230,532</u>	<u>1,706,992</u>	<u>-</u>	<u>81,146</u>	<u>4,699,378</u>
Fund balances:						
Reserved for:						
Inventories	856	-	-	-	-	856
State statute	2,540,062	116,402	329,918	-	774,372	3,760,754
Register of Deeds Automation	20,150	-	-	-	-	20,150
Unreserved	18,187,355	19,149,987	3,553,014	3,724,608	-	44,614,964
Unreserved, reported in nonmajor:						
Special revenue funds	-	-	-	-	1,222,750	1,222,750
Capital projects funds	-	-	-	-	6,577,413	6,577,413
Unreserved, designated for subsequent year's budget						
Unreserved, designated for subsequent year's budget, reported in nonmajor	4,321,893	500,000	150,000	-	-	4,971,893
Special revenue funds	-	-	-	-	548,135	548,135
Total fund balances	<u>25,070,316</u>	<u>19,766,389</u>	<u>4,032,932</u>	<u>3,724,608</u>	<u>9,122,670</u>	<u>61,716,915</u>
Total liabilities and fund balances	<u>\$ 27,751,024</u>	<u>\$ 19,996,921</u>	<u>\$ 5,739,924</u>	<u>\$ 3,724,608</u>	<u>\$ 9,203,816</u>	

Amounts reported for governmental activities in the statement of net assets (Exhibit 1) are different because:

Prepaid pension costs related to Law Enforcement Officer's Separation Allowance	236,645
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.	69,330,737
Liabilities for earned but deferred revenues in fund statements.	780,464
Some liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the funds (Note 7).	<u>(13,495,805)</u>
Net assets of governmental activities	<u>\$ 118,568,956</u>

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

County of Currituck, North Carolina
Statement of Revenues, Expenditures, and Changes in Fund Balance
Governmental Funds
For the Year Ended June 30, 2008

	Major				Nonmajor	Total Governmental Funds
	County			Other		
	General Fund	Governmental Facilities Fund	School Capital Projects Fund	Transfer Tax Capital Fund	Governmental Funds	
REVENUES						
Ad valorem taxes	\$ 25,810,239	\$ -	\$ -	\$ -	\$ 129,139	\$ 25,939,378
Other taxes and licenses	15,613,632	-	-	2,559,784	2,975,339	21,148,755
Unrestricted intergovernmental	355,499	-	-	-	-	355,499
Restricted intergovernmental	3,143,203	722,136	660,325	-	156,229	4,681,893
Permits and fees	1,595,122	-	-	-	-	1,595,122
Sales and services	648,891	-	-	-	-	648,891
Investment earnings	1,517,879	894,129	738,911	222,465	422,417	3,795,801
Miscellaneous	102,892	-	-	-	-	102,892
Total revenues	<u>48,787,357</u>	<u>1,616,265</u>	<u>1,399,236</u>	<u>2,782,249</u>	<u>3,683,124</u>	<u>58,268,231</u>
EXPENDITURES						
Current:						
General government	5,385,330	-	-	-	-	5,385,330
Public safety	14,648,834	643,912	-	-	842,373	16,135,119
Transportation	701,129	376,400	-	-	-	1,077,529
Environmental protection	185,554	-	-	-	187,578	373,132
Economic and physical development	5,907,410	2,853,511	-	-	22,999	8,783,920
Human services	4,503,615	-	-	-	-	4,503,615
Cultural and recreational	1,436,413	585,256	-	-	-	2,021,669
Intergovernmental:						
Education	9,563,912	-	21,277,244	-	-	30,841,156
Debt service:						
Principal	2,067,425	-	-	-	-	2,067,425
Interest	418,693	-	-	-	-	418,693
Total expenditures	<u>44,818,315</u>	<u>4,459,079</u>	<u>21,277,244</u>	<u>-</u>	<u>1,052,950</u>	<u>71,607,588</u>
Excess (deficiency) of revenues over expenditures	<u>3,969,042</u>	<u>(2,842,814)</u>	<u>(19,878,008)</u>	<u>2,782,249</u>	<u>2,630,174</u>	<u>(13,339,357)</u>
OTHER FINANCING SOURCES (USES)						
Debt proceeds	-	-	8,000,000	-	-	8,000,000
Transfers from other funds	1,739,656	2,820,667	4,494,182	-	682,302	9,736,807
Transfers to other funds	(4,289,390)	(2,250,000)	-	(3,400,000)	(1,539,656)	(11,479,046)
Total other financing sources and uses	<u>(2,549,734)</u>	<u>570,667</u>	<u>12,494,182</u>	<u>(3,400,000)</u>	<u>(857,354)</u>	<u>6,257,761</u>
Net change in fund balance	1,419,308	(2,272,147)	(7,383,826)	(617,751)	1,772,820	(7,081,596)
Fund balances-beginning	23,651,008	22,038,536	11,416,758	4,342,359	7,349,850	68,798,511
Fund balances-ending	<u>\$ 25,070,316</u>	<u>\$ 19,766,389</u>	<u>\$ 4,032,932</u>	<u>\$ 3,724,608</u>	<u>\$ 9,122,670</u>	<u>\$ 61,716,915</u>

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

County of Currituck, North Carolina
Statement of Revenues, Expenditures, and Changes in Fund Balance
Governmental Funds
For the Year Ended June 30, 2008

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

Net changes in fund balances - total governmental funds	\$ (7,081,596)
Governmental funds report capital outlays as expenditures. However, in the Statement of Activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the current period	18,053,914
Cost of capital asset disposed of during the year, not recognized on modified accrual basis	(22,271)
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds	39,292
The issuance of long-term debt (e.g., bonds, leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net assets. Also, governmental funds report the effect of issuance costs, premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. This amount is the net effect of these differences in the treatment of long-term debt and related items.	(5,932,575)
Actuarial decrease in prepaid pension costs that do not use current financial resources and are not reported as revenues in the funds	11,761
Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.	<u>(102,466)</u>
Total changes in net assets of governmental activities	<u><u>\$4,966,059</u></u>

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

County of Currituck, North Carolina
Statement of Revenues, Expenditures, and Changes in Fund Balances -
Budget and Actual - General Fund
For the Fiscal Year Ended June 30, 2008

	2008			Variance With Final Positive (Negative)	2007
	Original Budget	Final Budget	Actual		Actual
Revenues:					
Ad valorem taxes	\$ 24,441,844	\$ 24,460,960	\$ 25,810,239	\$ 1,349,279	\$ 23,478,200
Other taxes and licenses	13,390,013	14,936,803	15,613,632	676,829	14,563,675
Unrestricted intergovernmental	367,500	367,500	355,499	(12,001)	380,293
Restricted intergovernmental	2,954,906	2,854,112	3,143,203	289,091	2,892,928
Permits and fees	1,756,650	1,906,064	1,595,122	(310,942)	1,790,528
Sales and services	453,376	586,201	648,891	62,690	530,740
Investment earnings	698,831	1,336,787	1,517,879	181,092	1,351,735
Miscellaneous	44,000	70,500	102,892	32,392	205,215
Total revenues	<u>44,107,120</u>	<u>46,518,927</u>	<u>48,787,357</u>	<u>2,268,430</u>	<u>45,193,314</u>
Expenditures					
Current:					
General government	5,389,621	6,109,232	5,385,330	723,902	5,208,089
Public safety	15,292,646	15,847,037	14,648,834	1,198,203	12,463,966
Transportation	940,801	883,490	701,129	182,361	498,841
Environmental protection	201,450	203,170	185,554	17,616	194,521
Economic and physical development	4,379,170	6,329,951	5,907,410	422,541	7,603,846
Human services	4,976,316	4,856,717	4,503,615	353,102	4,187,991
Cultural and recreational	1,538,284	1,648,844	1,436,413	212,431	1,428,888
Intergovernmental:					
Education	9,563,912	9,563,912	9,563,912	-	9,476,751
Debt service	2,486,118	2,486,118	2,486,118	-	1,255,600
Total expenditures	<u>44,768,318</u>	<u>47,928,471</u>	<u>44,818,315</u>	<u>3,110,156</u>	<u>42,318,493</u>
Revenues over (under) expenditures	<u>(661,198)</u>	<u>(1,409,544)</u>	<u>3,969,042</u>	<u>5,378,586</u>	<u>2,874,821</u>
Other financing sources (uses):					
Transfers to other funds	(4,148,723)	(4,289,390)	(4,289,390)	-	(7,771,721)
Transfers from other funds	1,421,628	1,739,656	1,739,656	-	1,108,177
Total other financing sources (uses)	<u>(2,727,095)</u>	<u>(2,549,734)</u>	<u>(2,549,734)</u>	<u>-</u>	<u>(6,663,544)</u>
Revenues and other financing sources over expenditures and other financing uses	<u>(3,388,293)</u>	<u>(3,959,278)</u>	<u>1,419,308</u>	<u>5,378,586</u>	<u>(3,788,723)</u>
Appropriated fund balance	<u>\$ 3,388,293</u>	<u>\$ 3,959,278</u>	<u>\$ -</u>	<u>\$ (3,959,278)</u>	<u>\$ -</u>
Revenues and other financing sources over expenditures and other financing uses	<u>\$ -</u>	<u>\$ -</u>	<u>1,419,308</u>	<u>\$ 1,419,308</u>	<u>(3,788,723)</u>
Fund balances:					
Beginning of year, July 1			23,651,008		27,439,731
End of year, June 30			<u>\$ 25,070,316</u>		<u>\$ 23,651,008</u>

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

County of Currituck, North Carolina
Statement of Net Assets
Proprietary Funds
June 30, 2008

	Enterprise Funds					Totals	
	Solid Waste Fund	Ocean Sands Water and Sewer District Fund	Mainland Water Fund	Southern Outer Banks Water System Fund	Non-Major Proprietary Funds	June 30, 2008	June 30, 2007
	ASSETS						
Current assets:							
Cash and cash equivalents	\$ 5,148,250	\$ 4,997,690	\$ 1,956,433	\$ 285,607	\$ 242,907	\$ 12,630,887	\$ 14,836,102
Taxes receivable, net	17,436	549	-	-	162	18,147	41,589
Receivables, net	166,287	114,010	205,316	93,012	21,983	600,608	499,459
Deferred charges - bond issuance	-	-	33,423	-	-	33,423	36,766
Deferred charges - refunding	-	-	161,422	-	-	161,422	177,564
Total current assets	5,331,973	5,112,249	2,356,594	378,619	265,052	13,444,487	15,591,480
Noncurrent assets:							
Restricted cash, cash equivalents, and investments:							
Cash, revenue bond proceeds	-	-	18,212,979	-	-	18,212,979	-
Capital assets:							
Land, improvements, and construction in progress	62,962	963,012	5,792,171	35,000	87,000	6,940,145	1,153,124
Other capital assets, net of depreciation	574,822	1,304,729	8,711,074	14,152,923	580,291	25,323,839	26,080,342
Total capital assets	637,784	2,267,741	14,503,245	14,187,923	667,291	50,476,963	27,233,466
Total noncurrent assets	637,784	2,267,741	32,716,224	14,187,923	667,291	50,476,963	27,233,466
Total assets	5,969,757	7,379,990	35,072,818	14,566,542	932,343	63,921,450	42,824,946
LIABILITIES							
Current liabilities:							
Accounts payable	372,248	53,443	1,261,001	142,936	4,305	1,833,933	670,266
Customer deposits	-	-	69,662	1,426	265	71,353	66,606
Accrued salaries	-	-	49,673	21,721	-	71,394	45,246
General obligation bonds payable	-	-	265,000	-	-	265,000	260,000
Revenue bonds payable	-	-	500,000	-	-	500,000	-
Notes payable	-	-	-	942,014	-	942,014	942,014
Premium on debt issued	-	-	188,967	-	-	188,967	207,864
Total current liabilities	372,248	53,443	2,334,303	1,108,097	4,570	3,872,661	2,191,996
Noncurrent liabilities:							
Liabilities payable from restricted assets:							
General obligation bonds payable	-	-	2,670,000	-	-	2,670,000	2,935,000
Revenue bonds payable	-	-	18,500,000	-	-	18,500,000	-
Notes payable	-	-	-	4,864,141	-	4,864,141	5,806,156
Total noncurrent liabilities	-	-	21,170,000	4,864,141	-	26,034,141	8,741,156
Total liabilities	372,248	53,443	23,504,303	5,972,238	4,570	29,906,802	10,933,152
NET ASSETS							
Invested in capital assets, net of related debt	637,784	2,267,741	10,781,224	8,381,768	667,291	22,735,808	17,290,296
Unrestricted	4,959,725	5,058,806	787,291	212,536	260,482	11,278,840	14,601,498
Total net assets	\$ 5,597,509	\$ 7,326,547	\$ 11,568,515	\$ 8,594,304	\$ 927,773	\$ 34,014,648	\$ 31,891,794

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

County of Currituck, North Carolina
Statement of Revenues, Expenses, and Changes in Fund Net Assets
Proprietary Funds
For the Year Ended June 30, 2008

	Enterprise Funds					Totals	
	Solid Waste	Ocean Sands	Mainland	Southern	Non-Major	June 30, 2008	June 30, 2007
	Fund	Water and Sewer Fund	Water Fund	Outer Banks Water System Fund	Proprietary Funds		
OPERATING REVENUES							
Charges for services	\$ 2,510,093	\$ 876,190	\$ 2,567,246	\$ 1,648,960	\$ 79,481	\$ 7,681,970	\$ 7,119,852
Water and sewer taps	-	-	193,300	182,327	-	375,627	1,686,340
Miscellaneous	-	1,975	-	14,659	382	17,016	89,445
Total operating revenues	<u>2,510,093</u>	<u>878,165</u>	<u>2,760,546</u>	<u>1,845,946</u>	<u>79,863</u>	<u>8,074,613</u>	<u>8,895,637</u>
OPERATING EXPENSES							
Administration	79,183	26,204	302,341	233,148	4,175	645,051	436,603
Water operations	-	282,004	1,148,147	580,684	-	2,010,835	2,122,528
Sewer operations	-	392,426	-	-	74,522	466,948	405,041
Landfill operations	3,676,695	-	-	-	-	3,676,695	4,217,180
Depreciation	32,737	184,956	582,363	650,870	29,132	1,480,058	1,452,871
Total operating expenses	<u>3,788,615</u>	<u>885,590</u>	<u>2,032,851</u>	<u>1,464,702</u>	<u>107,829</u>	<u>8,279,587</u>	<u>8,634,223</u>
Operating income (loss)	<u>(1,278,522)</u>	<u>(7,425)</u>	<u>727,695</u>	<u>381,244</u>	<u>(27,966)</u>	<u>(204,974)</u>	<u>261,414</u>
NONOPERATING REVENUES (EXPENSES)							
Tax revenue	9,203	365	-	-	48,375	57,943	1,982,542
Unrestricted intergovernmental revenues	139,856	-	1,046	-	-	140,902	49,632
Investment earnings	251,934	240,785	200,131	34,837	18,793	746,480	672,453
Interest expenses	-	-	(132,372)	(227,364)	-	(359,736)	(401,771)
Total nonoperating revenue (expenses)	<u>400,993</u>	<u>241,150</u>	<u>68,805</u>	<u>(192,527)</u>	<u>67,168</u>	<u>585,589</u>	<u>2,302,856</u>
Income (loss) before contributions and transfers	(877,529)	233,725	796,500	188,717	39,202	380,615	2,564,270
Transfer	1,712,239	-	-	30,000	-	1,742,239	281,367
Change in net assets	834,710	233,725	796,500	218,717	39,202	2,122,854	2,845,637
Total net assets - beginning	4,762,799	7,092,822	10,772,015	8,375,587	888,571	31,891,794	29,046,157
Total net assets - ending	<u>\$ 5,597,509</u>	<u>\$ 7,326,547</u>	<u>\$ 11,568,515</u>	<u>\$ 8,594,304</u>	<u>\$ 927,773</u>	<u>\$ 34,014,648</u>	<u>\$ 31,891,794</u>

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

County of Currituck, North Carolina
Statement of Cash Flows
Enterprise Fund
For The Fiscal Year Ended June 30, 2008

Exhibit 8

						Totals	
	Solid Waste Fund	Ocean Sands Water and Sewer Fund	Mainland Water Fund	Southern Outer Banks Water System Fund	Non-Major Proprietary Funds	June 30, 2008	June 30, 2007
	<hr/>						
Cash flows from operating activities:							
Cash received from customers	\$ 2,422,443	\$ 908,368	\$ 2,719,792	\$ 1,841,611	\$ 64,233	\$ 7,956,447	\$ 8,681,945
Cash paid for goods and services	(3,718,405)	(673,020)	(1,105,542)	(271,712)	(81,003)	(5,849,682)	(6,171,950)
Cash paid to employees for services	-	-	(569,460)	(408,713)	-	(978,173)	(919,445)
Customer deposits received	-	-	4,747	-	-	4,747	9,126
Other operating revenue	-	1,975	-	14,659	382	17,016	89,445
Net cash provided (used) by operating activities	<u>(1,295,962)</u>	<u>237,323</u>	<u>1,049,537</u>	<u>1,175,845</u>	<u>(16,388)</u>	<u>1,150,355</u>	<u>1,689,121</u>
Cash flows from noncapital financing activities							
Tax revenues	29,390	3,675	-	-	48,321	81,386	2,006,791
Loan from other funds	-	-	-	-	-	-	(69,830)
Transfer from other funds	1,712,239	-	-	30,000	-	1,742,239	100,000
Net cash provided by noncapital financing	<u>1,741,629</u>	<u>3,675</u>	<u>-</u>	<u>30,000</u>	<u>48,321</u>	<u>1,823,625</u>	<u>2,036,961</u>
Cash flows from capital and related financing activities:							
Proceeds from issuance of debt	-	-	19,000,000	-	-	19,000,000	-
Acquisition and construction of capital assets	(111,550)	(33,998)	(4,681,998)	(133,042)	(329,626)	(5,290,214)	(1,704,351)
Principal paid on bond maturities and installment purchase contracts	-	-	(260,000)	(942,014)	-	(1,202,014)	(1,159,980)
Interest paid on bond maturities and installment purchase contracts	-	-	(132,960)	(227,364)	-	(360,324)	(401,183)
Grants	139,856	-	-	-	-	139,856	49,632
Net cash used by capital and related financing activities	<u>28,306</u>	<u>(33,998)</u>	<u>13,925,042</u>	<u>(1,302,420)</u>	<u>(329,626)</u>	<u>12,287,304</u>	<u>(3,215,882)</u>
Cash flows from investing activities:							
Interest on investments	251,934	240,785	200,131	34,837	18,793	746,480	672,453
Net increase (decrease) in cash and cash equivalents	725,907	447,785	15,174,710	(61,738)	(278,900)	16,007,764	1,182,653
Cash and cash equivalents, July 1	4,422,343	4,549,905	4,994,702	347,345	521,807	14,836,102	13,653,449
Cash and cash equivalents, June 30	<u>\$ 5,148,250</u>	<u>\$ 4,997,690</u>	<u>\$ 20,169,412</u>	<u>\$ 285,607</u>	<u>\$ 242,907</u>	<u>\$ 30,843,866</u>	<u>\$ 14,836,102</u>
<hr/>							
Reconciliation of operating income to net cash provided by operating activities:							
Operating income (loss)	\$ (1,278,522)	\$ (7,425)	\$ 727,695	\$ 381,244	\$ (27,966)	\$ (204,974)	\$ 80,865
Adjustments to reconcile operating income to net cash provided (used) by operating activities:							
Depreciation	32,737	184,956	582,363	650,870	29,132	1,480,058	1,709,303
Changes in assets and liabilities:							
(Increase) decrease in accounts receivable	(87,650)	32,178	(40,754)	10,324	(15,247)	(101,149)	156,785
(Increase) decrease in taxes receivable	-	-	-	-	-	-	-
Increase (decrease) in accounts payable and accrued liabilities	37,473	27,614	(222,278)	135,643	(2,307)	(23,855)	(160,783)
(Increase) in accrued vacation	-	-	(2,236)	(2,236)	-	(4,472)	11,766
Increase (Decrease) in customer deposits	-	-	4,747	-	-	4,747	4,500
Total adjustments	<u>(17,440)</u>	<u>244,748</u>	<u>321,842</u>	<u>794,601</u>	<u>11,578</u>	<u>1,355,329</u>	<u>1,721,571</u>
Net cash provided (used) by operating activities	<u>\$ (1,295,962)</u>	<u>\$ 237,323</u>	<u>\$ 1,049,537</u>	<u>\$ 1,175,845</u>	<u>\$ (16,388)</u>	<u>\$ 1,150,355</u>	<u>\$ 1,802,436</u>

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

County of Currituck, North Carolina
Statement of Fiduciary Net Assets
Fiduciary Funds
June 30, 2008

	Pension Trust Fund	Social Services Agency Fund	Fines and Forfeitures Agency Fund	Motor Vehicle Tax Agency Fund
Assets:				
Cash and cash equivalents	\$ 658,279	\$ 28,409	\$ 25,625	\$ 347
Due from other governments	-	-	-	-
Total assets	658,279	28,409	25,625	347
Liabilities:				
Accounts payable	-	28,409	25,625	347
Due to other governments	-	-	-	-
Total liabilities	-	28,409	25,625	347
Net assets:				
Assets held for pension benefits	\$ 658,279	\$ -	\$ -	\$ -

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

County of Currituck, North Carolina
Statement of Changes in Fiduciary Net Assets
Fiduciary Funds
For The Fiscal Year Ended June 30, 2008

	Post-employment	Benefits Fund
	June 30	June 30
	2008	2007
Additions:		
Employer contributions		
Law enforcement separation allowance	\$ 39,507	\$ 236,614
Postemployment benefits	102,781	101,547
	<u>142,288</u>	<u>338,161</u>
Investment income:		
Interest	33,246	28,046
Total additions	<u>175,534</u>	<u>366,207</u>
Deductions:		
Benefits		
Law enforcement separation allowance	29,499	24,418
Postemployment benefits	87,944	102,199
Administrative expense	251	260
Total deductions	<u>117,694</u>	<u>126,877</u>
Change in net assets	57,840	239,330
Net assets:		
Beginning of year, July 1		
Law enforcement separation allowance	319,432	102,447
Postemployment benefits	338,847	316,502
Beginning of year, totals	<u>658,279</u>	<u>418,949</u>
End of year, June 30		
Law enforcement separation allowance	335,173	319,432
Postemployment benefits	380,946	338,847
Net assets - end of year, totals	<u>\$ 716,119</u>	<u>\$ 658,279</u>

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

County of Currituck, North Carolina

Notes to the Financial Statements

For the Fiscal Year Ended June 30, 2008

I. Summary of Significant Accounting Policies

The accounting policies of Currituck County and its component units conform to generally accepted accounting principles as applicable to governments. The following is a summary of the more significant accounting policies:

A. Reporting Entity

Founded in 1668, Currituck (Indian for "land of the wild goose") is the most northeastern county in North Carolina. Of the 100 counties established under North Carolina General Statute 153A-10, Currituck County is one of the State's four original counties. Currently, a five-member Board of Commissioners governs the County. As of December 1, 2008, this board will increase to seven members.

As required by generally accepted accounting principles, these financial statements present the County and its component units; legally separate entities for which the County is financially accountable. The blended component unit, although it is a legally separate entity, is, in substance, part of the County's operations. The two discretely presented component units are reported in separate columns in the County's combined financial statements in order to emphasize that they are legally separate from the County.

Component Unit	Reporting Method	Criteria for Inclusion	Separate Financial Statements
Ocean Sands Water and Sewer District	Blended	Ocean Sands Water and Sewer District (Ocean Sands) is part of the Ocean Sands planned unit development on the North Carolina Outer Banks. North Carolina law authorizes counties to create water and sewer districts, such as Ocean Sands, to facilitate the construction, operations and financing of water and sewer utility improvements in defined areas. Under North Carolina General Statute 162A-89, the County Board of Commissioners also serves as the governing board of Ocean Sands.	None issued.

Component Unit	Reporting Method	Criteria for Inclusion	Separate Financial Statements
Currituck County Alcoholic Beverage Control Board	Discrete	The Currituck County Alcoholic Beverage Control Board (ABC Board) is a corporate body with powers outlined by North Carolina General Statute 18B-701. The County Board of Commissioners appoints the members of the ABC Board's governing board. The ABC Board is required by state statute to distribute its surpluses, after other required distributions, to the General Fund of the County. The ABC Board, which has a June 30 year-end, is presented as a proprietary fund.	Currituck County ABC Board 6664 Caratoke Highway Grandy, NC 27939
The Whalehead Preservation Trust	Discrete	The Whalehead Preservation Trust and The Currituck Wildlife Museum (the Whalehead Trust) was established by the County Board of Commissioners. The members of the Whalehead Trust's governing board are appointed by the County Board of Commissioners to develop and implement a museum master plan and to implement a campaign designed to provide adequate funding for the museum restoration and operation. The Whalehead Trust solicits public and private contributions that are utilized to carry out its objectives. Daily tours are also conducted during the summer season, which generates admission fee income. None of the funds raised have been restricted during the current period. The County has assumed the obligation, through a portion of the Occupancy Tax, to provide financial support to the Whalehead Trust. The Whalehead Trust, which has a June 30 year-end, is presented as a proprietary fund.	The Whalehead Preservation Trust PO Box 307 Corolla, NC 27927

B. Basis of Presentation, Basis of Accounting

Basis of Presentation, Measurement Focus – Basis of Accounting

Government-wide Statements: The statement of net assets and the statement of activities display information about the County and its component units. These statements include the financial activities of the overall government, except for fiduciary activities. Eliminations have been made to minimize the double counting of internal activities. These statements distinguish between the *governmental* and *business-type activities* of the County. Governmental activities generally are financed through taxes, intergovernmental revenues, and other non-exchange transactions. Business-type activities are financed in whole or in part by fees charged to external parties.

The statement of activities presents a comparison between direct expenses and program revenues for the different business-type activities of the County and for each function of the County's governmental activities. Direct expenses are those that are specifically associated with a program or function and,

therefore, are clearly identifiable to a particular function. Indirect expense allocations that have been made in the funds have been reversed for the statement of activities. Program revenues include (a) fees and charges paid by the recipients of goods or services offered by the programs and (b) grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues that are not classified as program revenues, including all taxes, are presented as general revenues.

Fund Financial Statements: The fund financial statements provide information about the County's funds, including its fiduciary funds and blended component units. Separate statements for each fund category – *governmental, proprietary, and fiduciary* – are presented. The emphasis of fund financial statements is on major governmental and enterprise funds, each displayed in a separate column. All remaining governmental and enterprise funds are aggregated and reported as nonmajor funds.

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

The County reports the following major governmental funds:

General Fund. This is the County's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.

County Governmental Facilities Fund. This fund accounts for financial resources to be used for the acquisition or construction of governmental facilities.

School Capital Projects Fund. This fund accounts for financial resources to be used for the acquisition, construction or major renovations for the Currituck County schools.

Transfer Tax Capital Fund. This fund accounts for financial resources accumulated from the excise tax on instruments conveying real property in Currituck County, approved by the General Assembly in September 1985, to be used by the county only for capital expenditures for solid waste disposal and county-operated buildings and related equipment or to retire any indebtedness incurred by the county for these purposes.

The County reports the following major enterprise funds:

Solid Waste Fund. This fund accounts for the operation, maintenance, and development of the Maple transfer station, various convenience centers throughout the County and residential collection on the Currituck Outer Banks.

Ocean Sands Water and Sewer District Fund. This fund is used to account for financial resources accumulated through a district tax and users fees for the operations of the water and sewer district within the Ocean Sands Water and Sewer District in Corolla.

Mainland Water Fund. This fund is used to account for the operations of the water system on the Currituck mainland.

Mainland Water Construction Fund. This fund is a capital projects fund used to account for construction of the mainland water reverse osmosis plant and line expansion as required by the revenue bond covenant.

Southern Outer Banks Water System Fund. This fund is used to account for the operations of the water system on the Currituck beach.

The County reports the following fiduciary fund types:

Pension Trust Fund. The County has a Post-Employment Benefits Fund that accounts for the Law Enforcement Officers' Special Separation Allowance, a single-employer, public employee retirement system and the health care benefits extended to certain qualifying retired employees.

Agency Funds. Agency funds are custodial in nature and do not involve the measurement of operating results. Agency funds are used to account for assets the County holds on behalf of others. The County maintains the following agency funds: the Social Services Fund, which accounts for moneys deposited with the Department of Social Services for the benefit of certain individuals; the Fines and Forfeitures Fund, which accounts for various legal fines and forfeitures that the County is required to remit to Currituck County Board of Education; and the Motor Vehicle Tax Fund, which accounts for the three percent interest on the first month of delinquent motor vehicle taxes that the County is required to remit to the North Carolina Department of Motor Vehicles.

Measurement Focus, Basis of Accounting

In accordance with North Carolina General Statutes, all funds of the County are maintained during the year using the modified accrual basis of accounting.

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

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

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

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

The County considers all revenues available if they are collected within 90 days after year-end, except for property taxes. Ad valorem property taxes are not accrued as a revenue because the amount is not susceptible to accrual. At June 30, taxes receivable are materially past due and are not considered to be an available resource to finance the operations of the current year. Also, as of January 1, 1993, State law altered the procedures for the assessment and collection of property taxes on registered motor vehicles in North Carolina. For registered motor vehicles, property taxes are due the first day of the fourth month after the vehicles are registered. The billed taxes are applicable to the fiscal year in which they become due. Therefore, taxes for vehicles registered from March 2007 through February 2008 apply to the fiscal year ended June 30, 2008. Uncollected taxes that were billed during this period are shown as a receivable on these financial statements.

Sales taxes collected and held by the State at year-end on behalf of the County are recognized as revenue. Intergovernmental revenues and sales and services are not susceptible to accrual because generally they are not measurable until received in cash. Expenditure-driven grants are recognized as revenue when the qualifying expenditures have been incurred and all other grant requirements have been satisfied.

Under the terms of grant agreements, the County funds certain programs by a combination of specific cost-reimbursement grants, categorical block grants, and general revenues. Thus when program expenses are incurred, there are both restricted and unrestricted net assets available to finance the program. It is the County's policy to first apply cost-reimbursement grant resources to such programs, followed by categorical block grants, and then by general revenues.

All governmental and business-type activities and enterprise funds of the County follow FASB Statements and Interpretations issued on or before November 30, 1989, Accounting Principles Board Opinions, and Accounting Research Bulletins, unless those pronouncements conflict with GASB pronouncements.

C. Budgetary Data

The County's budgets are adopted as required by the North Carolina General Statutes. An annual budget is adopted for the General Fund, the Guinea Mill Watershed Improvement, Hog Ditch Watershed Improvement, Moyock Watershed Improvement, Northwest Watershed Improvement, Whalehead Watershed Improvement, Fire Districts, Revaluation, Emergency Telephone System, and Fire Equipment Replacement Special Revenue Funds, the Land Banking, Capital Improvements, School Capital, and Transfer Tax Capital Projects Funds and the Solid Waste, Ocean Sands Water and Sewer, Mainland Water, Newtown Road Sewer, Moyock Commons Sewer and Southern Outer Banks Water System Funds. All annual appropriations lapse at the fiscal year-end. Project ordinances are adopted for the County Governmental Facilities and the School Capital Projects Funds, which are consolidated with the capital project funds for reporting purposes; the Multi-year Grant Fund, which is reported with the special revenue funds; and the Mainland Water Construction fund, which is consolidated with the Mainland Water operating fund for reporting purposes. All budgets are prepared using the modified accrual basis of accounting. Expenditures may not legally exceed appropriations at the functional level for all annually budgeted funds and at the project level for the multi-year funds. Amendments are required for any revisions that alter total expenditures of any fund or that change functional appropriations. The County Manager is authorized by the budget ordinance to transfer appropriations within the funds under the following conditions:

1. He may transfer amounts between departments within the same fund up to one thousand dollars, providing an official report on such transfers to the Board of Commissioners at their next regularly scheduled meeting.
2. He may make interfund loans for a period of not more than sixty days (60).
3. He may not transfer any amounts between funds or from any contingency line items within any funds.

The governing board must approve all amendments. During the year, several immaterial amendments to the original budget were necessary. The budget ordinance must be adopted by July 1 of the fiscal year or the governing board must adopt an interim budget that covers that time until the annual ordinance can be adopted.

D. Assets, Liabilities, and Fund Equity

1. Deposits and Investments

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

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

commercial paper and bankers' acceptances and the North Carolina Capital Management Trust (NCCMT).

The County, the ABC Board, and the Whalehead Preservation Trust's investments with a maturity of more than one year at acquisition and non-money market investments are carried at fair value as determined by quoted market prices. The securities of the NCCMT Cash Portfolio, an SEC-registered (2a-7) money market mutual fund, are valued at fair value, which is the NCCMT's share price. The NCCMT Term Portfolio's securities are valued at fair value. Money market investments that have a remaining maturity at the time of purchase of one year or less are reported at amortized cost. Non-participating interest earning investment contracts are reported at cost.

2. Cash and Cash Equivalents

The County pools moneys from several funds to facilitate disbursement and investment and to maximize investment income. Therefore, all cash and investments are essentially demand deposits and are considered cash and cash equivalents. The Currituck ABC Board and the Whalehead Preservation Trust consider demand deposits and investments purchased with an original maturity of three months or less, which are not limited as to use, to be cash and cash equivalents.

3. Ad Valorem Taxes Receivable

In accordance with State law [G.S. 105-347 and G.S. 159-13(a)], the County levies ad valorem taxes on property other than motor vehicles on July 1, the beginning of the fiscal year. The taxes are due on September 1 (lien date); however, penalties and interest do not accrue until the following January 6. These taxes are based on the assessed values as of January 1, 2008. As allowed by State law, the County has established a schedule of discounts that apply to taxes that are paid prior to the due date. In the County's General Fund, ad valorem tax revenues are reported net of such discounts.

4. Allowances for Doubtful Accounts

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

5. Inventories and Prepaid Items

The inventories of the County, the ABC Board, and the Whalehead Preservation Trust are valued at cost (first-in, first-out), which approximates market. The County's General Fund inventory consists of expendable supplies that are recorded as expenditures when consumed (consumption method). The inventory of the County's enterprise funds as well as those of the ABC Board and the Whalehead Preservation Trust consists of materials and supplies held for consumption or resale. The cost of the inventory carried in the County's enterprise funds and that of the ABC Board and the Whalehead Preservation Trust is recorded as an expense as it is consumed or sold.

6. Capital Assets

Purchased or constructed capital assets are reported at cost or estimated historical cost. Donated capital assets are recorded at their estimated fair value at the date of donation. Certain items acquired before

July 1, 1970 are recorded at an estimated historical cost. The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend assets' lives are not capitalized. The capitalization threshold for County assets is \$5,000. Capital assets of the County are depreciated on a straight-line basis over the following estimated useful lives:

	<u>Years</u>
Buildings	40
Furniture and equipment	5-7
Vehicles	5-7

The County holds title to Shawboro Elementary School. This property has been deeded to the County to permit installment purchase financing of acquisition and construction costs and to permit the County to receive refunds of sales tax paid for construction costs. Agreements between the County and the Board of Education give the Board of Education full use of the facilities, full responsibility for maintenance of the facilities, and provide that the County will convey title to the property back to the Board of Education, once all restrictions of the financing agreements and all sales tax reimbursement requirements have been met.

Capital assets of the ABC Board are depreciated over their useful lives on a straight-line basis as follows:

	<u>Years</u>
Buildings	30
Furniture and equipment	5-10
Vehicles	5
Leasehold improvements	7-10

For the Whalehead Preservation Trust, capital assets are defined as assets with an estimated useful life in excess of two years. Artifacts and collections are capitalized by the Trust. Capital assets are depreciated using the straight-line method over the following estimated useful lives:

	<u>Years</u>
Equipment and furniture	5
Computers	3

7. Long-term Obligations

In the government-wide financial statements and in the proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net assets.

In the fund financial statements for governmental fund types, the face amount of debt issued is reported as another financing source.

The ABC Board incurred long-term debt during the year of \$1,100,000 to finance the new Grandy store. This note payable carries an interest rate of 4.12% and matures in 2012. Principal payments of \$167,991 and interest payments of \$43,890 were made during the year, leave an outstanding principal balance of \$932,009.

8. Compensated Absences

The vacation policy of the County provides for the accumulation of up to Two Hundred Forty (240) hours of earned vacation leave with such leave being fully vested when earned. For the County's governmental funds, the current portion of the accumulated vacation pay is not considered to be material; therefore, no expenditure or liability has been reported. For the County's proprietary funds an expense and a liability for compensated absences and the salary-related payments are recorded as the leave is earned. The ABC Board employees earn one week of vacation in the first year, two weeks per year from two until fifteen years of service are completed and three weeks per year for additional years of service. Employees may choose to take the vacation time or be compensated for it. Accumulated earned vacation at June 30, 2008 and 2007 amounted to approximately \$2,320 and \$2,221, respectively. The current portion of the accumulated vacation pay for the ABC Board is not considered material.

The sick leave policies of the County, the Whalehead Preservation Trust and the ABC Board provide for an unlimited accumulation of earned sick leave. Sick leave does not vest, but any unused sick leave accumulated at the time of retirement may be used in the determination of length of service for retirement benefit purposes. Since none of the entities have any obligation for accumulated sick leave until it is actually taken, no accrual for sick leave has been made by the County or its component units.

9. Net Assets/Fund Balances

Net Assets

Net assets in government-wide and proprietary fund financial statements are classified as invested in capital assets, net of related debt; restricted; and unrestricted. Restricted net assets represent constraints on resources that are either a) externally imposed by creditors, grantors, contributors, or laws or regulations of other governments or b) imposed by law through state statute.

Fund Balances

In the governmental fund financial statements, reservations or restrictions of fund balance represent amounts that are not appropriable or are legally segregated for a specific purpose. Designations of fund balance represent tentative management plans that are subject to change.

State law [G.S. 159-13(b)(16)] restricts the appropriation of fund balance to an amount not to exceed the sum of cash and investments minus the sum of liabilities, encumbrances and deferred revenues arising from cash receipts as those amounts stand at the close of the fiscal year preceding the budget year.

The governmental fund types classify fund balances as follows:

Reserved

Reserved for inventories - portion of fund balance not available for appropriation because it represents the year-end fund balance of ending inventories, which are not expendable, available resources.

Reserved by State statute - portion of fund balance, in addition to reserves for encumbrances and reserves for inventories, which is not available for appropriation under State law [G.S. 159-8(a)]. This amount is usually comprised of accounts receivable and interfund receivables that are not offset by deferred revenues.

Unreserved

Designated for subsequent year's expenditures - portion of total fund balance available for appropriation that has been designated for the adopted 2007-2008 budget ordinance.

Undesignated - portion of total fund balance available for appropriation that is uncommitted at year-end.

E. Reconciliation of Government-wide and Fund Financial Statements

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

The governmental fund balance sheet includes a reconciliation between fund balance - total governmental funds and net assets – governmental activities as reported in the government-wide statement of net assets. The net adjustment of \$56,852,041 consists of several elements as follows:

<u>Description</u>	<u>Amount</u>
Prepaid pension costs resulting from actuarial study, which are not reported in the funds	\$ 236,645
Capital assets used in governmental activities are not financial resources and are therefore not reported in the funds (total capital assets on government-wide statement in governmental activities column)	88,792,382
Less accumulated depreciation	(19,461,645)
Net capital assets	<u>69,330,737</u>
Deferred charges related to advance refunding bond issue	375,915
Liabilities for revenue deferred but earned and therefore reported in the fund statements but not the government-wide	780,464
Bonds, leases, and installment financing	(12,772,575)
Compensated absences	(723,230)
Premium on debt issued	(375,915)
Total adjustment	<u>\$ 56,852,041</u>

2. Explanation of certain differences between the governmental fund statement of revenues, expenditures, and changes in fund balance and the government-wide statement of activities

The governmental fund statement of revenues, expenditures, and changes in fund balances includes a reconciliation between net changes in fund balances – total governmental funds and changes in net assets of governmental activities as reported in the government-wide statement of activities. There are several elements of that total adjustment of \$12,047,655 as follows:

Description	Amount
Capital outlay expenditures recorded in the fund statements but capitalized as assets in the statement of activities	\$ 21,733,512
Cost of disposed capital asset not recorded on fund statement	(22,271)
Depreciation expense, the allocation of those assets over their useful lives, that is recorded on the statement of activities but not in the fund statements.	(3,679,598)
New debt issued during the year is recorded as a source of funds on the fund statements; it has no effect on the statement of activities - it affects only the government-wide statement of net assets	(8,000,000)
Principal payments on debt owed are recorded as a use of funds on the fund statements but again affect only the statement of net assets in the government-wide statements	2,067,425
Expenses reported in the statement of activities that do not require the use of current resources to pay are not recorded as expenditures in the fund statements.	
Compensated absences are accrued in the government-wide statements but not in the fund statements because they do not use current resources	(102,466)
Revenues reported in the statement of activities that do not provide current resources are not recorded as revenues in the fund statements.	
Reversal of deferred tax revenue recorded at 7/1/07	(741,172)
Recording of tax receipts deferred in the fund statements as of 6/30/08	780,464
Change in prepaid pension cost for law enforcement separation allowance	<u>11,761</u>
Total adjustment	<u>\$ 12,047,655</u>

II. Stewardship, Compliance, and Accountability

A. Excess of Expenditures over Appropriations

The budget for the Sheriff's Department was over expended by \$16,250, primarily due to over-time for June services paid in July and the budget for the Medical Examiner's fees was over expended by \$600 as a result of autopsy billings received after year end. Although these amounts are immaterial, these departments have been notified to take measures to insure compliance in the future.

The Canal #2 water salinity study being conducted by the State of North Carolina and recorded in the Multi-year Grant Fund was over expended in previous years and a project authorization budget amendment has not been approved to date.

III. Detail Notes on All Funds

A. Assets

1. Deposits

All of the County's and the ABC Board's deposits are either insured or collateralized by using one of two methods. Under the Dedicated Method, all deposits exceeding the federal depository insurance coverage level are collateralized with securities held by the County's or the ABC Board's agents in these units' names. Under the Pooling Method, which is a collateral pool, all uninsured deposits are collateralized with securities held by the State Treasurer's agent in the name of the State Treasurer. Since the State Treasurer is acting in a fiduciary capacity for the County and the ABC Board, these deposits are considered to be held by their agents in the entities' names. The amount of the pledged collateral is based on an approved averaging method for non-interest bearing deposits and the actual current balance for interest-bearing deposits. Depositories using the Pooling Method report to the State Treasurer the adequacy of their pooled collateral covering uninsured deposits. The State Treasurer does not confirm this information with the County or the ABC Board or with the escrow agent. Because of the inability to measure the exact amount of collateral pledged for the County or the ABC Board under the Pooling Method, the potential exists for undercollateralization, and this risk may increase in periods of high cash flows. However, the State Treasurer of North Carolina enforces strict standards of financial stability for each depository that collateralizes public deposits under the Pooling Method. The County and the ABC Board do not have policies regarding custodial credit risk for deposits.

The State Treasurer enforces standards of minimum capitalization for all pooling method financial institutions. The County relies on the State Treasurer to monitor those financial institutions. The County analyzes the financial soundness of any other financial institution used by the County. The County complies with the provisions of G. S. 159-31 when designating official depositories and verifying that deposits are properly secured. The ABC Board and the Whalehead Preservation Trust has no formal policy regarding custodial credit risk for deposits.

At June 30, 2008, the County's deposits had a carrying amount of \$60,487,042 and a bank balance of \$60,935,550. Of the bank balance, \$400,000 was covered by federal depository insurance and \$60,535,550 in interest bearing deposits were covered by collateral held under the Pooling Method.

At June 30, 2008, the County had \$1,650 and the Whalehead Preservation Trust had \$200 cash on hand.

At June 30, 2008, the carrying amount of deposits for Currituck County ABC Board was \$978,056. Of this amount, \$107,810 was covered by federal depository insurance and the remainder was covered by collateral held under the Pooling Method.

At June 30, 2008, the Whalehead Preservation Trust's deposits had a carrying amount of \$879,715 and a bank balance of \$697,232. Of the bank balance, \$100,000 was covered by federal depository insurance and the remainder was covered by collateral held under the Pooling Method. The organization has no formal policy regarding custodial credit risks for deposits.

2. Investments

As of June 30, 2008, the County had the following investments and maturities:

Investment Type	Fair Value	Less Than			More Than
		6 Months	6-12 Months	1-5 Years	5 Years
Commercial Paper	\$ 7,893,995	\$ 7,893,995	\$ -	\$ -	\$ -
Federal agencies	2,500,000	-	-	2,500,000	-
NC State Education Assistance	17,300,000	-	-	-	17,300,000
NC Capital Management Trust:					
Cash Portfolio	4,369,653	N/A	N/A	N/A	N/A
Term Portfolio*	893,801	-	893,901	-	-
Total Investments	\$ 32,957,449	\$ 7,893,995	\$ 893,901	\$ 2,500,000	\$ 17,300,000

* Because of the NC Capital Management Trust Term Portfolio had a duration of 0.8 years, it was presented as an investment with a maturity of 6-12 months.

Interest Rate Risk. Although the County does not have a formal policy of the length of maturities in the investment portfolio, the County staggers maturities and does not purchase investments with maturities greater than three years, with the exception of NC State Education Assistance Authority instruments.

The North Carolina State Education Assistance Authority (NCSEAA) instruments in the portfolio have final stated maturities ranging from 2015 to 2036. Historically they could be redeemed at par and the interest rate reset every 7, 28 or 35 days making the effective maturity date the next reset date, until February 2008 when the auctions began failing. At that time the instruments became illiquid and there was no secondary market.

Credit Risk. State law limits investments in commercial paper to the top rating issued by nationally recognized statistical rating organizations (NRSROs); however, the County had no formal policy on managing credit risk. As of June 30, 2008, the County's investments in commercial paper were rated P1 by Standard & Poor's, F1 by Fitch Ratings, and A1 by Moody's Investors Service. The County's investments in the NC Capital Management Trust Cash Portfolio carried a credit rating of AAAM by Standard & Poor's as of June 30, 2008. The County's investment in the NC Capital Management Trust Term Portfolio is unrated. The Term Portfolio is authorized to invest in obligations of the US government and agencies, and in high grade money market instruments as permitted under North Carolina General Statutes 159-30 as amended. The County's investments in US Agencies (Federal Home Loan Bank) are rated AAA by Standard & Poor's and Aaa by Moody's Investors Service.

Custodial Credit Risk. For an investment, custodial credit risk is the risk that in the event of the failure of the counterparty, the County will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. As of June 30, 2008, the County had no

investments held by a counterparty that were not in the County's name. The County had no policy on custodial credit risk.

Concentration of Credit Risk. The County places no limit on the amount that the County may invest in any one issuer. More than 5 percent of the County's investments are in Korea Development Bank Commercial Paper, New Center Asset Funding Commercial Paper, Federal Home Loan Mortgage Corporation instruments, Variable Funding Commercial Paper and NCSEAA instruments. These investments are 5.97%, 6.02%, 7.59%, 9.04% and 52.49%, respectively of the County's total investments.

3. Property Tax - Use-Value Assessment on Certain Lands

In accordance with the general statutes, agriculture, horticulture, and forestland may be taxed by the County at the present-use value as opposed to market value. When the property loses its eligibility for use-value taxation, the property tax is recomputed at market value for the current year and the three preceding fiscal years, along with the accrued interest from the original due date. This tax is immediately due and payable. The following are property taxes that could become due if present use-value eligibility is lost. These amounts have not been recorded in the financial statements.

Year	Tax	Interest	Total
2005	470,744	154,169	624,913
2006	967,156	229,700	1,196,856
2007	968,639	142,874	1,111,513
2008	969,415	55,741	1,025,156
Total	\$ 3,375,954	\$ 582,484	\$ 3,958,438

4. Receivables

Receivables at the government-wide level at June 30, 2008, were as follows:

	Accounts	Taxes and Related Accrued Interest	Due from Other Governments	Total
Governmental Activities:				
General	\$ 139,207	\$ 776,037	\$ 2,393,301	\$ 3,308,545
County Gov't Facilities	-	-	116,402	116,402
School Capital Projects	-	-	329,918	329,918
Transfer Tax	-	-	-	-
Other Governmental	-	14,427	786,302	800,729
Total receivables	139,207	790,464	3,625,923	4,555,594
Allowance for doubtful accounts	-	(9,999)	-	(9,999)
Total-governmental activities	\$ 139,207	\$ 780,465	\$ 3,625,923	\$ 4,545,595
Business-type Activities				
Solid Waste	\$ 166,287	\$ 17,838	\$ -	\$ 184,125
Ocean Sands Water and Sewer	114,010	549	-	114,559
Mainland Water	205,316	-	-	205,316
Southern Outer Banks Water	93,012	-	-	93,012
Other Proprietary	21,983	162	-	22,145
Total receivables	600,608	18,549	-	619,157
Allowance for doubtful accounts	-	(402)	-	(402)
Total - business-type activities	\$ 600,608	\$ 18,147	\$ -	\$ 618,755

The due from other governments that is owed to the County consists of the following:

Clerk of Court fee revenues	\$ 37,584
Currituck ABC Board distributions	7,553
Local option sales tax	2,277,444
Excise stamp tax overpayment	82,720
Medicaid hold harmless funds	40,430
Sales and use tax refund	660,634
State aid to airports	29,214
NC Dept of Justice grant	23,780
NC Div Health & Human Services	382,904
NC ITS E911 funds	26,731
Ambulance fees/Medicaid reimbursement	31,248
Other miscellaneous revenues	<u>25,681</u>
Total	<u>\$3,625,923</u>

5. Capital Assets

Capital asset activity for the year ended June 30, 2008, was as follows:

	Beginning Balances	Increases	Decreases	Ending Balances
Governmental activities:				
Capital assets not being depreciated:				
Land	\$ 14,931,839	921,508	-	\$ 15,853,347
Construction in progress	4,624,680	15,577,516	-	20,202,196
Total capital assets not being depreciated	19,556,519	16,499,024	-	36,055,543
Capital assets being depreciated:				
Buildings	31,394,294	1,887,631	12,664	33,269,261
Furniture and fixtures	6,920,627	1,449,525	16,155	8,353,997
Equipment	4,526,185	812,111	64,545	5,273,751
Vehicles and motor equipment	4,825,702	1,014,128	-	5,839,830
Total capital assets being depreciated'	47,666,808	5,163,395	93,364	52,736,839
Less accumulated depreciation for:				
Buildings	9,473,661	1,397,077	6,094	10,864,644
Furniture and fixtures	1,670,641	807,511	16,155	2,461,997
Equipment	2,158,929	564,386	48,934	2,674,381
Vehicles and motor equipment	2,621,092	839,531	-	3,460,623
Total accumulated depreciation	15,924,323	3,608,505	71,183	19,461,645
Total capital assets being depreciated, net	31,742,485			33,275,194
Governmental activity capital assets, net	\$ 51,299,004			\$ 69,330,737

Primary Government

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

General government	\$ 982,053
Public safety	1,345,042
Transportation	1,009,130
Environmental protection	3,857
Economic and physical development	35,235
Human services	55,847
Cultural and recreational	177,341
Total depreciation expense	\$ 3,608,505

Proprietary Funds

	Beginning Balances	Increases	Decreases	Ending Balances
Business-type activities:				
Solid Waste				
Capital assets not being depreciated:				
Land	\$ 62,962	-	-	\$ 62,962
Total capital assets not being depreciated	62,962	-	-	62,962
Capital assets being depreciated:				
Buildings	809,386	-	2,522	806,864
Equipment	100,006	114,072	-	214,078
Vehicles and motor equipment	12,736	-	-	12,736
Total capital assets being depreciated	922,128	114,072	2,522	1,033,678
Less accumulated depreciation for:				
Buildings	332,338	26,896	-	359,234
Equipment	83,379	3,507	-	86,886
Vehicles and motor equipment	10,401	2,335	-	12,736
Total accumulated depreciation	426,118	32,738	-	458,856
Total capital assets being depreciated, net	496,010			574,822
Solid Waste capital assets, net	\$ 558,972			\$ 637,784

continued

	Beginning Balances	Increases	Decreases	Ending Balances
Ocean Sands Water and Sewer District				
Capital assets not being depreciated:				
Land	\$ 963,012	-	-	\$ 963,012
Total capital assets not being depreciated	<u>963,012</u>	<u>-</u>	<u>-</u>	<u>963,012</u>
Capital assets being depreciated:				
Plant and distribution systems	3,930,404	8,250	-	3,938,654
Furniture and maintenance equipment	631,979	25,748	-	657,727
Total capital assets being depreciated	<u>4,562,383</u>	<u>33,998</u>	<u>-</u>	<u>4,596,381</u>
Less accumulated depreciation for:				
Plant and distribution systems	2,704,470	136,238	-	2,840,708
Furniture and maintenance equipment	402,226	48,718	-	450,944
Total accumulated depreciation	<u>3,106,696</u>	<u>184,956</u>	<u>-</u>	<u>3,291,652</u>
Total capital assets being depreciated, net	<u>1,455,687</u>			<u>1,304,729</u>
Ocean Sands Water and Sewer District capital assets, net	\$ <u>2,418,699</u>			\$ <u>2,267,741</u>

Mainland Water

Capital assets not being depreciated:

Land	\$ 5,150	-	-	\$ 5,150
Construction in process	-	5,787,021	-	5,787,021
Total capital assets not being depreciated	<u>5,150</u>	<u>5,787,021</u>	<u>-</u>	<u>5,792,171</u>

Capital assets being depreciated:

Buildings	3,324,099	-	-	3,324,099
Equipment	12,687,351	53,894	7,762	12,733,483
Vehicles	288,620	68,065	24,708	331,977
Total capital assets being depreciated	<u>16,300,070</u>	<u>121,959</u>	<u>32,470</u>	<u>16,389,559</u>

Less accumulated depreciation for:

Buildings	1,488,886	84,970	-	1,573,856
Equipment	5,412,673	463,843	1,143	5,875,373
Vehicles	220,414	33,550	24,708	229,256
Total accumulated depreciation	<u>7,121,973</u>	<u>582,363</u>	<u>25,851</u>	<u>7,678,485</u>
Total capital assets being depreciated, net	<u>9,178,097</u>			<u>8,711,074</u>

Mainland Water capital assets, net

	\$ <u>9,183,247</u>			\$ <u>14,503,245</u>
--	----------------------------	--	--	-----------------------------

Newtown Road Sewer District

Capital assets not being depreciated:

Land	\$ 87,000	-	-	\$ 87,000
Total capital assets not being depreciated	<u>87,000</u>	<u>-</u>	<u>-</u>	<u>87,000</u>

Capital assets being depreciated:

Equipment	508,262	360	-	508,622
Total capital assets being depreciated	<u>508,262</u>	<u>360</u>	<u>-</u>	<u>508,622</u>

Less accumulated depreciation for:

Equipment	251,485	16,954	-	268,439
Total accumulated depreciation	<u>251,485</u>	<u>16,954</u>	<u>-</u>	<u>268,439</u>
Total capital assets being depreciated, net	<u>256,777</u>			<u>240,183</u>

Newtown Road Sewer District

capital assets, net

	\$ <u>343,777</u>			\$ <u>327,183</u>
--	--------------------------	--	--	--------------------------

continued

	Beginning Balances	Increases	Decreases	Ending Balances
Moyock Commons Sewer District				
Capital assets being depreciated:				
Buildings	\$ -	329,267	-	\$ 329,267
Equipment	27,626	-	-	27,626
Total capital assets being depreciated	27,626	-	-	356,893
Less accumulated depreciation for:				
Equipment	4,605	12,178	-	16,783
Total accumulated depreciation	4,605	12,178	-	16,783
Total capital assets being depreciated, net	23,021			340,110
Moyock Commons Sewer District capital assets, net	\$ 23,021			\$ 340,110
Southern Outer Banks Water System				
Capital assets not being depreciated:				
Land	\$ 35,000	-	-	\$ 35,000
Total capital assets not being depreciated	35,000	-	-	35,000
Capital assets being depreciated:				
Buildings	14,817,953	-	-	14,817,953
Equipment	1,659,136	133,042	-	1,792,178
Vehicles	133,135	-	-	133,135
Total capital assets being depreciated	16,610,224	133,042	-	16,743,266
Less accumulated depreciation for:				
Buildings	1,297,215	493,932	-	1,791,147
Equipment	547,230	133,752	-	680,982
Vehicles	95,028	23,186	-	118,214
Total accumulated depreciation	1,939,473	650,870	-	2,590,343
Total capital assets being depreciated, net	14,670,751			14,152,923
Southern Outer Banks Water capital assets, net	\$ 14,705,751			\$ 14,187,923
Business-type activities capital assets, net	\$ 27,233,467			\$ 32,263,986

Construction commitments

Currituck County has active construction projects as of June 30, 2008, for the construction of a Cooperative Extension building, an Elementary School in Shawboro, Knotts Island Fire Station, Moyock Library and Carova Beach Park picnic shelter. At June 30, 2008, the government's commitments with contractors are as follows:

Project	Spent-to-date	Remaining Commitment
Cooperative extension building	\$ 7,051,582	\$ 626,567
Shawboro elementary school	\$ 12,420,647	\$ 4,642,478
Knotts Island fire station	\$ 550,196	\$ 1,531,586
Moyock library	\$ 167,246	\$ 2,089,830
Carova Beach Park picnic shelter	\$ 12,525	\$ 38,475
Total	<u>\$ 20,202,196</u>	<u>\$ 8,928,936</u>

Discretely presented component units

Activity for the ABC Board for the year ended June 30, 2008, was as follows:

	Beginning Balances	Increases	Decreases	Ending Balances
Capital assets not being depreciated:				
Land	\$ 451,403	\$ -	\$ (25,503)	\$ 425,900
Capital assets being depreciated:				
Buildings	905,197	937,106	-	1,842,303
Furniture and equipment	220,822	-	(20,971)	199,851
Vehicles	34,827	-	-	34,827
Leasehold improvements	5,631	-	-	5,631
Total capital assets being depreciated	<u>1,166,477</u>	<u>937,106</u>	<u>(20,971)</u>	<u>2,082,612</u>
Less accumulated depreciation:				
Total accumulated depreciation	<u>330,018</u>	<u>88,865</u>	<u>128,252</u>	<u>290,631</u>
ABC capital assets, net	<u>\$ 1,287,862</u>			<u>\$ 2,217,881</u>

Activity for the Whalehead Preservation Trust and Currituck Wildlife Museum as of June 30, 2008, was as follows:

	Beginning Balances	Increases	Decreases	Ending Balances
Capital assets not being depreciated:				
Museum collection	\$ 681,327	\$ 50,973	\$ -	\$ 732,300
Total capital assets not being depreciated	<u>681,327</u>	<u>50,973</u>	<u>-</u>	<u>732,300</u>
Capital assets being depreciated:				
Furniture, fixtures and equipment	212,706	-	5,337	207,369
Total capital assets being depreciated	<u>212,706</u>	<u>-</u>	<u>5,337</u>	<u>207,369</u>
Less accumulated depreciation for:				
Furniture, fixtures and equipment	88,711	11,411	5,337	94,785
Total accumulated depreciation	<u>88,711</u>	<u>11,411</u>	<u>5,337</u>	<u>94,785</u>
Total capital assets being depreciated, net	123,995			112,584
Whalehead Preservation Trust capital assets, net	<u>\$ 805,322</u>			<u>\$ 844,884</u>

B. Liabilities

1. Payables

Payables at the government-wide level at June 30, 2008, were as follows:

	<u>Vendors</u>	<u>Other</u>	<u>Total</u>
Governmental Activities:			
General	\$ 1,348,917	\$ 541,623	\$ 1,890,540
County Gov't Facilities	230,532	-	230,532
School Capital Projects	1,706,992	-	1,706,992
Other Governmental	66,719	-	66,719
Total-governmental activities	<u>\$ 3,353,160</u>	<u>\$ 541,623</u>	<u>\$ 3,894,783</u>
Business-type Activities			
Solid Waste	\$ 372,248	\$ -	\$ 372,248
Ocean Sands Water and Sewer	53,443	-	53,443
Mainland Water	1,261,001	-	1,261,001
Southern Outer Banks Water	142,936	-	142,936
Other Proprietary	4,305	-	4,305
Total - business-type activities	<u>\$ 1,833,933</u>	<u>\$ -</u>	<u>\$ 1,833,933</u>

2. Pension Plan Obligations

a. Local Governmental Employees' Retirement System

Plan Description. Currituck County and the ABC Board contribute to the statewide Local Governmental Employees' Retirement System (LGERS), a cost-sharing multiple-employer defined benefit pension plan administered by the State of North Carolina. LGERS provides retirement and disability benefits to plan members and beneficiaries. Article 3 of G.S. Chapter 128 assigns the authority to establish and amend benefit provisions to the North Carolina General Assembly. The Local Governmental Employees' Retirement System is included in the Comprehensive Annual Financial Report (CAFR) for the State of North Carolina. The State's CAFR includes financial statements and required supplementary information for LGERS. That report may be obtained by writing to the Office of the State Controller, 1410 Mail Service Center, Raleigh, North Carolina 27699-1410, or by calling (919) 981-5454.

Funding Policy. Plan members are required to contribute six percent of their annual covered salary. The County and the ABC Board are required to contribute at an actuarially determined rate. For the County, the current rate for employees not engaged in law enforcement and for law enforcement officers is 4.90% and 4.86%, respectively, of annual covered payroll. For the ABC Board, the current rate for employees not engaged in law enforcement is 4.80% of annual covered payroll. The contribution requirements of members and of Currituck County and the ABC Board are established and may be amended by the North Carolina General Assembly. The County's contributions to LGERS for the years ended June 30, 2008, 2007, and 2006 were \$615,627, \$546,742, and \$489,635, respectively. The ABC Board's contributions to LGERS for the years ended June 30, 2008, 2007, and 2006 were \$24,633, \$21,829, and \$20,639, respectively. The contributions made by the County and the ABC Board equaled the required contributions for each year.

b. Law Enforcement Officers' Special Separation Allowance

1. Plan Description.

Currituck County administers a public employee retirement system (the *Separation Allowance*), a single-employer defined benefit pension plan that provides retirement benefits to the County's qualified sworn law enforcement officers. The Separation Allowance is equal to .85 percent of the annual equivalent of the base rate of compensation most recently applicable to the officer for each year of creditable service. The retirement benefits are not subject to any increases in salary or retirement allowances that may be authorized by the General Assembly. Article 12D of G.S. Chapter 143 assigns the authority to establish and amend benefit provisions to the North Carolina General Assembly. The Separation Allowance is reported in the County's report as a component of the Post-Employment Benefits Fund. A separate audit report is not issued for this plan.

All full-time County law enforcement officers are covered by the Separation Allowance. At June 30, 2008, the Separation Allowance's membership consisted of:

Retirees receiving benefits	4
Active plan members	56
Total	<u>60</u>

2. Summary of Significant Accounting Policies.

Basis of Accounting. Financial statements for the Separation Allowance are prepared using the accrual basis of accounting. Employer contributions to the plan are recognized when due and when the County has made a formal commitment to provide the contributions. Benefits are recognized when due and payable in accordance with the terms of the plan.

Method Used to Value Investments. Investments are reported at fair value. Short-term money market debt instruments, deposits, and repurchase agreements, are reported at cost or amortized cost, which approximates fair value. Certain longer term United States Government and United States Agency securities are valued at the last reported sales price.

3. Contributions.

The County is required by Article 12D of G.S. Chapter 143 to provide these retirement benefits and has chosen to fund the amounts necessary to cover the benefits earned by making contributions based on actuarial valuations. For the current year, the County contributed \$39,507, or 1.64% of annual covered payroll. There were no contributions made by employees. The County's obligation to contribute to this plan is established and may be amended by the North Carolina General Assembly. Administration costs of the Separation Allowance are financed through investment earnings.

The annual required contribution for the current year was determined as part of the December 31, 2007 actuarial valuation using the projected unit credit actuarial cost method. The actuarial assumptions included (a) 7.25% investment rate of return (net of administrative expenses) and (b) projected salary increases ranging from 4.5% to 12.3% per year. Both (a) and (b) included an inflation component of 3.75%. The assumptions did not include postretirement benefit increases. The actuarial value of assets was determined using the market value of investments. The unfunded actuarial accrued liability is being amortized as a level percentage of projected payroll on a closed basis. The remaining amortization period at December 31, 2007, was 23 years.

Eight Year Trend Information				
For Year Ended June 30	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation	
2001	\$ 16,909	158.19%	\$ (21,095)	
2002	26,269	100.92%	(21,336)	
2003	28,132	92.30%	(19,169)	
2004	30,483	127.05%	(27,416)	
2005	34,853	105.06%	(29,178)	
2006	40,631	95.70%	(27,430)	
2007	39,160	604.22%	(224,884)	
2008	27,746	142.39%	(236,645)	

Annual Pension Cost and Net Pension Obligation. The County’s annual pension cost and net pension obligation to the separation allowance for the current year were as follows:

Employer annual required contribution	\$ 30,231
Interest on net pension obligation	(16,304)
Adjustment to annual required contribution	13,819
Annual pension cost	<u>\$ 27,746</u>
Employer contributions made for fiscal year	<u>39,507</u>
Decrease in net pension obligation	\$ (11,761)
Net pension obligation beginning of fiscal year	<u>(224,884)</u>
Net pension obligation end of fiscal year	<u><u>\$ (236,645)</u></u>

c. Supplemental Retirement Income Plan for Law Enforcement Officers

Plan Description. The County contributes to the Supplemental Retirement Income Plan (Plan), a defined contribution pension plan administered by the Department of State Treasurer and a Board of Trustees. The Plan provides retirement benefits to law enforcement officers employed by the County. Article 5 of G.S. Chapter 135 assigns the authority to establish and amend benefit provisions to the North Carolina General Assembly. The Supplemental Retirement Income Plan for Law Enforcement Officers is included in the Comprehensive Annual Financial Report (CAFR) for the State of North Carolina. The State’s CAFR includes the pension trust fund financial statements for the Internal Revenue Code Section 401(k) plan that includes the Supplemental Retirement Income Plan for Law Enforcement Officers. That report may be obtained by writing to the Office of the State Controller, 1410 Mail Service Center, Raleigh, North Carolina 27699-1410, or by calling (919) 981-5454.

Funding Policy. Article 12E of G.S. Chapter 143 requires the County to contribute each month an amount equal to five percent of each officer's salary, and all amounts contributed are vested immediately. Also, the law enforcement officers may make voluntary contributions to the plan. Contributions for the year ended June 30, 2008, were \$161,676, which consisted of \$123,670 from the County and \$38,006 from the law enforcement officers.

d. Supplemental Retirement Income Plan for County Employees

Plan Description. The County, by passage of a local resolution, has elected to contribute to the Supplemental Retirement Income Plan (Plan), a defined contribution pension plan administered by the Department of State Treasurer and a Board of Trustees. The Plan provides retirement benefits to County employees not engaged in law enforcement activities. Article 5 of G.S. Chapter 135 assigns the authority to establish and amend benefit provisions to the North Carolina General Assembly.

Funding Policy. The County established a contribution amount equal to 4.96% of each employees salary, and all amounts contributed are vested immediately. Also, the employees may make voluntary contributions to the plan. Contributions for the year ended June 30, 2008 were \$729,606 which consisted of \$501,509 from the County and \$228,097 from the county employees.

e. Registers of Deeds' Supplemental Pension Fund

Plan Description. Carolina County also contributes to the Registers of Deeds' Supplemental Pension Fund (Fund), a noncontributory, defined contribution plan administered by the North Carolina Department of State Treasurer. The Fund provides supplemental pension benefits to any eligible county register of deeds who is retired under the Local Government Employees' Retirement System (LGERS) or an equivalent locally sponsored plan. Article 3 of G.S. Chapter 161 assigns the authority to establish and amend benefit provisions to the North Carolina General Assembly. The Registers of Deeds' Supplemental Pension Fund is included in the Comprehensive Annual Financial Report (CAFR) for the State of North Carolina. The State's CAFR includes financial statements and required supplementary information for the Registers of Deeds' Supplemental Pension Fund. That report may be obtained by writing to the Office of the State Controller, 1410 Mail Service Center, Raleigh, North Carolina 27699-1410, or by calling (919) 981-5454.

Funding Policy. On a monthly basis, the County remits to the Department of State Treasurer an amount equal to one and one-half percent (1.5%) of the monthly receipts collected pursuant to Article 1 of G.S. 161. Immediately following January 1 of each year, the Department of State Treasurer divides ninety-three percent (93%) of the amount in the Fund at the end of the preceding calendar year into equal shares to be disbursed as monthly benefits. The remaining seven percent (7%) of the Fund's assets may be used by the State Treasurer in administering the Fund. For the fiscal year ended June 30, 2008, the County's required and actual contributions were \$3,698.

f. Deferred Compensation Plan

The County offers its employees a deferred compensation plan created in accordance with Internal Revenue Code Section 457. The plan, which is available to all County employees, permits them to defer a portion of their salary until future years. The deferred compensation is not available to employees until termination, retirement, death or an unforeseeable emergency. All assets and income of the plan are held in trust by a third party administrator for the exclusive benefit of the plan participants and their beneficiaries.

g. Other Post Employment Benefits - Currituck County

Health Benefits

According to a County resolution, the County provides health care benefits, under the County health care plan, to regular full-time employees of the County. All employees with a hire date through September 1, 2007, previously covered under the County's Group Benefit Plan and retiring prior to age 65 from the County with at least ten years of continuous creditable service who are eligible for retirement benefits from the North Carolina Local Governmental Employees Retirement System (LGERS) are eligible for continued coverage under the County's health care plan. Under the plan, the County will pay a pro-rata share, according to the following schedule, of a retiree's individual coverage but in no instance shall the benefit enjoyed exceed the cost of an active employee's individual coverage.

10 years but less than 15 years

50% of active employee rate

15 years but less than 20 years
20 years or more

75% of active employee rate
100% of active employee rate

All employees hired after September 1, 2007 who are covered under the County's Group Health Plan and retiring from the County with at least twenty years of continuous creditable service with Currituck County and eligible for retirement benefits from the North Carolina Local Government Retirement System, are eligible for coverage under the County's health care plan at a County participation rate of one hundred percent of the active employee rate.

Currently 25 retirees are eligible for postretirement health benefits. For the fiscal year ended June 30, 2008, the County made payments for postretirement health benefit premiums of \$87,944. The County obtains health care coverage through a multi-county risk pool.

When a qualified retiree ceases to be eligible for the County's Group Benefit Plan the same County participation rate will apply for the retiree selecting Medicare Supplemental coverage. The County currently funds this benefit by an annual appropriation to the Post-Employment Benefits Fund. \$380,946 of the \$716,119 fund balance reserved for employees' pension benefits at June 30, 2008, has been allocated for this benefit.

h. Other Employment Benefits

Death Benefits

The County has elected to provide death benefits to employees through the Death Benefit Plan for members of the Local Governmental Employees' Retirement System (Death Benefit Plan), a multiple-employer, State-administered, cost-sharing plan funded on a one-year term cost basis. The beneficiaries of those employees who die in active service after one year of contributing membership in the System, or who die within 180 days after retirement or termination of service and have at least one year of contributing membership service in the System at the time of death are eligible for death benefits. Lump sum death benefit payments to beneficiaries are equal to the employee's 12 highest months salary in a row during the 24 months prior to the employee's death, but the benefit will be a minimum of \$25,000 and will not exceed \$50,000. All death benefit payments are made from the Death Benefit Plan. The County has no liability beyond the payment of monthly contributions. The contributions to the Death Benefit Plan cannot be separated between the post employment benefit amount and the other benefit amount. The County considers these contributions to be immaterial.

3. Closure and Postclosure Care Costs - Maple Landfill Facility

The County closed its Maple landfill facility, Airport Road, on April 7, 1994, at which time its waste stream began to flow to a private, regional municipal solid waste landfill through the Albemarle Regional Solid Waste Authority. Federal and State laws required the County to place a final cover on the facility when it stopped accepting waste and to perform certain maintenance and monitoring functions at the site for five years after closure. Total estimated closure and postclosure care cost was \$512,949. As of June 30, 2002, this liability was paid in full. These amounts are based on what it would cost to perform all closure and postclosure care in fiscal year 2002. Actual costs may be higher due to inflation, changes in technology, or changes in the regulations. Since the County met the conditions of the extended closure date of April 9, 1994, it is subject to the financial assurance

regulations. However, the County has accumulated resources for the payment of closure and postclosure care costs.

4. Deferred / Unearned Revenues

The balance in deferred or unearned revenue on the fund statements and unearned revenues on the government-wide statements at year-end is composed of the following elements:

	Unearned or Deferred Revenue	Full Accrual Unearned Revenue
Prepaid taxes not yet earned (General)	\$ -	\$ 24,131
Taxes receivable, net (General)	766,038	-
Taxes receivable, net (Special Revenue)	14,427	-
	<u>\$ 780,465</u>	<u>\$ 24,131</u>

5. Risk Management

The County is exposed to various risks of losses related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The County participates in three self-funded risk-financing pools administered by the North Carolina Association of County Commissioners. Through these pools, the County obtains property coverage equal to replacement cost values of owned property subject to a limit of \$125.5 million for any one occurrence, general, auto, professional, and employment practices liability coverage of \$2 million per occurrence, auto physical damage coverage for owned autos at actual cash value, crime coverage of \$250,000 per occurrence, workers' compensation coverage up to the statutory limits, and health and dental insurance for County employees. The pools are audited annually by certified public accountants, and the audited financial statements are available to the County upon request. Two of the pools are reinsured through a multi-state public entity captive for single occurrence losses in excess of \$500,000 up to a \$2 million limit for liability coverage, \$600,000 of aggregate annual losses in excess of \$50,000 per occurrence for property, auto physical damage, and crime coverage, and single occurrence losses of \$350,000 for workers' compensation. For health and dental insurance, the County is reinsured through the Pool for individual losses in excess of \$50,000 and aggregate annual losses in excess of 115% of expected claims. The pool is reinsured through commercial carrier for individual losses in excess of \$100,000.

The County carries flood insurance through the National Flood Insurance Plan (NFIP). Because the County is in an area of the State that has been mapped and designated an “A” area (an area close to a river, lake or stream) by the Federal Emergency Management Agency, the County is eligible to purchase coverage of \$500,000 per structure through NFIP. The County currently has this coverage on the Whalehead Hunt Club at Corolla and the Shawboro Elementary School.

In accordance with G. S. 159-29, the County’s employees that have access to \$100 or more at any given time of the County’s funds are performance bonded through a commercial surety bond. The Director of Finance and tax collector are each individually bonded for \$500,000 each. The remaining employees that have access to funds are bonded under a blanket bond for \$250,000.

The County carries commercial coverage for all other risks of loss. There have been no significant reductions in insurance coverage from the previous year and settled claims have not exceeded coverage in any of the past three fiscal years.

The ABC Board is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The ABC Board has property, general liability, auto liability, workmen's compensation and employee health coverage. The ABC Board does not have liquor legal liability coverage. There have been no significant reductions in insurance coverage from the prior year and settled claims have not exceeded coverage in any of the past three fiscal years.

The Whalehead Preservation Trust is exposed to various risks of loss related to torts, theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The Board of Directors carries commercial insurance to cover these risks of loss. The facility, which is owned by Currituck County, is insured under the County's property and liability insurance.

6. Contingent Liabilities

At June 30, 2008, the County was a defendant to various lawsuits. In the opinion of the County's management and the County attorney, the ultimate effect of these legal matters will not have a material adverse effect on the County's financial position.

7. Long-Term Obligations

a. Installment Purchase

As authorized by State law [G.S. 106A-20 and 153A-158.1], the County financed the construction of the Southern Outer Banks Water System reverse osmosis and convention water treatment plant and distribution system during the fiscal year ended June 30, 2004 by installment purchase. The capital assets associated with the installment purchase obligation are recorded in the Southern Outer Banks Water System Fund.

The installment purchase was executed on August 22, 2003. The transaction requires twenty semiannual principal and interest payments due on August 22 and February 22 in the amount of \$584,688.76, with decreasing interest and increasing principal. The interest rate is 3.49%. Payments began February 22, 2004, and the final payment is due August 22, 2013.

During the current fiscal year, the County financed the construction of the Shawboro Elementary School with installment purchase financing. The installment purchase was executed on July 2, 2007. The transaction requires fourteen semiannual principal and interest payments due on July 2 and January 2 in the amount of \$638,858.68, with decreasing interest and increasing principal. The interest rate is 3.54%. Payments began July 2, 2007, and the final payment is due January 2, 2014.

Annual debt service requirements to maturity for the County's and the Districts' installment purchase agreement debts are as follows:

Year Ending June 30	Governmental Activities		Business-type Activities	
	Principal	Interest	Principal	Interest
2009	1,044,297	233,420	975,178	194,200
2010	1,081,592	196,125	1,009,508	159,869
2011	1,120,220	157,497	1,045,047	124,329
2012	1,160,226	117,491	1,081,838	87,540
2013	1,201,662	76,055	1,119,923	49,455
2014-2018	1,244,578	33,141	574,661	10,028
Total	\$ 6,852,575	\$ 813,729	\$ 5,806,155	\$ 625,421

b. General Obligation Indebtedness

All general obligation bonds serviced by the County's general fund are collateralized by the full faith, credit, and taxing power of the County. The Mainland Water System issues general obligation bonds to provide funds for the acquisition and construction of major water system capital improvements. These bonds are recorded in the Mainland Water Fund because they are expected to be repaid from the operating revenues of that fund. Principal and interest payments are appropriated when due.

The County's general obligation bonds payable at June 30, 2008, are comprised of the following individual issues:

Serviced by the County's General Fund:

\$8,770,000 2004 General Obligation Refunding Bonds for Currituck County High School, dated April 1, 2004 with annual principal payments due June 1 and semi-annual interest payments due June 1 and December 1, \$900,000 2009; interest at 3%, \$875,000 2010; interest at 4%, \$865,000 2011, \$855,000 2012 and \$850,000 2013; interest at 5%, \$845,000 2014; interest at 4%, \$730,000 2015; interest at 5%. \$5,920,000

General obligation bonds serviced by the Mainland Water System Fund:

\$4,150,000 2004 General Obligation Refunding Bonds for original Mainland Water plant and distribution system, dated April 1, 2004 with annual principal payments due June 1 and semi-annual interest payments due June 1 and December 1, \$265,000 2009; interest at 3%, \$275,000 2010; interest at 4%, \$285,000 2011, \$305,000 2012 and \$315,000 2013; interest at 5%, \$330,000 2014; interest at 4%, \$345,000 2015; interest at 5%, \$275,000 2016; interest at 3.5%, \$270,000 2017; interest at 3.6%, \$270,000; interest at 3.7%. 2,935,000

Total General Obligation Bond debt \$8,855,000

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

Year Ending June 30	Governmental Activities		Business-type Activities	
	Principal	Interest	Principal	Interest
2009	1,044,297	233,420	975,178	194,200
2010	1,081,592	196,125	1,009,508	159,869
2011	1,120,220	157,497	1,045,047	124,329
2012	1,160,226	117,491	1,081,838	87,540
2013	1,201,662	76,055	1,119,923	49,455
2014-2018	1,244,578	33,141	574,661	10,028
Total	<u>\$ 6,852,575</u>	<u>\$ 813,729</u>	<u>\$ 5,806,155</u>	<u>\$ 625,421</u>

At June 30, 2008, Currituck County had no bonds authorized but un-issued and a legal debt margin of \$624,587,420.

c. Revenue Bonds

The County also issues bonds where the government pledges income derived from the acquired or constructed assets to pay debt service. No amounts outstanding at the end of the current fiscal year related to bonds issued in prior years. During the year \$19,000,000 of revenue bonds were issued to finance construction of a reverse osmosis water treatment facility and to expand the distribution system on the County mainland. Revenue bonds outstanding at year end are as follows:

Revenue bonds serviced by the Mainland Water System Fund:

\$19,000,000 2008 Revenue Bonds for Mainland Water reverse osmosis plant and distribution system expansion, dated March 20, 2008 with annual principal payments due March 1 and semi-annual interest payments due March 1 and September 1, \$19,000,000 2009 ; interest at 4.09%.

Total Revenue Bond debt	<u>19,000,000</u>
	<u><u>\$19,000,000</u></u>

Annual debt service requirements to maturity for the revenue bonds are as follows:

Year Ending June 30	Business-type Activities	
	Principal	Interest
2009	\$ 500,000	\$ 736,086
2010	475,000	756,650
2011	500,000	737,223
2012	510,000	716,773
2013	540,000	695,914
2014-2018	3,350,000	3,118,829
2019-2023	5,910,000	2,219,847
2024-2028	7,215,000	908,798
Total	<u>\$ 19,000,000</u>	<u>\$ 9,890,120</u>

d. Long-Term Obligation Activity

The following is a summary of changes in the County's long-term obligations for the fiscal year ended June 30, 2008:

	Balance			Current	
	June 30, 2007	Increases	Decreases	Balance	Portion of
				June 30, 2008	Balance
Governmental activities:					
General obligation debt	\$ 6,840,000	\$ -	\$ 920,000	\$ 5,920,000	\$ 900,000
Installment purchase	\$ -	\$ 8,000,000	\$ 1,147,425	\$ 6,852,575	\$ 1,044,297
Compensated absences	620,764	298,433	195,967	723,230	-
Total governmental activities	\$ 7,460,764	\$ 8,298,433	\$ 2,263,392	\$ 13,495,805	\$ 1,944,297
Business-type activities:					
General obligation debt	\$ 3,195,000	\$ -	\$ 260,000	\$ 2,935,000	\$ 265,000
Revenue bonded debt	\$ -	\$ 19,000,000	\$ -	\$ 19,000,000	\$ 500,000
Installment purchase	6,748,170	-	942,015	5,806,155	942,014
Compensated absences	45,246	18,477	17,983	45,740	-
Total business-type activities	\$ 9,988,416	\$ 19,018,477	\$ 1,219,998	\$ 27,786,895	\$ 1,707,014
Discretely presented component units:					
Compensated absences	\$ 2,221	\$ 99	\$ -	\$ 2,320	\$ -
Total discretely presented component units long-term liabilities	\$ 2,221	\$ 99	\$ -	\$ 2,320	\$ -

Compensated absences typically have been liquidated in the general fund and are accounted for on a LIFO basis, assuming that employees are taking leave as it is earned.

d. Advance Refundings

During the fiscal year ended June 30, 2004, the County issued \$8,770,000 of general obligation advance refunding bonds to provide resources to purchase U.S. Government securities that were placed in an irrevocable trust for the purpose of general resources for all future debt service payments of \$8,900,000 of general obligation bonds. As a result, the refunded bonds are considered to be defeased and the liability has been removed from the governmental activities column of the statement of net assets. The carrying amount of the old debt exceeded the reacquisition price by \$130,000. This amount is being netted against the new debt and amortized over the life of the refunded debt. This advance refunding was undertaken to reduce total debt service payments over the next ten years by \$777,500 and resulted in an economic gain of \$695,568.

C. Inter-fund Balances and Activity

Transfers to/from other funds

Transfers to/from other funds at June 30, 2008, consists of the following:

From the General fund to the Fire Vehicle Replacement Fund to accumulate resources for equipment replacement property	\$ 261,302 121,000
From the General fund to the School Construction fund to accumulate funds for future school construction	244,182
From the General fund to the Solid Waste fund for operations	1,712,239
From the General fund to the Southern Outer Banks Water fund for pump replacement	30,000
From the General fund to the County Government Facilities fund for the County match portion of PARTF grant for a park at Carova Beach	510,000
From the General fund to the County Government Facilities fund to accumulate resources to construct a facility for Parks and Recreation	1,300,000
From the General fund to the County Government Facilities fund for the County match portion of grant for airport construction	110,667
Total transfers from the General fund	<u>\$ 4,289,390</u>
From the Transfer Tax Capital fund to the General fund to fund capital expenditures	\$ 200,000
From the Transfer Tax Capital fund to the County Government Facilities fund to construct a library in Moyock	900,000
From the Transfer Tax Capital fund to the School Facilities fund to accumulate resources for current school construction.	2,000,000
From the Transfer Tax Capital fund to the Land Banking fund to accumulate resources for future land purchases.	200,000
From the Transfer Tax Capital fund to the Land Banking fund to accumulate resources for farmland preservation.	100,000
Total transfers from the Transfer Tax Capital fund	<u>\$ 3,400,000</u>
From the Emergency Telephone fund to the General fund to move balance of landline funds as of December 31, 2007	\$ 318,028
From the Poplar Branch Fire Tax fund to the General fund for seasonal operations at Corolla Vol Fire Department	\$ 49,564
From the Capital Improvements fund to the General fund for capital improvements of County buildings	\$ 200,000
From the School Capital fund to the General fund for capital purchases for the Currituck County Schools.	972,064
Total transfers from other governmental funds	<u>\$ 1,539,656</u>
From County Governmental Construction fund to the School Construction Fund to transfer funding from future EOC building to Shawboro Elementary School	<u>\$ 2,250,000</u>

IV. Joint Ventures

Albemarle Regional Health Services

The Board of Commissioners vote to join the all ready existing joint venture that operates Albemarle Regional Health Services with the State of North Carolina and four other counties became effective July 1, 1999. The area Boards of Commissioners appoints the fifteen member governing board. The County has an ongoing financial responsibility for Albemarle Regional Health Services because the County is required by State statute to provide public health services either directly or jointly with other counties. The County contributed \$100,000 to Albemarle Regional Health Services during the fiscal year ended June 30, 2008, for administrative and program expenses. The participating governments do not have any equity interest in the joint venture, so no equity interest has been reflected in the financial statements at June 30, 2008. Complete financial statements may be obtained from the administrative offices at Albemarle Regional Health Services, Post Office Box 189, Elizabeth City, North Carolina 27909.

Albemarle Mental Health

The County participates in a joint venture to operate Albemarle Mental Health with the State of North Carolina and five other counties. The fifteen member governing board is appointed by the area Boards of Commissioners as follows: Camden County (1), Chowan County (3), Currituck County (2), Dare County (3), Pasquotank County (4), and Perquimans County (2). The County has an ongoing financial responsibility for Albemarle Mental Health because the County is required by State statute to provide mental health services either directly or jointly with other counties. The County contributes support on a per capita basis, currently one dollar per capita, as well as transferring the proceeds of the 5¢-bottle tax. During the fiscal year ended June 30, 2008, the County contributed \$36,100 for administrative and program expenses. The participating governments do not have any equity interest in the joint venture, so no equity interest has been reflected in the financial statements at June 30, 2008. Complete financial statements may be obtained from the administrative offices at Albemarle Mental Health, Post Office Box 326, Elizabeth City, North Carolina 27909.

Albemarle Regional Solid Waste Authority

The County participates in a joint venture to operate the Albemarle Regional Solid Waste Authority (Authority) with seven other counties, each of which appoints one voting and one nonvoting member to the Authority's governing board. The Authority was created to serve the solid waste disposal needs of the member counties and has subsequently contracted with a private regional landfill for waste disposal. The County has an ongoing financial responsibility for the Authority because it is legally obligated under an intergovernmental agreement for a portion of the Authority's administrative expenses, determined on a per capita basis among the members. The County contributed \$49,900 to the Authority during the fiscal year ended June 30, 200, for administrative expenses. The participating governments do not have any equity interest in the joint venture, so no equity interest has been reflected in the financial statements at June 30, 2008. Complete financial statements for the Authority may be obtained from the Authority's administrative offices at Albemarle Regional Solid Waste Authority, Post Office Box 189, Elizabeth City, North Carolina 27907.

East Albemarle Regional Library

The County participates in a joint venture to operate the East Albemarle Regional Library (Library) with four other counties. The Library's nine member Board of Trustees is appointed by the area Boards of Commissioners as follows: Dare County (3), Currituck County (3), and Camden and Pasquotank Counties (3). Each county is responsible for the cost of its own facilities, the maintenance and operation of those facilities and the majority of the related personnel costs. The County has an ongoing financial responsibility for the joint venture because the Library's continued existence depends on the participating governments' continued funding. The County's annual appropriation is shown as a department in the General Fund and for the year ended June 30, 2008, expenditures were \$403,709. None of the participating governments have any equity interest in the Library, so no equity interest has been reflected the financial statement at June 30, 2008. Complete financial statements for the Library may be obtained from the Library's administrative offices at East Albemarle Regional Library, 205 East Main Street, Elizabeth City, North Carolina 27909.

V. Jointly Governed Organization

Albemarle Commission

The County, in conjunction with nine other counties and fourteen municipalities, established the Albemarle Commission (Commission) to coordinate funding received from various federal and State agencies. Each participating county appoints four members and each participating municipality appoints two members of the Commission's governing board. The County paid membership fees of \$14,940 to the Commission during the fiscal year ended June 30, 2008.

VI. Benefit Payments Issued by the State

The amounts listed below were paid directly to individual recipients by the State from federal and State moneys. County personnel are involved with certain functions, primarily eligibility determinations that cause benefit payments to be issued by the State. These amounts disclose this additional aid to County recipients that do not appear in the basic financial statements because they are not revenues and expenditures of the County.

	<u>Federal</u>	<u>State</u>
Temporary assistance to needy families	\$ 103,750	\$ -
Medicaid	9,423,531	4,779,244
Food stamp program	1,612,522	-
Energy assistance	21,972	-
Adoption assistance	53,446	15,092
Adult assistance	-	105,950
Title IV-E, foster care	16,905	2,429
CWS Adoption	-	62,597
State foster care	-	23,130
Total	<u>\$ 11,232,126</u>	<u>\$ 4,988,442</u>

VII. Summary Disclosure of Significant Commitments and Contingencies

Federal and State Assisted Programs

The County has received proceeds from several federal and State grants. Periodic audits of these grants are required and certain costs may be questioned as not being appropriate expenditures under the grant agreements. Such audits could result in the refund of grant moneys to the grantor agencies. Management believes that any required refunds will be immaterial. No provision has been made in the accompanying financial statements for the refund of grant moneys.

VIII. Significant Effects of Subsequent Events

A portion of the North Carolina State Education Assistance Authority (NCSEAA) instruments in the portfolio having final stated maturities ranging from 2015 to 2036 were called between July 9 and 16 and additional CUSIPS have been called for December 18, 2008. Although the County initially used this investment source for short-term instruments, the portfolio has been restructured so this has not created a liquidity matter for the County.

Required Supplemental Financial Data

Schedule of Funding Progress for the
Law Enforcement Officers' Special Separation Allowance

Schedule of Employer Contributions for the
Law Enforcement Officers' Special Separation Allowance

Notes to the Required Schedules for the
Law Enforcement Officers' Special Separation Allowance

County of Currituck, North Carolina
 Law Enforcement Officers' Special Separation Allowance
 Required Supplementary Information
 Schedule of Funding Progress

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL)- Projected Unit Credit (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a % of Covered Payroll ((b - a)/c)
12/31/1998	53,359	128,029	74,670	41.68%	868,500	8.60%
12/31/1999	64,489	141,561	77,072	45.56%	1,063,028	7.25%
12/31/2000	66,095	245,356	179,261	26.94%	1,212,791	14.78%
12/31/2001	65,454	251,094	185,640	26.07%	1,223,022	15.18%
12/31/2002	74,944	256,185	181,242	29.25%	1,368,951	13.24%
12/31/2003	73,834	278,849	205,015	26.48%	1,619,302	12.66%
12/31/2004	121,688	316,302	194,614	38.47%	1,995,744	9.75%
12/31/2005	132,437	316,222	183,785	41.88%	2,101,825	8.74%
12/31/2006	348,239	333,012	(15,227)	104.57%	2,176,986	-0.70%
12/31/2007	311,383	420,658	109,275	74.02%	2,410,732	4.53%

County of Currituck, North Carolina
 Law Enforcement Officers' Special Separation Allowance
 Required Supplementary Information
 Schedule of Employer Contributions

Year Ending June 30	Annual Required Contributions	Percentage Contributed
1999	\$ 16,427	100%
2000	14,422	100%
2001	16,909	158%
2002	26,269	101%
2003	28,132	92%
2004	30,483	127%
2005	34,853	105%
2006	41,070	95%
2007	39,507	600%
2008	41,483	95%

Notes to the Required Schedules:

The information presented in the required supplementary schedules was determined as part of the actuarial valuations at the dates indicated. Additional information as of the latest actuarial valuation follows.

Valuation date	12/31/2007
Actuarial cost method	Projected unit credit
Amortization method	Level percent of pay closed
Remaining amortization period	23 Years
Asset valuation method	Market value
Actuarial assumptions:	
Investment rate of return*	7.25%
Projected salary increases*	4.5-12.3%
*Includes inflation at	3.75%
Cost of living adjustments	None

This page left blank intentionally.

County of Currituck, North Carolina
General Fund
Schedule of Revenues, Expenditures, and
Changes in Fund Balances - Budget and Actual
For the Fiscal Year Ended June 30, 2008

	2008			Variance with Final Budget Positive (Negative)	2007
	Budgeted Amounts		Actual		Actual
	Original	Final			
Revenues:					
Ad valorem taxes:					
Taxes	\$ -	\$ -	\$ 25,700,994	\$ -	\$ 23,377,275
Interest	-	-	109,245	-	100,925
Total	<u>24,441,844</u>	<u>24,460,960</u>	<u>25,810,239</u>	<u>1,349,279</u>	<u>23,478,200</u>
Other taxes and licenses:					
Sexually oriented business license	-	-	325	-	400
Animal tax	-	-	12,816	-	12,930
Marriage license	-	-	23,650	-	23,650
Franchise tax	-	-	222,745	-	330,910
Deed stamp excise tax	-	-	544,968	-	652,112
Article 39 local option sales tax	-	-	3,914,719	-	3,958,903
Article 44 local option sales tax	-	-	1,522,226	-	1,528,734
Medicaid hold harmless funds	-	-	427,814	-	-
Occupancy tax	-	-	8,944,369	-	8,056,036
Total	<u>13,390,013</u>	<u>14,936,803</u>	<u>15,613,632</u>	<u>676,829</u>	<u>14,563,675</u>
Unrestricted intergovernmental:					
Gasoline tax refund	-	-	5,222	-	10,807
Payments in lieu of taxes-outside sources	-	-	241,944	-	265,625
Beer and wine tax	-	-	108,333	-	103,861
Total	<u>367,500</u>	<u>367,500</u>	<u>355,499</u>	<u>(12,001)</u>	<u>380,293</u>
Restricted intergovernmental:					
Federal and State grants	-	-	2,944,738	-	2,683,072
Safe roads act	-	-	3,011	-	3,023
Crime control act	-	-	14,983	-	25,596
Court facility fees	-	-	98,034	-	102,407
Jail fees	-	-	20,200	-	22,991
Officer fees	-	-	50,729	-	44,519
ABC bottles taxes	-	-	11,508	-	11,320
Total	<u>2,954,906</u>	<u>2,854,112</u>	<u>3,143,203</u>	<u>289,091</u>	<u>2,892,928</u>
Permits and fees:					
Ambulance service fees	-	-	572,849	-	587,131
Administration and filing fees	-	-	379,317	-	216,734
Register of deeds fees	-	-	221,345	-	277,358
Building permit fees	-	-	318,669	-	449,984
Re-inspection fees	-	-	33,825	-	58,825
Planning fees	-	-	57,557	-	190,443
Land disturbance permit	-	-	5,100	-	5,100
Zoning violation fees	-	-	-	-	400
Homeowners' recovery fees	-	-	1,340	-	1,940
CAMA permits	-	-	-	-	1,950
Animal control fees	-	-	5,120	-	663
Total	<u>1,756,650</u>	<u>1,906,064</u>	<u>1,595,122</u>	<u>(310,942)</u>	<u>1,790,528</u>
Sales and services:					
Rents	-	-	126,621	-	77,342
Airport fees	-	-	43,296	-	38,415
Vending sales	-	-	8,150	-	10,345
Senior meals	-	-	4,176	-	7,253
EMS revenues	-	-	57,590	-	-
Sheriff revenues	-	-	-	-	8,125
Jail housing	-	-	65,020	-	60,068
Sale of materials	-	-	6,271	-	9,454
Aviation fuel sales	-	-	256,485	-	244,209

County of Currituck, North Carolina
General Fund
Schedule of Revenues, Expenditures, and
Changes in Fund Balances - Budget and Actual
For the Fiscal Year Ended June 30, 2008

	2008			Variance with Final Budget Positive (Negative)	2007
	Budgeted Amounts		Actual		Actual
	Original	Final			
Tax data fees	-	-	1,046	-	1,257
Sale of fixed assets	-	-	2,000	-	13,375
Auction proceeds	-	-	7,955	-	1,557
Recreation fees	-	-	35,281	-	41,340
Co-op advertising	-	-	35,000	-	18,000
Total	<u>453,376</u>	<u>586,201</u>	<u>648,891</u>	<u>62,690</u>	<u>530,740</u>
Investment earnings	<u>698,831</u>	<u>1,336,787</u>	<u>1,517,879</u>	<u>181,092</u>	<u>1,351,735</u>
Miscellaneous:					
Donations	-	-	6,573	-	3,464
Insurance recoveries	-	-	19,719	-	147,459
ABC Education distribution	-	-	34,675	-	22,542
ABC Law enforcement distribution	-	-	24,768	-	16,101
Other	-	-	17,157	-	15,649
Total	<u>44,000</u>	<u>70,500</u>	<u>102,892</u>	<u>32,392</u>	<u>205,215</u>
Total revenues	<u>44,107,120</u>	<u>46,518,927</u>	<u>48,787,357</u>	<u>2,268,430</u>	<u>45,193,314</u>
Expenditures:					
General government:					
Administration:					
Salaries and employee benefits	-	-	354,099	-	403,896
Other operating expenditures	-	-	71,181	-	71,768
Total	<u>473,717</u>	<u>474,423</u>	<u>425,280</u>	<u>49,143</u>	<u>475,664</u>
Legal:					
Salaries and employee benefits	-	-	52,948	-	129,582
Other operating expenditures	-	-	333,618	-	201,287
Capital outlay	-	-	1,457	-	-
Total	<u>363,446</u>	<u>413,681</u>	<u>388,023</u>	<u>25,658</u>	<u>330,869</u>
Governing body:					
Salaries and employee benefits	-	-	77,743	-	78,262
Other operating expenditures	-	-	21,512	-	19,688
Total	<u>130,378</u>	<u>130,378</u>	<u>99,255</u>	<u>31,123</u>	<u>97,950</u>
Elections:					
Salaries and employee benefits	-	-	102,073	-	88,438
Other operating expenditures	-	-	55,753	-	37,075
Capital outlay	-	-	129,899	-	-
Total	<u>153,025</u>	<u>331,141</u>	<u>287,725</u>	<u>43,416</u>	<u>125,513</u>
Finance					
Salaries and employee benefits	-	-	222,395	-	188,797
Other operating expenditures	-	-	57,812	-	70,442
Total	<u>294,167</u>	<u>298,406</u>	<u>280,207</u>	<u>18,199</u>	<u>259,239</u>
Information Technology:					
Salaries and employee benefits	-	-	227,458	-	207,660
Other operating expenditures	-	-	135,774	-	117,355
Capital outlay	-	-	257,132	-	160,323
Total	<u>526,012</u>	<u>727,930</u>	<u>620,364</u>	<u>107,566</u>	<u>485,338</u>

County of Currituck, North Carolina
General Fund
Schedule of Revenues, Expenditures, and
Changes in Fund Balances - Budget and Actual
For the Fiscal Year Ended June 30, 2008

	2008			Variance with Final Budget Positive (Negative)	2007
	Budgeted Amounts		Actual		Actual
	Original	Final			
Human resources:					
Salaries and employee benefits	-	-	116,037	-	99,029
Other operating expenditures	-	-	14,026	-	13,445
Total	140,919	138,090	130,063	8,027	112,474
Public information:					
Salaries and employee benefits	-	-	209,052	-	86,807
Other operating expenditures	-	-	94,141	-	63,563
Capital outlay	-	-	18,306	-	-
Total	281,904	341,226	321,499	19,727	150,370
Taxes:					
Salaries and employee benefits	-	-	364,054	-	342,025
Other operating expenditures	-	-	87,449	-	98,301
Total	464,617	468,696	451,503	17,193	440,326
Public works:					
Salaries and employee benefits	-	-	532,619	-	445,597
Other operating expenditures	-	-	369,318	-	304,870
Capital outlay	-	-	98,742	-	126,508
Total	1,074,961	1,143,716	1,000,679	143,037	876,975
Public utilities:					
Salaries and employee benefits	-	-	34,589	-	445,597
Operating expenditures	-	-	6,917	-	-
Total	51,345	51,580	41,506	10,074	-
Register of deeds:					
Salaries and employee benefits	-	-	260,127	-	254,711
Other operating expenditures	-	-	349,956	-	399,265
Capital outlay	-	-	-	-	28,986
Total	721,578	722,987	610,083	112,904	682,962
Court facilities:					
Operating expenditures	-	-	176,682	-	178,986
Capital outlay	-	-	-	-	10,000
Total	191,662	208,062	176,682	31,380	188,986
Agency appropriations:					
Operating expenditures	-	-	31,200	-	30,900
Total	31,200	31,200	31,200	-	30,900
Central services:					
Operating expenditures	-	-	521,261	-	950,523
Total	490,690	627,716	521,261	106,455	950,523
Total general government	5,389,621	6,109,232	5,385,330	723,902	5,208,089
Public safety:					
Sheriff:					
Salaries and employee benefits	-	-	3,447,795	-	3,237,517
Other operating expenditures	-	-	759,332	-	483,981
Capital outlay	-	-	328,993	-	323,435
Total	4,441,766	4,519,870	4,536,120	(16,250)	4,044,933

County of Currituck, North Carolina
General Fund
Schedule of Revenues, Expenditures, and
Changes in Fund Balances - Budget and Actual
For the Fiscal Year Ended June 30, 2008

	2008			Variance with Final Budget Positive (Negative)	2007
	Budgeted Amounts		Actual		Actual
	Original	Final			
Jail:					
Salaries and employee benefits	-	-	1,252,365	-	1,188,335
Other operating expenditures	-	-	587,975	-	442,719
Capital outlay	-	-	10,877	-	39,051
Total	1,999,292	1,972,055	1,851,217	120,838	1,670,105
Animal control:					
Salaries and employee benefits	-	-	159,072	-	149,544
Other operating expenditures	-	-	150,505	-	119,544
Capital outlay	-	-	7,467	-	20,584
Total	323,897	324,838	317,044	7,794	289,672
Jury commission:					
Operating expenditures	-	-	1,800	-	1,800
Total	2,400	2,400	1,800	600	1,800
Emergency medical services:					
Salaries and employee benefits	-	-	3,974,928	-	2,827,637
Other operating expenditures	-	-	619,978	-	226,460
Capital outlay	-	-	114,230	-	101,818
Total	4,965,534	5,107,994	4,709,136	398,858	3,155,915
Emergency management:					
Salaries and employee benefits	-	-	114,092	-	102,279
Other operating expenditures	-	-	64,406	-	132,479
Capital outlay	-	-	4,790	-	23,924
Total	169,132	202,386	183,288	19,098	258,682
Communications:					
Salaries and employee benefits	-	-	540,968	-	481,165
Other operating expenditures	-	-	168,991	-	50,146
Capital outlay	-	-	140,255	-	41,069
Total	948,968	1,269,346	850,214	419,132	572,380
Building inspections:					
Salaries and employee benefits	-	-	410,384	-	407,564
Other operating expenditures	-	-	53,243	-	41,467
Capital outlay	-	-	1,340	-	-
Total	547,060	550,594	464,967	85,627	449,031
Fire prevention:					
Salaries and employee benefits	-	-	58,933	-	63,074
Other operating expenditures	-	-	28,828	-	23,609
Capital outlay	-	-	99,266	-	78,783
Total	192,584	192,541	187,027	5,514	2,010,048
Volunteer fire departments:					
Carova Beach Volunteer Fire Department	-	-	200,947	-	137,355
Corolla Fire & Rescue Squad	-	-	403,853	-	982,120
Crawford Volunteer Fire Department	-	-	253,665	-	186,000
Lower Currituck Volunteer Fire Department	-	-	253,665	-	151,900
Knotts Island Volunteer Fire Department	-	-	176,781	-	151,476
Moyock Volunteer Fire Department	-	-	246,510	-	235,731
Total	1,693,013	1,693,013	1,535,421	157,592	2,010,048
Medical examiner:					
Contracted services	-	-	12,600	-	11,400
Total	9,000	12,000	12,600	(600)	11,400

County of Currituck, North Carolina
General Fund
Schedule of Revenues, Expenditures, and
Changes in Fund Balances - Budget and Actual
For the Fiscal Year Ended June 30, 2008

	2008			Variance with Final Budget Positive (Negative)	2007
	Budgeted Amounts		Actual		Actual
	Original	Final			
Total public safety	15,292,646	15,847,037	14,648,834	1,198,203	12,463,966
Transportation:					
Airport:					
Salaries and employee benefits	-	-	106,918	-	84,249
Other operating expenditures	-	-	341,806	-	276,123
Capital outlay	-	-	114,127	-	-
Total	767,974	710,663	562,851	147,812	360,372
Inter-county transportation:					
Contracted services	-	-	138,278	-	138,469
Total	172,827	172,827	138,278	34,549	138,469
Total transportation	940,801	883,490	701,129	182,361	498,841
Environmental protection:					
Forestry:					
Contracted services	-	-	70,449	-	59,524
Total	73,966	73,966	70,449	3,517	59,524
Soil and water conservation:					
Salaries and employee benefits	-	-	98,253	-	83,428
Other operating expenditures	-	-	16,852	-	51,569
Total	127,484	129,204	115,105	14,099	134,997
Total environmental protection	201,450	203,170	185,554	17,616	194,521
Economic and physical development:					
Cooperative extension:					
Salaries and employee benefits	-	-	139,073	-	131,009
Other operating expenditures	-	-	49,555	-	43,208
Contracted services	-	-	168,781	-	155,802
Capital outlay	-	-	11,422	-	-
Total	382,805	392,253	368,831	23,422	330,019
Support our students:					
Salaries and employee benefits	-	-	36,691	-	34,228
Other operating expenditures	-	-	29,250	-	37,295
Total	80,000	80,000	65,941	14,059	71,523
Economic development:					
Salaries and employee benefits	-	-	68,048	-	-
Other operating expenditures	-	-	20,772	-	11,578
Total	146,739	146,739	88,820	57,919	11,578
Planning and inspections:					
Salaries and employee benefits	-	-	505,293	-	465,159
Other operating expenditures	-	-	74,741	-	94,102
Capital outlay	-	-	2,800	-	17,214
Total	681,637	683,752	582,834	100,918	576,475

County of Currituck, North Carolina
General Fund
Schedule of Revenues, Expenditures, and
Changes in Fund Balances - Budget and Actual
For the Fiscal Year Ended June 30, 2008

	2008			Variance with Final Budget Positive (Negative)	2007
	Budgeted Amounts		Actual		Actual
	Original	Final			
Occupancy tax:					
Promotion of tourism	-	-	3,207,868	-	1,422,366
Tourism related expenses	-	-	639,020	-	885,003
Capital outlay	-	-	954,096	-	4,306,882
Total	<u>3,087,989</u>	<u>5,027,207</u>	<u>4,800,984</u>	<u>226,223</u>	<u>6,614,251</u>
Total economic and physical development	<u>4,379,170</u>	<u>6,329,951</u>	<u>5,907,410</u>	<u>422,541</u>	<u>7,603,846</u>
Human services:					
Health:					
Contracted services	-	-	100,000	-	45,000
Total	<u>100,000</u>	<u>100,000</u>	<u>100,000</u>	<u>-</u>	<u>45,000</u>
Mental health:					
Contracted services	-	-	36,100	-	32,812
Total	<u>39,592</u>	<u>39,592</u>	<u>36,100</u>	<u>3,492</u>	<u>32,812</u>
Social services:					
Administration:					
Salaries and employee benefits	-	-	1,906,160	-	1,783,540
Other operating expenditures	-	-	439,813	-	310,934
Capital outlay	-	-	25,119	-	3,331
Total	<u>2,351,959</u>	<u>2,463,833</u>	<u>2,371,092</u>	<u>92,741</u>	<u>2,097,805</u>
Public Assistance:					
Electronic issuance	-	-	2,769	-	5,943
Medical Transportation	-	-	43,370	-	37,650
TANF	-	-	(22)	-	680
Medical assistance program	-	-	647,094	-	706,686
Special assistance for adults	-	-	106,582	-	92,108
State foster care and boarding home payments	-	-	53,809	-	29,011
Title IV-E foster care	-	-	24,270	-	18,129
Special assistance for the blind	-	-	525	-	766
Title IV-E adoption assistance	-	-	15,918	-	15,105
Title IV-B adoption assistance	-	-	19,945	-	15,215
Title IV-B adoption assistance vendor payments	-	-	11,479	-	5,984
Child daycare	-	-	741,445	-	763,377
Smart start child daycare	-	-	107,145	-	97,150
Home care block grant	-	-	59,353	-	49,459
LINKS special assistance	-	-	-	-	-
Other assistance	-	-	49,743	-	58,774
Total	<u>2,369,873</u>	<u>2,138,400</u>	<u>1,883,425</u>	<u>254,975</u>	<u>1,896,037</u>
Total social services	<u>4,721,832</u>	<u>4,602,233</u>	<u>4,254,517</u>	<u>347,716</u>	<u>3,993,842</u>
Smart Start - Eat Smart, Move More:					
Operating expenditures	-	-	4,565	-	5,807
Contracted services	-	-	4,750	-	4,500
Total	<u>9,470</u>	<u>9,470</u>	<u>9,315</u>	<u>155</u>	<u>10,307</u>
Juvenile crime prevention control					
JCPC council	-	-	14,019	-	8,842
and support services	-	-	60,334	-	70,225

County of Currituck, North Carolina
General Fund
Schedule of Revenues, Expenditures, and
Changes in Fund Balances - Budget and Actual
For the Fiscal Year Ended June 30, 2008

	2008			Variance with Final Budget Positive (Negative)	2007
	Budgeted Amounts		Actual		Actual
	Original	Final			
Restitution	-	-	7,529	-	7,564
Teen court	-	-	21,801	-	19,399
Total	105,422	105,422	103,683	1,739	106,030
Total human services	4,976,316	4,856,717	4,503,615	353,102	4,187,991
Cultural and recreational:					
Senior citizens centers:					
Salaries and employee benefits	-	-	186,660	-	176,443
Other operating expenditures	-	-	128,855	-	130,434
Capital outlay	-	-	67,536	-	-
Total	358,305	422,458	383,051	39,407	306,877
Libraries:					
Salaries and employee benefits	-	-	266,049	-	255,838
Other operating expenditures	-	-	137,660	-	131,910
Total	453,907	497,147	403,709	93,438	387,748
Recreation:					
Salaries and employee benefits	-	-	295,121	-	292,442
Other operating expenditures	-	-	269,149	-	210,197
Capital outlay	-	-	85,383	-	143,674
Total	726,072	729,239	649,653	79,586	646,313
Equestrian facility:					
Salaries and employee benefits	-	-	-	-	32,432
Other operating expenditures	-	-	-	-	7,169
Capital outlay	-	-	-	-	48,349
Total	-	-	-	-	87,950
Total cultural and recreational	1,538,284	1,648,844	1,436,413	212,431	1,428,888
Education:					
Public schools - current	-	-	8,541,848	-	8,526,751
Public schools - capital outlay	-	-	972,064	-	900,000
Community college	-	-	50,000	-	50,000
Total education	9,563,912	9,563,912	9,563,912	-	9,476,751
Debt service:					
Principal retirement	-	-	2,067,425	-	930,000
Interest and other charges	-	-	418,693	-	325,600
Total debt service	2,486,118	2,486,118	2,486,118	-	1,255,600
Total expenditures	44,768,318	47,928,471	44,818,315	3,110,156	42,318,493
Revenues over (under) expenditures	(661,198)	(1,409,544)	3,969,042	5,378,586	2,874,821
Other financing sources (uses):					
Transfers to other funds:					
Special Revenue Funds	-	-	(382,302)	-	(504,648)
Capital Projects Funds	-	-	(2,164,849)	-	(6,985,706)
Enterprise Funds	-	-	(1,742,239)	-	(281,367)
Total transfers to other funds	(4,148,723)	(4,289,390)	(4,289,390)	-	(7,771,721)

County of Currituck, North Carolina
General Fund
Schedule of Revenues, Expenditures, and
Changes in Fund Balances - Budget and Actual
For the Fiscal Year Ended June 30, 2008

	2008			Variance with Final Budget Positive (Negative)	2007
	Budgeted Amounts		Actual		Actual
	Original	Final			
Transfers from other funds:					
Special Revenue Funds	-	-	367,592	-	-
Capital Projects Funds	-	-	1,372,064	-	1,108,177
Total transfers from other funds	1,421,628	1,739,656	1,739,656	-	1,108,177
 Total other financing sources (uses)	 (2,727,095)	 (2,549,734)	 (2,549,734)	 -	 (6,663,544)
 Revenues and other financing sources over (under) expenditures and other financing uses	 (3,388,293)	 (3,959,278)	 1,419,308	 5,378,586	 (3,788,723)
 Appropriated fund balance	 3,388,293	 3,959,278	 -	 (3,959,278)	 -
 Revenues, other sources, and appropriated fund balance over (under) expenditures	 \$ -	 \$ -	 1,419,308	 \$ 1,419,308	 (3,788,723)
 Fund balances:					
Beginning of year, July 1			23,651,008		27,439,731
End of year, June 30			\$ 25,070,316		\$ 23,651,008

This page left blank intentionally

County of Currituck, North Carolina
Combining Balance Sheet
Non-Major Governmental Funds
June 30, 2008

	Special Revenue Funds						
	Multi-year Grant Fund	Emergency Telephone System Fund	Revaluation Fund	Fire District Fund	Fire Equipment Replacement Fund	Guinea Mill Watershed Improvement Fund	Hog Ditch Watershed Improvement Fund
ASSETS							
Cash and cash equivalents	\$ 37,401	\$ 286,896	\$ 405,981	\$ 114,628	\$ 321,860	\$ 44,823	\$ 3,029
Accounts receivable, net	-	-	-	-	-	-	-
Taxes receivable, net	-	-	-	13,206	-	450	12
Due from other governments	28,431	26,732	-	5,927	-	-	-
Total assets	<u>\$ 65,832</u>	<u>\$ 313,628</u>	<u>\$ 405,981</u>	<u>\$ 133,761</u>	<u>\$ 321,860</u>	<u>\$ 45,273</u>	<u>\$ 3,041</u>
LIABILITIES AND FUND BALANCES							
Liabilities:							
Accounts payable and accrued liabilities	\$ 19,841	\$ 22	\$ -	\$ 13,554	\$ -	\$ -	\$ -
Deferred revenue	-	-	-	13,206	-	450	12
Total liabilities	<u>19,841</u>	<u>22</u>	<u>-</u>	<u>26,760</u>	<u>-</u>	<u>450</u>	<u>12</u>
Fund balances:							
Reserved by state statute	28,431	26,732	-	5,927	-	-	-
Unreserved	17,560	286,874	405,981	101,074	(226,275)	44,823	3,029
Unreserved, designated for subsequent year's budget	-	-	-	-	548,135	-	-
Total fund balances	<u>45,991</u>	<u>313,606</u>	<u>405,981</u>	<u>107,001</u>	<u>321,860</u>	<u>44,823</u>	<u>3,029</u>
Total liabilities and fund balances	<u>\$ 65,832</u>	<u>\$ 313,628</u>	<u>\$ 405,981</u>	<u>\$ 133,761</u>	<u>\$ 321,860</u>	<u>\$ 45,273</u>	<u>\$ 3,041</u>

Moyock Watershed Improvement Fund	Northwest Watershed Improvement Fund	Whalehead Watershed Improvement Fund	Total Non-Major Special Revenue Funds
\$ 39,433	\$ 2,167	\$ 581,386	\$ 1,837,604
-	-	-	-
404	59	296	14,427
-	-	26	61,116
<u>\$ 39,837</u>	<u>\$ 2,226</u>	<u>\$ 581,708</u>	<u>\$ 1,913,147</u>

\$ -	\$ -	\$ 33,302	\$ 66,719
404	59	296	14,427
<u>404</u>	<u>59</u>	<u>33,598</u>	<u>81,146</u>

-	-	26	61,116
39,433	2,167	548,084	1,222,750
-	-	-	548,135
<u>39,433</u>	<u>2,167</u>	<u>548,110</u>	<u>1,832,001</u>
<u>\$ 39,837</u>	<u>\$ 2,226</u>	<u>\$ 581,708</u>	<u>\$ 1,913,147</u>

Capital Projects Funds

Land Banking Fund	Capital Improvements Fund	School Capital Fund	Total Non-Major Capital Projects Funds	Total Non-Major Governmental Funds
\$ 2,735,012	\$ 2,899,663	\$ 930,808	\$ 6,565,483	\$ 8,403,087
-	-	-	-	-
-	-	-	-	14,427
-	399,623	325,563	725,186	786,302
<u>\$ 2,735,012</u>	<u>\$ 3,299,286</u>	<u>\$ 1,256,371</u>	<u>\$ 7,290,669</u>	<u>\$ 9,203,816</u>

\$ -	\$ -	\$ -	\$ -	\$ 66,719
-	-	-	-	14,427
-	-	-	-	81,146

-	399,623	313,633	713,256	774,372
2,735,012	2,899,663	942,738	6,577,413	7,800,163
-	-	-	-	548,135
<u>2,735,012</u>	<u>3,299,286</u>	<u>1,256,371</u>	<u>7,290,669</u>	<u>9,122,670</u>
<u>\$ 2,735,012</u>	<u>\$ 3,299,286</u>	<u>\$ 1,256,371</u>	<u>\$ 7,290,669</u>	<u>\$ 9,203,816</u>

County of Currituck, North Carolina
Combining Statement of Revenues, Expenditures, and Changes in Fund Balance
Nonmajor Governmental Funds
For the Year Ended June 30, 2008

	Special Revenue Funds						
	Multi- year Grant Fund	Emergency Telephone System Fund	Revaluation Fund	Fire District Fund	Fire Equipment Replacement Fund	Guinea Mill Watershed Improvement Fund	Hog Ditch Watershed Improvement Fund
REVENUES							
Ad valorem taxes	\$ -	\$ -	\$ -	\$ 5,690	\$ -	\$ 11,427	\$ 1,039
Other taxes and licenses	-	193,563	-	-	-	-	-
Restricted							
intergovernmental	85,000	71,229	-	-	-	-	-
Investment earnings	271	28,886	17,463	22,686	17,708	2,145	134
Total revenues	<u>85,271</u>	<u>293,678</u>	<u>17,463</u>	<u>28,376</u>	<u>17,708</u>	<u>13,572</u>	<u>1,173</u>
EXPENDITURES							
Current:							
Public safety	-	144,286	-	447,969	250,118	-	-
Economic and physical development	22,999	-	-	-	-	-	-
Environmental protection	-	-	-	-	-	2,000	-
Total expenditures	<u>22,999</u>	<u>144,286</u>	<u>-</u>	<u>447,969</u>	<u>250,118</u>	<u>2,000</u>	<u>-</u>
Excess (deficiency) of revenues over expenditures	<u>62,272</u>	<u>149,392</u>	<u>17,463</u>	<u>(419,593)</u>	<u>(232,410)</u>	<u>11,572</u>	<u>1,173</u>
OTHER FINANCING SOURCES (USES)							
Transfers (to) from other funds	-	(318,028)	121,000	(49,564)	261,302	-	-
Total other financing sources and uses	<u>-</u>	<u>(318,028)</u>	<u>121,000</u>	<u>(49,564)</u>	<u>261,302</u>	<u>-</u>	<u>-</u>
Net change in fund balances	<u>62,272</u>	<u>(168,636)</u>	<u>138,463</u>	<u>(469,157)</u>	<u>28,892</u>	<u>11,572</u>	<u>1,173</u>
Fund balances - beginning	(16,281)	482,242	267,518	576,158	292,968	33,251	1,856
Fund balances - ending	<u>\$ 45,991</u>	<u>\$ 313,606</u>	<u>\$ 405,981</u>	<u>\$ 107,001</u>	<u>\$ 321,860</u>	<u>\$ 44,823</u>	<u>\$ 3,029</u>

	Moyock Watershed Improvement Fund	Northwest Watershed Improvement Fund	Whalehead Watershed Improvement Fund	Total Non-Major Special Revenue Funds
\$	13,474	\$ 1,816	\$ 95,693	\$ 129,139
	-	-	-	193,563
	-	-	-	156,229
	1,947	181	33,598	125,019
	15,421	1,997	129,291	603,950
	-	-	-	842,373
	-	-	-	22,999
	5,604	4,950	175,024	187,578
	5,604	4,950	175,024	1,052,950
	9,817	(2,953)	(45,733)	(449,000)
	-	-	-	14,710
	-	-	-	14,710
	9,817	(2,953)	(45,733)	(434,290)
	29,616	5,120	593,843	2,266,291
\$	39,433	\$ 2,167	\$ 548,110	\$ 1,832,001

Capital Projects Funds				
Land Banking Fund	Capital Improvements Fund	School Capital Fund	Total Non-major Capital Projects Funds	Total Non-Major Governmental Funds
\$ -	\$ -	\$ -	\$ -	\$ 129,139
-	1,532,750	1,249,026	2,781,776	2,975,339
-	-	-	-	156,229
130,364	123,015	44,019	297,398	422,417
130,364	1,655,765	1,293,045	3,079,174	3,683,124
-	-	-	-	842,373
-	-	-	-	22,999
-	-	-	-	187,578
-	-	-	-	1,052,950
130,364	1,655,765	1,293,045	3,079,174	2,630,174
300,000	(200,000)	(972,064)	(872,064)	(857,354)
300,000	(200,000)	(972,064)	(872,064)	(857,354)
430,364	1,455,765	320,981	2,207,110	1,772,820
2,304,648	1,843,521	935,390	5,083,559	7,349,850
\$ 2,735,012	\$ 3,299,286	\$ 1,256,371	\$ 7,290,669	\$ 9,122,670

County of Currituck, North Carolina
Multi-year Grant Fund
Schedule of Revenues, Expenditures, and
Changes in Fund Balances - Budget and Actual
From Inception and for the Fiscal Year Ended June 30, 2008

	Project Authorization	Prior Year	Actual Current Year	Total to Date	Variance Positive (Negative)
Revenues					
Restricted intergovernmental:					
Canal #2 water salinity study	\$ 37,900	\$ 37,900	\$ -	\$ 37,900	\$ -
CDBG - 2002	400,000	394,349	-	394,349	(5,651)
Albemarle Commission CDBG funding	85,000	-	85,000	85,000	-
Investment Earnings	-	3,589	271	3,860	3,860
Total revenues	522,900	435,838	\$ 85,271	521,109	\$ (1,791)
Expenditures					
General government:					
Canal #2 water salinity study	37,900	38,772	-	38,772	(872)
Total general government	37,900	38,772	-	38,772	(872)
Economic and physical development:					
CDBG scattered site project - 2002					
Administration	40,000	24,137	-	24,137	15,863
Clearance	40,000	35,328	-	35,328	4,672
Housing Rehabilitation	300,898	225,674	22,999	248,673	52,225
Relocation	234,550	278,976	-	278,976	(44,426)
Total CDBG					
scattered site project 2002	615,448	564,115	22,999	587,114	28,334
UNC economic vision study	153,896	139,905	-	139,905	13,991
Total economic					
and physical development	769,344	704,020	22,999	727,019	42,325
Total expenditures	807,244	742,792	22,999	765,791	41,453
Revenues under expenditures	(284,344)	(306,954)	62,272	(244,682)	39,662
Other financing sources:					
Transfers in:					
General Fund	284,344	300,187	-	300,187	15,843
Revenues and other financing sources over (under) expenditures	<u>\$ -</u>	<u>\$ (6,767)</u>	62,272	<u>\$ 55,505</u>	<u>\$ 55,505</u>
Fund balance:					
Beginning of year, July 1			(16,281)		
End of Year, June 30			<u>\$ 45,991</u>		

County of Currituck, North Carolina
Emergency Telephone System Fund
Schedule of Revenues, Expenditures, and
Changes in Fund Balances - Budget and Actual
For the Fiscal Year Ended June 30, 2008

	2008			Variance with Final Positive (Negative)	2007
	Budgeted Amounts		Actual		Actual
	Original	Final			
Revenues					
Other taxes and licenses:					
911 system subscriber fees	\$ 174,000	\$ 174,000	\$ 193,563	\$ 19,563	\$ 173,273
Restricted intergovernmental:					
Wireless 911 funds	110,000	110,000	71,229	(38,771)	121,442
Investment earnings	5,000	5,000	28,886	23,886	23,301
Total revenues	<u>289,000</u>	<u>289,000</u>	<u>293,678</u>	<u>4,678</u>	<u>318,016</u>
Expenditures					
Public safety	289,000	289,000	144,286	144,714	424,257
Total expenditures	<u>289,000</u>	<u>289,000</u>	<u>144,286</u>	<u>144,714</u>	<u>424,257</u>
Revenues over (under) expenditures	-	-	149,392	149,392	(106,241)
Other financing uses:					
Transfers to general fund	-	(318,028)	(318,028)	-	-
Revenues and other financing sources over expenditures	-	(318,028)	(168,636)	149,392	(106,241)
Appropriated fund balance	-	318,028	-	(318,028)	-
Revenues, other finance sources and appropriated fund balance over (under) expenditures	<u>\$ -</u>	<u>\$ -</u>	(168,636)	<u>\$ (168,636)</u>	(106,241)
Fund balances:					
Beginning of year, July 1					
E-911 fund			280,504		338,477
Wireless 911			201,738		250,006
Beginning of year, totals			<u>482,242</u>		<u>588,483</u>
End of year, June 30					
E-911 fund			313,606		280,504
Wireless 911			-		201,738
End of year, totals			<u>\$ 313,606</u>		<u>\$ 482,242</u>

County of Currituck, North Carolina
Revaluation Fund
Schedule of Revenues, Expenditures, and
Changes in Fund Balances - Budget and Actual
For the Fiscal Year Ended June 30, 2008

	2008			Variance with Final Positive (Negative)	2007
	Budgeted Amounts		Actual		Actual
	Original	Final			
Revenues:					
Investment earnings	\$ 2,500	\$ 2,500	\$ 17,463	\$ 14,963	\$ 10,953
Expenditures:					
Current:					
General government:					
Contract services	123,500	123,500	-	123,500	7,500
Total expenditures	123,500	123,500	-	123,500	7,500
Revenues over (under) expenditures	(121,000)	(121,000)	17,463	138,463	3,453
Other financing sources:					
Operating transfer in:					
General Fund	121,000	121,000	121,000	-	121,000
Revenues and other sources over (under) expenditures	\$ -	\$ -	138,463	\$ 138,463	124,453
Fund balances:					
Beginning of year, July 1			267,518		143,065
End of year, June 30			\$ 405,981		\$ 267,518

County of Currituck, North Carolina
Fire District Fund
Schedule of Revenues, Expenditures, and
Changes in Fund Balances - Budget and Actual
For the Fiscal Year Ended June 30, 2008

	2008			Variance with Final Positive (Negative)	2007
	Budgeted Amounts		Actual		Actual
	Original	Final			
Revenues:					
Ad valorem taxes:					
Prior years	-	-	4,234	4,234	10,833
Interest	-	-	1,456	1,456	2,554
Total ad valorem taxes	-	-	5,690	5,690	13,387
Investment earnings	-	-	22,686	22,686	38,590
Total revenues	-	-	28,376	28,376	51,977
Expenditures:					
Current:					
Public safety:					
Crawford Fire District	-	-	-	-	66,156
Fruitville Fire District	-	35,000	35,000	-	238,000
Moyock Fire District	-	-	-	-	11,267
Poplar Branch Fire District	-	424,000	412,969	11,031	66,188
Total expenditures	-	459,000	447,969	11,031	381,611
Revenues over (under) expenditures	-	(459,000)	(419,593)	39,407	(329,634)
Other financing sources (uses):					
Transfers to general fund	(49,564)	(49,564)	(49,564)	-	-
Revenues and other financing sources under expenditures	(49,564)	(508,564)	(469,157)	39,407	(329,634)
Appropriated fund balance	49,564	508,564	-	(508,564)	-
Revenues, other financing sources and appropriated fund balance over (under) expenditures and other uses	\$ -	\$ -	(469,157)	\$ (469,157)	(329,634)
Fund balances:					
Beginning of year, July 1			576,158		905,792
End of year, June 30			\$ 107,001		\$ 576,158

County of Currituck, North Carolina
Fire Equipment Replacement Fund
Schedule of Revenues, Expenditures, and
Changes in Fund Balances - Budget and Actual
For the Fiscal Year Ended June 30, 2008

	2008			Variance with Final Positive (Negative)	2007
	Budgeted Amounts		Actual		Actual
	Original	Final			
Revenues:					
Investment earnings	\$ 1,000	\$ 1,000	\$ 17,708	\$ 16,708	\$ 10,147
Expenditures:					
Current:					
Public safety	548,135	548,135	250,118	298,017	2,012
Total expenditures	548,135	548,135	250,118	298,017	2,012
Revenues over (under) expenditures	(547,135)	(547,135)	(232,410)	314,725	8,135
Other financing sources:					
Transfers from general fund	261,302	261,302	261,302	-	253,200
Revenues and other financing sources over expenditures	(285,833)	(285,833)	28,892	314,725	261,335
Appropriated fund balance	285,833	285,833	-	(285,833)	-
Revenues, other finance sources and appropriated fund balance over (under) expenditures	\$ -	\$ -	28,892	\$ 28,892	261,335
Fund balances:					
Beginning of year, July 1			292,968		31,633
End of year, June 30			\$ 321,860		\$ 292,968

County of Currituck, North Carolina
Guinea Mill Watershed Improvement Fund
Schedule of Revenues, Expenditures, and
Changes in Fund Balances - Budget and Actual
For the Fiscal Year Ended June 30, 2008

	2008			Variance with Final Positive (Negative)	2007
	Budgeted Amounts		Actual		Actual
	Original	Final			
Revenues:					
Ad valorem taxes:					
Current year	\$ 10,234	\$ 10,234	\$ 11,045	\$ 811	\$ 10,119
Prior years	-	-	315	315	385
Interest	-	-	67	67	80
Total ad valorem taxes	<u>10,234</u>	<u>10,234</u>	<u>11,427</u>	<u>1,193</u>	<u>10,584</u>
Investment earnings	-	-	2,145	2,145	1,425
Total revenues	<u>10,234</u>	<u>10,234</u>	<u>13,572</u>	<u>3,338</u>	<u>12,009</u>
Expenditures:					
Current:					
Environmental protection:	<u>10,234</u>	<u>10,234</u>	<u>2,000</u>	<u>8,234</u>	<u>-</u>
Total expenditures	<u>10,234</u>	<u>10,234</u>	<u>2,000</u>	<u>8,234</u>	<u>-</u>
Revenues over (under) expenditures	-	-	11,572	11,572	12,009
Revenues over (under) expenditures	<u>\$ -</u>	<u>\$ -</u>	11,572	<u>\$ 11,572</u>	12,009
Fund balances:					
Beginning of year, July 1			<u>33,251</u>		<u>21,242</u>
End of year, June 30			<u>\$ 44,823</u>		<u>\$ 33,251</u>

County of Currituck, North Carolina
Hog Ditch Watershed Improvement Fund
Schedule of Revenues, Expenditures, and
Changes in Fund Balances - Budget and Actual
For the Fiscal Year Ended June 30, 2008

	2008			Variance with Final Positive (Negative)	2007
	Budgeted Amounts		Actual		Actual
	Original	Final			
Revenues:					
Ad valorem taxes:					
Current year	\$ 912	\$ 912	\$ 1,023	\$ 111	\$ 864
Prior years taxes	-	-	12	\$ 12	-
Interest	-	-	4	4	2
Total ad valorem taxes	912	912	1,039	127	866
Investment earnings	-	-	134	134	75
Total revenues	912	912	1,173	261	941
Expenditures:					
Current:					
Environmental protection:	912	912	-	912	-
Total expenditures	912	912	-	912	-
Revenues over (under) expenditures	\$ -	\$ -	\$ 1,173	\$ 1,173	\$ 941
Fund balances:					
Beginning of year, July 1			1,856		915
End of year, June 30			\$ 3,029		\$ 1,856

County of Currituck, North Carolina
Moyock Watershed Improvement Fund
Schedule of Revenues, Expenditures, and
Changes in Fund Balances - Budget and Actual
For the Fiscal Year Ended June 30, 2008

	2008			Variance with Final Positive (Negative)	2007
	Budgeted Amounts		Actual		Actual
	Original	Final			
Revenues:					
Ad valorem taxes:					
Current year	\$ 12,333	\$ 12,333	\$ 13,287	\$ 954	\$ 12,434
Prior years taxes	-	-	134	\$ 134	104
Interest	-	-	53	53	43
Total ad valorem taxes	<u>12,333</u>	<u>12,333</u>	<u>13,474</u>	<u>1,141</u>	<u>12,581</u>
Investment earnings	-	-	1,947	1,947	1,623
Total revenues	<u>12,333</u>	<u>12,333</u>	<u>15,421</u>	<u>3,088</u>	<u>14,204</u>
Expenditures:					
Current:					
Environmental protection:	12,333	12,333	5,604	6,729	16,330
Total expenditures	<u>12,333</u>	<u>12,333</u>	<u>5,604</u>	<u>6,729</u>	<u>16,330</u>
Revenues over (under) expenditures	<u>\$ -</u>	<u>\$ -</u>	9,817	<u>\$ 9,817</u>	(2,126)
Fund balances:					
Beginning of year, July 1			29,616		31,742
End of year, June 30			<u>\$ 39,433</u>		<u>\$ 29,616</u>

County of Currituck, North Carolina
Northwest Watershed Improvement Fund
Schedule of Revenues, Expenditures, and
Changes in Fund Balances - Budget and Actual
For the Fiscal Year Ended June 30, 2008

	2008			Variance with Final Positive (Negative)	2007
	Budgeted Amounts		Actual		Actual
	Original	Final			
Revenues:					
Ad valorem taxes:					
Current year	\$ 1,708	\$ 1,708	\$ 1,795	\$ 87	\$ 1,733
Prior years taxes	-	-	11	\$ 11	16
Interest	-	-	10	10	7
Total ad valorem taxes	<u>1,708</u>	<u>1,708</u>	<u>1,816</u>	<u>108</u>	<u>1,756</u>
Investment earnings	-	-	181	181	218
Total revenues	<u>1,708</u>	<u>1,708</u>	<u>1,997</u>	<u>289</u>	<u>1,974</u>
Expenditures:					
Current:					
Environmental protection:	1,708	4,950	4,950	-	-
Total expenditures	<u>1,708</u>	<u>4,950</u>	<u>4,950</u>	<u>-</u>	<u>-</u>
Revenues over (under) expenditures	-	(3,242)	(2,953)	289	1,974
Appropriated fund balance	-	3,242	-	(3,242)	-
Revenues and appropriated fund balance over (under) expenditures	<u>\$ -</u>	<u>\$ -</u>	(2,953)	<u>\$ (2,953)</u>	1,974
Fund balances:					
Beginning of year, July 1			5,120		3,146
End of year, June 30			<u>\$ 2,167</u>		<u>\$ 5,120</u>

County of Currituck, North Carolina
Whalehead Watershed Improvement Fund
Schedule of Revenues, Expenditures, and
Changes in Fund Balances - Budget and Actual
For the Fiscal Year Ended June 30, 2008

	2008			Variance with Final Positive (Negative)	2007
	Budgeted Amounts		Actual		Actual
	Original	Final			
Revenues:					
Ad valorem taxes:					
Current year	\$ 91,364	\$ 91,364	\$ 95,077	\$ 3,713	\$ 92,361
Prior year taxes	-	-	466	466	1,510
Interest	-	-	150	150	136
Total ad valorem taxes	<u>91,364</u>	<u>91,364</u>	<u>95,693</u>	<u>4,329</u>	<u>94,007</u>
Investment earnings	-	-	33,598	33,598	28,748
Total revenues	<u>91,364</u>	<u>91,364</u>	<u>129,291</u>	<u>37,927</u>	<u>122,755</u>
Expenditures:					
Current:					
Environmental protection:	<u>91,364</u>	<u>434,265</u>	<u>175,024</u>	<u>259,241</u>	<u>91,657</u>
Total expenditures	<u>91,364</u>	<u>434,265</u>	<u>175,024</u>	<u>259,241</u>	<u>91,657</u>
Revenues over (under) expenditures	\$ -	\$ (342,901)	(45,733)	\$ 297,168	31,098
Appropriated fund balance	<u>-</u>	<u>342,901</u>	<u>-</u>	<u>(342,901)</u>	<u>-</u>
Revenues and appropriated fund balance over (under) expenditures	<u>\$ -</u>	<u>\$ -</u>	(45,733)	<u>\$ (45,733)</u>	31,098
Fund balances:					
Beginning of year, July 1			<u>593,843</u>		<u>562,745</u>
End of year, June 30			<u>\$ 548,110</u>		<u>\$ 593,843</u>

County of Currituck, North Carolina
Land Banking Fund
Schedule of Revenues, Expenditures, and
Changes in Fund Balances - Budget and Actual
For the Fiscal Year Ended June 30, 2008

	2008			Variance with Final Positive (Negative)	2007
	Original Budget	Final Budget	Actual		Actual
Revenues:					
Investment earnings	-	-	130,364	130,364	102,463
Total revenues	-	-	130,364	130,364	102,463
Expenditures:					
Capital outlay	200,000	830,000	-	830,000	-
Farmland preservation	100,000	100,000	-	-	-
Total expenditures	300,000	930,000	-	830,000	-
Revenues over (under) expenditures	(300,000)	(930,000)	130,364	1,060,364	102,463
Other financing sources:					
Transfers from transfer tax fund	300,000	300,000	300,000	-	300,000
Revenues and other financing sources over (under) expenditures	\$ -	\$ (630,000)	430,364	\$ 1,060,364	402,463
Appropriated fund balance	-	630,000	-	(630,000)	-
Revenues, other financing sources and appropriated fund balance over expenditures	\$ -	\$ -	430,364	\$ 430,364	402,463
Fund balances:					
Beginning of year, July 1			2,304,648		1,902,185
End of year, June 30			<u>\$ 2,735,012</u>		<u>\$ 2,304,648</u>

County of Currituck, North Carolina
Capital Improvements Fund
Schedule of Revenues, Expenditures, and
Changes in Fund Balances - Budget and Actual
For the Fiscal Year Ended June 30, 2008

	2008			Variance with Final Positive (Negative)	2007
	Budgeted Amounts		Actual		Actual
	Original	Final			
Revenues:					
Other taxes and licenses:					
Article 40 supplemental sales tax	803,564	803,564	980,092	176,528	952,067
Article 42 supplemental sales tax	421,375	421,375	552,658	131,283	536,843
Investment earnings	25,000	25,000	123,015	98,015	58,945
Total revenues	<u>1,249,939</u>	<u>1,249,939</u>	<u>1,655,765</u>	<u>405,826</u>	<u>1,547,855</u>
Expenditures:					
Contingency	1,049,939	1,049,939	-	(1,049,939)	-
Total expenditures	<u>1,049,939</u>	<u>1,049,939</u>	<u>-</u>	<u>(1,049,939)</u>	<u>-</u>
Revenues over expenditures	200,000	200,000	1,655,765	1,455,765	1,547,855
Other financing uses:					
Transfers to other funds:					
General fund	(200,000)	(200,000)	(200,000)	-	(200,000)
County Government Facilities fund	-	-	-	-	(1,017,900)
Total other financing uses	<u>(200,000)</u>	<u>(200,000)</u>	<u>(200,000)</u>	<u>-</u>	<u>(1,217,900)</u>
Revenues over (under) other financing uses	<u>\$ -</u>	<u>\$ -</u>	1,455,765	<u>1,455,765</u>	329,955
Fund balances:					
Beginning of year, July 1			1,843,521		1,513,566
End of year, June 30			<u>\$ 3,299,286</u>		<u>\$ 1,843,521</u>

County of Currituck, North Carolina
School Capital Fund
Schedule of Revenues, Expenditures, and
Changes in Fund Balances - Budget and Actual
For the Fiscal Year Ended June 30, 2008

	2008			Variance with Final Positive (Negative)	2007
	Budgeted Amounts		Actual		Actual
	Original	Final			
Revenues:					
Other taxes and licenses:					
Article 40 supplemental sales tax	323,865	323,865	420,039	96,174	408,029
Article 42 supplemental sales tax	639,699	639,699	828,987	189,288	805,264
Investment earnings	8,500	8,500	44,019	35,519	21,956
Total revenues	<u>972,064</u>	<u>972,064</u>	<u>1,293,045</u>	<u>320,981</u>	<u>1,235,249</u>
Other financing uses:					
Transfers to other funds:					
General fund	<u>(972,064)</u>	<u>(972,064)</u>	<u>(972,064)</u>	-	<u>(900,000)</u>
Total other financing uses	<u>(972,064)</u>	<u>(972,064)</u>	<u>(972,064)</u>	-	<u>(900,000)</u>
Revenues over other financing uses	<u>\$ -</u>	<u>\$ -</u>	320,981	<u>\$ 320,981</u>	335,249
Fund balances:					
Beginning of year, July 1			935,390		600,141
End of year, June 30			<u>\$ 1,256,371</u>		<u>\$ 935,390</u>

County of Currituck, North Carolina
County Government Facilities Fund
Schedule of Revenues, Expenditures, and
Changes in Fund Balances - Budget and Actual
From Inception and for the Fiscal Year Ended June 30, 2008

	Project Authorization	Actual			Variance Positive (Negative)
		Prior Years	Current Year	Total to Date	
Revenues					
Intergovernmental revenues:					
State aid to airports	\$ 1,839,201	\$ 148,095	\$ 722,136	\$ 870,231	\$ (968,970)
Park grant	504,905	250,000	-	250,000	(254,905)
Knotts Island Fire Dept Loan Proceeds	800,000	-	-	-	(800,000)
Total	3,144,106	398,095	722,136	1,120,231	(2,023,875)
Investment earnings	1,743,893	2,391,751	894,129	3,285,880	1,541,987
Total revenues	4,887,999	2,789,846	1,616,265	4,406,111	(481,888)
Expenditures					
Public safety:					
Jail Kitchen	1,883,764	1,589,247	101,236	1,690,483	193,281
Knotts Island Fire Station	2,206,411	49,728	453,282	503,010	1,703,401
Public Safety Communications Equipment	1,632,822	1,433,688	89,394	1,523,082	109,740
Total public safety	5,722,997	3,072,663	643,912	3,716,575	2,006,422
Economic and physical development:					
Cooperative extension building	8,400,000	4,919,922	2,853,511	7,773,433	626,567
Transportation:					
Hangar #3 FY 2006	71,600	9,691	(7,774)	1,917	69,683
T-Hangar/Fence/Fuel System Repair	500,001	166,890	4,187	171,077	328,924
Partial parallel and connector taxiway	700,000	154,476	379,987	534,463	165,537
Parallel taxiway	940,000	-	-	-	940,000
Hangar & taxiway	166,667	-	-	-	166,667
Total transportation	2,378,268	331,057	376,400	707,457	1,670,811
Cultural and recreational:					
Community park development	2,449,000	2,382,414	28,885	2,411,299	37,701
Carova Beach park	560,811	-	382,827	382,827	177,984
Moyock library	1,800,000	-	173,544	173,544	1,626,456
Recreation facility - Maple	770,000	76,086	-	76,086	693,914
Total cultural and recreational	5,579,811	2,458,500	585,256	3,043,756	2,536,055
Total expenditures	22,081,076	10,782,142	4,459,079	15,241,221	6,839,855
Revenues under expenditures	(17,193,077)	(7,992,296)	(2,842,814)	(10,835,110)	(7,321,743)
Other financing sources (uses):					
Transfers (to) from other funds:					
General fund	6,461,600	11,099,621	1,920,667	13,020,288	6,558,688
Capital improvements fund	1,017,900	5,517,900	-	5,517,900	4,500,000
Transfer tax capital fund	9,213,577	12,706,258	900,000	13,606,258	4,392,681
School construction fund	(2,250,000)	-	(2,250,000)	(2,250,000)	-
Total other financing sources (uses)	14,443,077	29,323,779	570,667	29,894,446	15,451,369
Revenues and other sources over (under) expenditures	\$ (2,750,000)	\$ 21,331,483	(2,272,147)	\$ 19,059,336	\$ 21,809,336
Appropriated fund balance	2,750,000	-	-	-	(2,750,000)
Revenues, other sources and appropriated fund balance over (under) expenditures	\$ -	\$ 21,331,483	(2,272,147)	\$ 19,059,336	\$ 19,059,336
Fund balances:					
Beginning of year, July 1			22,038,536		
End of year, June 30			\$ 19,766,389		

County of Currituck, North Carolina
School Capital Projects Fund
Schedule of Revenues, Expenditures, and
Changes in Fund Balances - Budget and Actual
From Inception and for the Fiscal Year Ended June 30, 2008

	Project Authorization	Actual		Total to Date	Variance Positive (Negative)
		Prior Years	Current Year		
Revenues					
Public School Capital Building Fund	620,980	620,980	456,585	1,077,565	(456,585)
State Lottery proceeds		-	203,740	203,740	(203,740)
Investment earnings	1,303,286	1,724,018	738,911	2,462,929	1,159,643
Total revenues	<u>1,924,266</u>	<u>2,344,998</u>	<u>1,399,236</u>	<u>3,744,234</u>	<u>499,318</u>
Expenditures					
Intergovernmental - education:					
Jarvisburg Elementary School construction	14,934,000	4,162,805	8,804,487	12,967,292	1,966,708
Moyock Elementary School, renovation	1,850,000	1,801,832	-	1,801,832	48,168
Shawboro Elementary School construction	20,625,041	1,987,226	12,472,757	14,459,983	6,165,058
Total expenditures	<u>37,409,041</u>	<u>7,951,863</u>	<u>21,277,244</u>	<u>29,229,107</u>	<u>8,179,934</u>
Revenues over (under) expenditures	<u>(35,484,775)</u>	<u>(5,606,865)</u>	<u>(19,878,008)</u>	<u>(25,484,873)</u>	<u>(7,680,616)</u>
Other financing sources:					
Proceeds from debt issuance	8,000,000	-	8,000,000	8,000,000	-
Transfers from					
General Fund	14,656,058	8,385,113	244,182	8,629,295	(6,026,763)
Governmental Construction Fund	2,250,000	-	2,250,000	2,250,000	-
Transfer Tax Capital Fund	10,578,717	8,578,717	2,000,000	10,578,717	-
	<u>27,484,775</u>	<u>16,963,830</u>	<u>4,494,182</u>	<u>21,458,012</u>	<u>(6,026,763)</u>
Total other financing sources	<u>35,484,775</u>	<u>16,963,830</u>	<u>12,494,182</u>	<u>29,458,012</u>	<u>(6,026,763)</u>
Revenues, other sources over (under) expenditures	<u>\$ -</u>	<u>\$ 11,356,965</u>	<u>(7,383,826)</u>	<u>\$ 3,973,139</u>	<u>\$ 3,973,139</u>
Fund balances:					
Beginning of year, July 1			11,416,758		
End of year, June 30			<u>\$ 4,032,932</u>		

County of Currituck, North Carolina
Transfer Tax Capital Fund
Schedule of Revenues, Expenditures, and
Changes in Fund Balances - Budget and Actual
For the Fiscal Year Ended June 30, 2008

	2008			Variance with Final Positive (Negative)	2007
	Budgeted Amounts		Actual		Actual
	Original	Final			
Revenues:					
Other taxes and licenses					
Land transfer tax	3,325,700	3,325,700	2,559,784	(765,916)	3,237,940
Investment earnings	75,000	75,000	222,465	147,465	231,962
Total revenues	<u>3,400,700</u>	<u>3,400,700</u>	<u>2,782,249</u>	<u>(618,451)</u>	<u>3,469,902</u>
Expenditures:					
Fees Paid to Officials	700	700	-	700	-
Total expenditures	<u>700</u>	<u>700</u>	<u>-</u>	<u>700</u>	<u>-</u>
Revenues over (under) expenditures	<u>3,400,000</u>	<u>3,400,000</u>	<u>2,782,249</u>	<u>(617,751)</u>	<u>3,469,902</u>
Other financing uses:					
Transfers to general fund	(200,000)	(200,000)	(200,000)	-	(8,177)
Transfers to County government facilities	(900,000)	(900,000)	(900,000)	-	(3,952,500)
Transfers to school facilities fund	(2,000,000)	(2,000,000)	(2,000,000)	-	(1,000,000)
Transfers to land banking fund	(300,000)	(300,000)	(300,000)	-	(300,000)
Total other financing uses	<u>(3,400,000)</u>	<u>(3,400,000)</u>	<u>(3,400,000)</u>	<u>-</u>	<u>(5,260,677)</u>
Revenues and other financing uses over (under) expenditures	-	-	(617,751)	(617,751)	(1,790,775)
Revenues and other financing uses over expenditures	<u>\$ -</u>	<u>\$ -</u>	(617,751)	<u>\$ (617,751)</u>	(1,790,775)
Fund balances:					
Beginning of year, July 1			4,342,359		6,133,134
End of year, June 30			<u>\$ 3,724,608</u>		<u>\$ 4,342,359</u>

This page left blank intentionally

County of Currituck, North Carolina
Combining Statement of Net Assets
Non-Major Proprietary Funds
For the Year Ended June 30, 2008

	Enterprise Funds		Totals	
	Newtown	Moyock	June 30 2008	June 30 2007
	Road Sewer Fund	Commons Sewer Fund		
ASSETS				
Current assets:				
Cash and cash equivalents	\$ 148,393	\$ 94,514	\$ 242,907	\$ 521,807
Taxes receivable, net	-	162	162	108
Receivables, net	823	21,160	21,983	6,736
Total current assets	<u>149,216</u>	<u>115,836</u>	<u>265,052</u>	<u>528,651</u>
Noncurrent assets:				
Capital assets:				
Land, improvements, and construction in progress	87,000	-	87,000	87,000
Other capital assets, net of depreciation	240,182	340,109	580,291	279,797
Total capital assets	<u>327,182</u>	<u>340,109</u>	<u>667,291</u>	<u>366,797</u>
Total assets	<u>476,398</u>	<u>455,945</u>	<u>932,343</u>	<u>895,448</u>
LIABILITIES				
Current liabilities:				
Accounts payable	425	3,880	4,305	6,611
Customer deposits	265	-	265	266
Total liabilities	<u>690</u>	<u>3,880</u>	<u>4,570</u>	<u>6,877</u>
NET ASSETS				
Invested in capital assets, net of related debt	327,182	340,109	667,291	366,797
Unrestricted	148,526	111,956	260,482	521,774
Total net assets	<u>\$ 475,708</u>	<u>\$ 452,065</u>	<u>\$ 927,773</u>	<u>\$ 888,571</u>

County of Currituck, North Carolina
Combining Statement of Revenues, Expenses, and Changes in Fund Net Assets
Non-Major Proprietary Funds
For the Year Ended June 30, 2008

	Enterprise Funds		Totals	
	Newtown Road Sewer Fund	Moyock Commons Sewer Fund	June 30, 2008	June 30, 2007
OPERATING REVENUES				
Charges for services	\$ 8,426	\$ 71,055	\$ 79,481	\$ 72,519
Miscellaneous	25	357	382	550
Total operating revenues	<u>8,451</u>	<u>71,412</u>	<u>79,863</u>	<u>73,069</u>
OPERATING EXPENSES				
Administration	850	3,325	4,175	5,706
Water and sewer district	6,564	67,958	74,522	68,914
Depreciation	16,954	12,178	29,132	20,901
Total operating expenses	<u>24,368</u>	<u>83,461</u>	<u>107,829</u>	<u>95,521</u>
Operating income (loss)	<u>(15,917)</u>	<u>(12,049)</u>	<u>(27,966)</u>	<u>(22,452)</u>
NONOPERATING REVENUES (EXPENSES)				
Tax revenue	-	48,375	48,375	39,647
Interest and investment revenue	7,491	11,302	18,793	15,366
Total nonoperating revenue (expenses)	<u>7,491</u>	<u>59,677</u>	<u>67,168</u>	<u>55,013</u>
Income (loss) before transfers	(8,426)	47,628	39,202	32,561
Transfer	-	-	-	<u>281,367</u>
Change in net assets	(8,426)	47,628	39,202	313,928
Total net assets - beginning	484,134	404,437	888,571	574,643
Total net assets - ending	<u>\$ 475,708</u>	<u>\$ 452,065</u>	<u>\$ 927,773</u>	<u>\$ 888,571</u>

County of Currituck, North Carolina
Combining Statement of Cash Flows
Non-Major Proprietary Fund
For the Year Ended June 30, 2008

	Newtown Road Sewer Fund	Moyock Commons Sewer Fund	Totals	
			June 30, 2008	June 30, 2007
Cash flows from operating activities:				
Cash received from customers	\$ 8,384	\$ 55,849	\$ 64,233	\$ 70,764
Cash paid for goods and services	(7,415)	(73,588)	(81,003)	(72,525)
Customer deposits received	-	-	-	51
Customer deposits returned	-	-	-	-
Other operating revenue	25	357	382	550
Net cash provided (used) by operating activities	<u>994</u>	<u>(17,382)</u>	<u>(16,388)</u>	<u>(1,160)</u>
Cash flows from noncapital financing activities:				
Tax revenues	-	48,321	48,321	39,612
Cash flows from capital and related financing activities:				
Proceeds from operating fund	-	-	-	281,367
Acquisition of capital assets	(360)	(329,266)	(329,626)	-
Net cash provided by capital and related financing activities	(360)	(329,266)	(329,626)	281,367
Cash flows from investing activities:				
Interest on investments	7,491	11,302	18,793	15,366
Net increase (decrease) in cash and cash equivalents	8,125	(287,025)	(278,900)	335,185
Cash and cash equivalents, July 1	140,268	381,539	521,807	186,622
Cash and cash equivalents, June 30	<u>\$ 148,393</u>	<u>\$ 94,514</u>	<u>\$ 242,907</u>	<u>\$ 521,807</u>
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:				
Operating income (loss)	<u>\$ (15,917)</u>	<u>\$ (12,049)</u>	<u>\$ (27,966)</u>	<u>\$ (22,452)</u>
Adjustments to reconcile operating income to net cash provided by operating activities:				
Depreciation	16,954	12,178	29,132	20,901
Changes in assets and liabilities:				
Increase (decrease) in accounts receivable	(41)	(15,206)	(15,247)	(1,755)
(Increase) decrease in accounts payable and accrued liabilities	(2)	(2,305)	(2,307)	2,095
Increase in customer deposits	-	-	-	51
Total adjustments	<u>16,911</u>	<u>(5,333)</u>	<u>11,578</u>	<u>21,292</u>
Net cash provided (used) by operating activities	<u>\$ 994</u>	<u>\$ (17,382)</u>	<u>\$ (16,388)</u>	<u>\$ (1,160)</u>

County of Currituck, North Carolina
Newton Road Sewer Fund
Schedule of Revenues and Expenditures
Budget and Actual (Non-GAAP)
For the Year Ended June 30, 2008

	2008			Variance Positive (Negative)	2007
	Original Budget	Final Budget	Actual		Actual
Revenues:					
Charges for services:					
Sewer charges	\$ -	\$ -	\$ 8,121	\$ -	\$ 8,454
Penalties and interest, sewer	-	-	305	-	189
Other operating revenues, sewer	-	-	25	-	-
Total, sewer operating revenues	<u>8,242</u>	<u>8,242</u>	<u>8,451</u>	<u>209</u>	<u>8,643</u>
Nonoperating revenues:					
Interest earnings	<u>1,448</u>	<u>1,448</u>	<u>7,491</u>	<u>6,043</u>	<u>3,878</u>
Total revenues	<u>9,690</u>	<u>9,690</u>	<u>15,942</u>	<u>6,252</u>	<u>12,521</u>
Other financing sources (uses):					
Transfer from operating fund	-	-	-	-	100,000
Proceeds from Rural Center Grant	<u>100,000</u>	<u>100,000</u>	-	<u>(100,000)</u>	-
	100,000	100,000	-	(100,000)	100,000
Appropriated net assets	<u>109,855</u>	<u>109,855</u>	-	<u>(109,855)</u>	-
Total revenues, other financing sources and appropriated net assets	<u>219,545</u>	<u>219,545</u>	<u>15,942</u>	<u>(203,603)</u>	<u>112,521</u>
Expenditures:					
Administration:					
Telephone and postage	-	-	280	-	49
Administrative expenses	-	-	570	-	642
	<u>620</u>	<u>820</u>	<u>850</u>	<u>(30)</u>	<u>691</u>
Sewer treatment operations:					
Utilities	-	-	344	-	277
Repairs and maintenance	-	-	2,477	-	1,500
Lab tests	-	-	1,200	-	1,011
System supplies	-	-	91	-	-
Contracted services	-	-	2,452	-	906
Total	<u>33,925</u>	<u>33,725</u>	<u>6,564</u>	<u>27,161</u>	<u>3,694</u>
Capital outlay	<u>185,000</u>	<u>185,000</u>	<u>360</u>	<u>184,640</u>	-
Total expenditures	<u>219,545</u>	<u>219,545</u>	<u>7,774</u>	<u>211,771</u>	<u>4,385</u>
Revenues and appropriated net assets over expenditures	<u>\$ -</u>	<u>\$ -</u>	<u>8,168</u>	<u>\$ 8,168</u>	<u>108,136</u>
Reconciliation from budgetary basis (modified accrual) to full accrual:					
Reconciling items:					
Capital outlays			360		-
Depreciation			(16,954)		(16,954)
Total reconciling items			<u>(16,594)</u>		<u>(16,954)</u>
Change in net assets			<u>\$ (8,426)</u>		<u>\$ 91,182</u>

County of Currituck, North Carolina
Moyock Commons Sewer Fund
Schedule of Revenues and Expenditures
Budget and Actual (Non-GAAP)
For the Year Ended June 30, 2008

	2008			2007	
	Original Budget	Final Budget	Actual	Variance Positive (Negative)	Actual
Revenues:					
Charges for services:					
Sewer charges	\$ -	\$ -	\$ 71,055	\$ -	\$ 63,876
Penalties and interest	-	-	357	-	550
Total, sewer operating revenues	<u>73,133</u>	<u>73,133</u>	<u>71,412</u>	<u>(1,721)</u>	<u>64,426</u>
Nonoperating revenues:					
Tax revenue	-	-	48,375	-	39,647
Interest earnings	-	-	11,302	-	11,488
Total nonoperating revenues	<u>38,862</u>	<u>38,862</u>	<u>59,677</u>	<u>20,815</u>	<u>51,135</u>
Total revenues	<u>111,995</u>	<u>111,995</u>	<u>131,089</u>	<u>19,094</u>	<u>115,561</u>
Other financing sources (uses):					
Transfer from operating fund	-	-	-	-	181,367
	-	-	-	-	181,367
Appropriated net assets	<u>365,000</u>	<u>365,000</u>	<u>-</u>	<u>(365,000)</u>	<u>-</u>
Total revenues and appropriated net assets	<u>476,995</u>	<u>476,995</u>	<u>131,089</u>	<u>(345,906)</u>	<u>296,928</u>
Expenditures:					
Administration:					
Telephone and postage	-	-	606	-	350
Administration	-	-	1,933	-	1,200
Supplies	-	-	755	-	1,256
Credit card fees	-	-	11	-	10
Dues and subscriptions	-	-	-	-	2,180
Software license fees	-	-	20	-	19
	<u>4,508</u>	<u>4,708</u>	<u>3,325</u>	<u>1,183</u>	<u>5,015</u>
Sewer treatment operations:					
Utilities	-	-	7,201	-	7,842
Repairs and maintenance	-	-	11,890	-	6,829
Lab tests	-	-	5,170	-	7,018
Chemicals	-	-	3,716	-	2,795
Contracted services	-	-	33,399	-	35,251
Professional services	-	-	6,582	-	5,485
Total	<u>72,864</u>	<u>92,664</u>	<u>67,958</u>	<u>4,906</u>	<u>65,220</u>
Capital outlay	-	345,000	329,266	15,734	-
Total expenditures	<u>77,372</u>	<u>442,372</u>	<u>400,549</u>	<u>41,823</u>	<u>70,235</u>
Revenues and appropriated net assets over expenditures	<u>\$ 399,623</u>	<u>\$ 34,623</u>	<u>(269,460)</u>	<u>\$ (669,083)</u>	<u>226,693</u>
Reconciliation from budgetary basis (modified accrual) to full accrual:					
Capital outlays			329,266		-
Depreciation			(12,178)		(3,947)
Change in net assets			<u>\$ 47,628</u>		<u>\$ 222,746</u>

County of Currituck, North Carolina
Southern Outer Banks Water System Fund
Schedule of Revenues and Expenditures
Budget and Actual (Non-GAAP)
For the Year Ended June 30, 2008

	2008			2007	
	Original Budget	Final Budget	Actual	Variance Positive (Negative)	Actual
Revenues:					
Charges for services:					
Water sales	\$ -	\$ -	\$ 1,443,881	\$ -	\$ 1,353,696
Water tap fees	-	-	182,327	-	959,940
Administration	-	-	205,079	-	233,197
Penalties and interest	-	-	12,194	-	14,869
Other operating revenues	-	-	2,465	-	2,865
Total, water operating revenues	<u>2,168,124</u>	<u>2,202,854</u>	<u>1,845,946</u>	<u>(356,908)</u>	<u>2,564,567</u>
Nonoperating revenues:					
Interest earnings	-	-	34,837	-	8,938
Total nonoperating revenues	<u>-</u>	<u>-</u>	<u>34,837</u>	<u>34,837</u>	<u>8,938</u>
Total revenues	<u>2,168,124</u>	<u>2,202,854</u>	<u>1,880,783</u>	<u>(322,071)</u>	<u>2,573,505</u>
Other financing sources:					
Transfer from operating fund	-	-	30,000	-	-
	<u>-</u>	<u>30,000</u>	<u>30,000</u>	<u>-</u>	<u>-</u>
Total revenues and other financing sources	<u>2,168,124</u>	<u>2,232,854</u>	<u>1,910,783</u>	<u>(322,071)</u>	<u>2,573,505</u>
Expenditures:					
Administration:					
Salaries and benefits	-	-	104,647	-	91,186
Telephone and postage	-	-	10,364	-	8,830
Advertising	-	-	462	-	265
Supplies	-	-	21,787	-	9,470
Dues and subscriptions	-	-	2,555	-	940
Other administrative expenditures	-	-	93,333	-	61,859
Total administration expenditures	<u>160,307</u>	<u>248,043</u>	<u>233,148</u>	<u>14,895</u>	<u>172,550</u>

County of Currituck, North Carolina
Southern Outer Banks Water System Fund
Schedule of Revenues and Expenditures
Budget and Actual (Non-GAAP)
For the Year Ended June 30, 2008

	2008			2007	
	Original Budget	Final Budget	Actual	Variance Positive (Negative)	Actual
Water treatment operations:					
Salaries and benefits	-	-	313,939	-	272,446
Utilities	-	-	97,223	-	96,766
Gas, oil, etc	-	-	18,219	-	9,847
Repairs and maintenance	-	-	28,729	-	28,380
Lab tests	-	-	14,020	-	8,956
Chemicals	-	-	75,762	-	67,672
Uniforms	-	-	2,587	-	2,573
Contracted services	-	-	17,204	-	16,289
Professional services	-	-	13,001	-	39,203
Total water treatment operations	<u>701,739</u>	<u>815,433</u>	<u>580,684</u>	<u>234,749</u>	<u>542,132</u>
Debt service:					
Interest and other charges	-	-	227,364	-	259,398
Debt principal	-	-	942,014	-	909,980
Total	<u>1,169,378</u>	<u>1,169,378</u>	<u>1,169,378</u>	<u>-</u>	<u>1,169,378</u>
Capital outlays	136,700	-	133,042	(133,042)	18,201
Total expenditures	<u>2,168,124</u>	<u>2,232,854</u>	<u>2,116,252</u>	<u>116,602</u>	<u>1,902,261</u>
Revenues and other financing sources over (under) expenditures	<u>\$ -</u>	<u>\$ -</u>	(205,469)	<u>\$ (205,469)</u>	671,244
Reconciliation from budgetary basis (modified accrual) to full accrual:					
Reconciling items:					
Capital outlays			133,042		18,201
Debt principal			942,014		909,980
Accrued vacation			-		(1,113)
Depreciation			(650,870)		(643,012)
Total reconciling items			<u>424,186</u>		<u>284,056</u>
Change in net assets			<u>\$ 218,717</u>		<u>\$ 955,300</u>

County of Currituck, North Carolina
Solid Waste Fund
Schedule of Revenues and Expenditures
Budget and Actual (Non - GAAP)
For the Year Ended June 30, 2008

	2008			Variance Positive (Negative)	2007
	Original Budget	Final Budget	Actual		Actual
Revenues:					
Operating revenues:					
Charges for services:					
Solid waste disposal charges	\$ -	\$ -	\$ 1,864,068	\$ -	\$ 1,847,449
Recycling	-	-	13,496	-	\$ -
Tipping fees	-	-	632,529	-	944,799
Total	<u>2,837,963</u>	<u>1,969,535</u>	<u>2,510,093</u>	<u>540,558</u>	<u>2,792,248</u>
Nonoperating revenues:					
Ad valorem taxes	-	-	9,203	-	1,942,832
White goods tax	-	-	14,194	-	12,987
Tire tax	-	-	33,981	-	36,645
Other solid waste grants	-	-	91,681	-	-
Investment earnings	-	-	251,934	-	177,328
Total	<u>110,874</u>	<u>1,094,982</u>	<u>400,993</u>	<u>(693,989)</u>	<u>2,169,792</u>
Total revenues	<u>2,948,837</u>	<u>3,064,517</u>	<u>2,911,086</u>	<u>(153,431)</u>	<u>4,962,040</u>
Expenditures:					
Solid waste administration:					
Travel	-	-	48	-	160
Training & Education	-	-	169	-	20
Telephone and postage	-	-	307	-	2,706
Other administrative expenditures	-	-	78,659	-	22,429
Total	<u>78,681</u>	<u>78,681</u>	<u>79,183</u>	<u>(502)</u>	<u>25,315</u>
Solid waste operations:					
Utilities	-	-	3,169	-	3,069
Repair and maintenance	-	-	10,020	-	6,944
Rent	-	-	21,300	-	21,375
Supplies	-	-	2,834	-	1,281
Professional services	-	-	40,454	-	31,309
Contract services, other	-	-	43,488	-	369,561
Contract services, collection	-	-	1,431,397	-	1,452,036
Contract services, disposal	-	-	1,713,278	-	1,936,344
Site work and landscaping	-	-	22,323	-	19,575
White goods disposal	-	-	20,362	-	18,119
Tire disposal	-	-	31,578	-	36,773
Monitoring wells	-	-	4,500	-	4,500
Recycling	-	-	331,992	-	316,294
Total	<u>4,570,520</u>	<u>4,570,520</u>	<u>3,676,695</u>	<u>893,825</u>	<u>4,217,180</u>
Capital outlays	<u>11,875</u>	<u>127,555</u>	<u>111,550</u>	<u>16,005</u>	<u>5,104</u>
Total expenditures	<u>4,661,076</u>	<u>4,776,756</u>	<u>3,867,428</u>	<u>909,328</u>	<u>4,247,599</u>
Revenues and appropriated net assets over expenditures	<u>(1,712,239)</u>	<u>(1,712,239)</u>	<u>(956,342)</u>	<u>755,897</u>	<u>714,441</u>

County of Currituck, North Carolina
Solid Waste Fund
Schedule of Revenues and Expenditures
Budget and Actual (Non - GAAP)
For the Year Ended June 30, 2008

	2008			2007	
	Original Budget	Final Budget	Actual	Variance Positive (Negative)	Actual
Other financing sources (uses):					
Transfers from operating fund	1,712,239	1,712,239	1,712,239	-	-
Revenues and appropriated net assets					
over (under) expenditures and other financing uses	\$ -	\$ -	755,897	\$ 755,897	\$ 714,441
 Reconciliation from budgetary basis (modified accrual) to full accrual:					
Reconciling items:					
Capital outlays			111,550		5,104
Depreciation			(32,737)		(32,286)
Total reconciling items			78,813		(27,182)
Change in net assets			\$ 834,710		\$ 687,259

County of Currituck, North Carolina
Ocean Sands Water and Sewer Fund
Schedule of Revenues and Expenditures
Budget and Actual (Non-GAAP)
For the Year Ended June 30, 2008

	2008			Variance Positive (Negative)	2007
	Original Budget	Final Budget	Actual		Actual
Revenues:					
Charges for services:					
Water sales	\$ -	\$ -	\$ 562,057	\$ -	\$ 610,827
Water impact fees	-	-	-	-	2,000
Water tap fees	-	-	-	-	450
Penalties and interest, water	-	-	8,460	-	8,656
Other operating revenues, water	-	-	988	-	905
Total, water operating revenues	<u>401,400</u>	<u>401,400</u>	<u>571,505</u>	<u>170,105</u>	<u>622,838</u>
Sewer charges	-	-	299,302	-	323,589
Sewer impact fees	-	-	-	-	2,000
Sewer tap fees	-	-	-	-	450
Penalties and interest, sewer	-	-	6,371	-	7,709
Other operating revenues, sewer	-	-	988	-	905
Total, sewer operating revenues	<u>324,000</u>	<u>324,000</u>	<u>306,661</u>	<u>(17,340)</u>	<u>334,653</u>
Total operating revenues	<u>725,400</u>	<u>725,400</u>	<u>878,165</u>	<u>152,765</u>	<u>957,491</u>
Nonoperating revenues:					
Tax revenue	-	-	365	-	63
Interest earnings	-	-	240,785	-	215,923
Total nonoperating revenues	<u>124,021</u>	<u>124,021</u>	<u>241,150</u>	<u>117,129</u>	<u>215,986</u>
Total revenues	<u>849,421</u>	<u>849,421</u>	<u>1,119,315</u>	<u>269,894</u>	<u>1,173,477</u>
Appropriated net assets	<u>618,082</u>	<u>618,082</u>	-	<u>(618,082)</u>	-
Total revenues and appropriated net assets	<u>1,467,503</u>	<u>1,467,503</u>	<u>1,119,315</u>	<u>(348,188)</u>	<u>1,173,477</u>
Expenditures:					
Administration:					
Telephone and postage	-	-	4,327	-	2,864
Supplies	-	-	9,733	-	2,623
Dues and subscriptions	-	-	870	-	2,065
Software license fees	-	-	336	-	320
Refunds	-	-	-	-	2,450
Contract services	-	-	10,938	-	40,034
	<u>24,803</u>	<u>25,453</u>	<u>26,204</u>	<u>(751)</u>	<u>50,356</u>

County of Currituck, North Carolina
Ocean Sands Water and Sewer Fund
Schedule of Revenues and Expenditures
Budget and Actual (Non-GAAP)
For the Year Ended June 30, 2008

	2008			Variance Positive (Negative)	2007
	Original Budget	Final Budget	Actual		Actual
Water treatment operations:					
Utilities	-	-	8,574	-	6,854
Repairs and maintenance	-	-	48,343	-	19,720
Lab tests	-	-	2,405	-	2,804
System supplies	-	-	13,870	-	17,673
Contracted services	-	-	208,812	-	274,962
Professional services	-	-	-	-	500
Total	<u>416,500</u>	<u>366,500</u>	<u>282,004</u>	<u>84,496</u>	<u>322,513</u>
Sewer treatment operations:					
Utilities	-	-	39,324	-	38,847
Repairs and maintenance	-	-	47,385	-	126,331
Lab tests	-	-	15,874	-	14,471
System supplies	-	-	2,105	-	1,345
Chemicals	-	-	8,558	-	7,323
Contracted services	-	-	154,278	-	147,810
Professional services	-	-	124,902	-	-
Total	<u>491,500</u>	<u>575,500</u>	<u>392,426</u>	<u>183,074</u>	<u>336,127</u>
Capital outlay	<u>534,700</u>	<u>500,050</u>	<u>33,998</u>	<u>466,052</u>	<u>215,000</u>
Total expenditures	<u>1,467,503</u>	<u>1,467,503</u>	<u>734,632</u>	<u>732,871</u>	<u>923,996</u>
Revenues and appropriated retained earnings over expenditures	<u>-</u>	<u>-</u>	<u>384,683</u>	<u>384,683</u>	<u>249,481</u>
Reconciliation from budgetary basis (modified accrual) to full accrual:					
Reconciling items:					
Capital outlays			33,998		215,000
Depreciation			(184,956)		(174,275)
Total reconciling items			<u>(150,958)</u>		<u>40,725</u>
Change in net assets			<u>\$ 233,725</u>		<u>\$ 290,206</u>

County of Currituck, North Carolina
Mainland Water Fund
Schedule of Revenues and Expenditures
Budget and Actual (Non-GAAP)
For the Year Ended June 30, 2008

	2008			Variance Positive (Negative)	2007
	Original Budget	Final Budget	Actual		Actual
Revenues:					
Charges for services:					
Water sales	\$ -	\$ -	\$ 2,479,589	\$ -	\$ 1,713,411
Water tap fees	-	-	193,300	-	725,500
Reconnection fees	-	-	26,530	-	24,630
Penalties and interest	-	-	61,127	-	44,721
Total	<u>1,978,949</u>	<u>2,043,804</u>	<u>2,760,546</u>	<u>781,597</u>	<u>2,508,262</u>
Nonoperating revenues:					
Interest earnings	-	-	200,131	-	254,898
Other nonoperating revenues	-	-	1,046	-	-
Total nonoperating revenues	<u>150,000</u>	<u>152,819</u>	<u>201,177</u>	<u>48,358</u>	<u>254,898</u>
Total revenues	<u>2,128,949</u>	<u>2,196,623</u>	<u>2,961,723</u>	<u>765,100</u>	<u>2,763,160</u>
Appropriated net assets	-	4,968,230	-	(4,968,230)	-
Total revenues and appropriated net assets	<u>2,128,949</u>	<u>7,164,853</u>	<u>2,961,723</u>	<u>(4,203,130)</u>	<u>2,763,160</u>
Expenditures:					
Administration:					
Salaries and benefits	-	-	47,037	-	44,375
Administrative support	-	-	195,773	-	96,000
Credit card fees	-	-	5,996	-	3,922
Telephone and postage	-	-	26,552	-	22,847
Travel	-	-	4,712	-	2,656
Training and education	-	-	2,586	-	4,031
Advertising	-	-	434	-	558
Supplies	-	-	6,244	-	4,214
Dues and subscriptions	-	-	4,835	-	2,600
Software license fees	-	-	1,541	-	1,467
Loss on sale of capital assets	-	-	6,619	-	-
Other administration	-	-	12	-	6
	<u>262,838</u>	<u>302,386</u>	<u>302,341</u>	<u>46</u>	<u>182,676</u>

County of Currituck, North Carolina
Mainland Water Fund
Schedule of Revenues and Expenditures
Budget and Actual (Non-GAAP)
For the Year Ended June 30, 2008

	2008			Variance Positive (Negative)	2007
	Original Budget	Final Budget	Actual		Actual
Water treatment operations:					
Salaries and benefits	-	-	538,684	-	511,438
Utilities	-	-	84,513	-	79,107
Repairs and maintenance	-	-	137,555	-	177,153
Gas, oil, etc.	-	-	30,290	-	22,497
Lab tests	-	-	6,765	-	12,852
Chemicals	-	-	40,299	-	29,416
Uniforms	-	-	1,198	-	816
Purchase of water from another	-	-	280,844	-	211,028
Contracted services	-	-	25,763	-	4,686
Professional services	-	-	-	-	206,651
Total	<u>1,213,316</u>	<u>1,271,633</u>	<u>1,145,911</u>	<u>125,721</u>	<u>1,255,644</u>
Debt service:					
Interest and other charges	-	-	131,784	-	141,785
Debt principal	-	-	260,000	-	250,000
Total	<u>391,785</u>	<u>391,785</u>	<u>391,784</u>	<u>1</u>	<u>391,785</u>
Capital outlay	<u>261,010</u>	<u>199,049</u>	<u>121,959</u>	<u>139,051</u>	<u>1,466,047</u>
Total expenditures	<u>2,128,949</u>	<u>2,164,853</u>	<u>1,961,995</u>	<u>202,858</u>	<u>3,296,152</u>
Revenues and appropriated net assets over (under) expenditures	<u>\$ -</u>	<u>\$ 5,000,000</u>	<u>999,728</u>	<u>\$ 999,728</u>	<u>(532,992)</u>
Other financing uses:					
Transfers to Mainland Water Construction Fund	-	(5,000,000)	(5,000,000)	-	-
Revenues and appropriated net assets over (under) expenditures and other financing uses	<u>\$ -</u>	<u>\$ -</u>	<u>(4,000,272)</u>	<u>\$ 999,728</u>	<u>\$ (532,992)</u>
Reconciliation from budgetary basis (modified accrual) to full accrual:					
Reconciling items:					
Capital outlays			121,959		1,466,047
Debt principal			260,000		250,000
Depreciation			(582,363)		(582,397)
Amortization of issuance costs, refunding costs and premium			(588)		(588)
Accrued vacation			(2,236)		(1,126)
Transfer to Mainland Water Construction Fund			5,000,000		-
Total reconciling items			<u>4,796,772</u>		<u>1,131,936</u>
Change in net assets			<u>\$ 796,500</u>		<u>\$ 598,944</u>

County of Currituck, North Carolina
Mainland Water Construction Fund
Schedule of Revenues and Expenditures
Budget and Actual (Non-GAAP)

From Inception and for the Fiscal Year Ended June 30, 2008

	Project Authorization	Actual		Total to Date	Variance Positive (Negative)
		Prior Years	Current Year		
Revenues					
Intergovernmental revenues:					
Investment earnings	-	-	93,824	93,824	93,824
Total revenues	-	-	93,824	93,824	93,824
Expenditures					
Wells	1,031,769	-	102,466	102,466	929,303
Reverse osmosis water plant	11,299,903	-	2,006,437	2,006,437	9,293,466
Water tanks	2,838,135	-	2,120,275	2,120,275	717,860
Distribution system	8,830,193	-	1,651,667	1,651,667	7,178,526
Total expenditures	24,000,000	-	5,880,845	5,880,845	18,119,155
Revenues under expenditures	(24,000,000)	-	(5,787,021)	(5,787,021)	(18,025,331)
Other financing sources (uses):					
Transfers (to) from other funds:					
Mainland water fund	5,000,000	-	5,000,000	5,000,000	-
Proceeds from revenue bonds issued	19,000,000	-	19,000,000	19,000,000	-
Total other financing sources (uses)	24,000,000	-	24,000,000	24,000,000	-
Revenues and other sources over (under) expenditures	\$ -	\$ -	\$ 18,212,979	\$ 18,212,979	\$ 18,212,979

County of Currituck, North Carolina
Agency Funds
Combining Statement of Changes in Assets and Liabilities
For the Fiscal Year Ended June 30, 2008

	Balance July 1 2007	Additions	Deductions	Balance June 30 2008
Social Services				
Assets:				
Cash and cash equivalents	\$ 40,515	\$ 70,631	\$ 82,737	\$ 28,409
Liabilities:				
Accounts Payable	\$ 40,515	\$ 70,631	\$ 82,737	\$ 28,409
Fines and Forfeitures				
Assets:				
Cash and cash equivalents	\$ -	\$ 316,300	\$ 316,300	\$ -
Due from other governments	25,727	25,625	25,727	25,625
Total assets	<u>\$ 25,727</u>	<u>\$ 341,925</u>	<u>\$ 342,027</u>	<u>\$ 25,625</u>
Liabilities:				
Intergovernmental payable	<u>\$ 25,727</u>	<u>\$ 315,198</u>	<u>\$ 315,300</u>	<u>\$ 25,625</u>
Motor Vehicle Tax				
Assets:				
Cash and cash equivalents	<u>\$ 419</u>	<u>\$ 4,795</u>	<u>\$ 4,867</u>	<u>\$ 347</u>
Liabilities:				
Intergovernmental payable	<u>\$ 419</u>	<u>\$ 4,795</u>	<u>\$ 4,867</u>	<u>\$ 347</u>
Totals - All Agency Funds				
Assets:				
Cash and cash equivalents	\$ 40,934	\$ 391,726	\$ 403,904	\$ 28,756
Due from other governments	25,727	25,625	25,727	25,625
Total assets	<u>\$ 66,661</u>	<u>\$ 417,351</u>	<u>\$ 429,631</u>	<u>\$ 54,381</u>
Liabilities:				
Accounts payable	40,515	70,631	82,737	28,409
Intergovernmental payable	26,146	319,993	320,167	25,972
Total liabilities	<u>\$ 66,661</u>	<u>\$ 390,624</u>	<u>\$ 402,904</u>	<u>\$ 54,381</u>

This page left blank intentionally

County of Currituck, North Carolina
General Fund
Schedule of Ad Valorem Taxes Receivable
June 30, 2008

Fiscal Year	Uncollected Balance June 30, 2007	Additions	Collections And Credits	Uncollected Balance June 30, 2008
2007-2008	\$ -	\$ 25,788,826 (a)	\$ 25,322,859 (b)	\$ 465,967 (c)
2006-2007	363,549	16,013	263,629	115,933
2005-2006	229,908	16,013	191,412	54,509
2004-2005	57,230	3,703	23,522	37,411
2003-2004	37,938	-	11,543	26,395
2002-2003	34,487	-	8,636	25,851
2001-2002	22,201	-	5,191	17,010
2000-2001	32,944	-	2,532	30,412
1999-2000	12,851	-	1,904	10,947
1998-1999	10,284	-	843	9,441
1997-1998	10,953	-	10,953	-
	812,345	25,824,555	25,843,024 (d)	793,876
Less: allowance for uncollectible accounts:				
				(9,999)
				(402)
Ad valorem taxes receivable - net:				\$ 783,475
<u>Reconciliation with revenues:</u>				
				\$ 25,810,239
				\$ 127,758
				\$ 25,937,997
Reconciling items:				
				(122,898)
				27,925
				(94,973)
Total collections and credits				\$ 25,843,024 (d)

County of Currituck, North Carolina
Analysis of Current Tax Levy
County - wide Levy
For the Fiscal Year Ended June 30, 2008

	County - wide			Total Levy	
	Property Valuation	Rate	Amount of Levy	Property excluding Registered Motor Vehicles	Registered Motor Vehicles
Original levy:					
Property taxed at current year's rate	\$ 8,032,955,313	0.32	\$ 25,705,457	\$ 25,235,517	\$ 469,940
Motor vehicles taxed at prior year's rate	90,190,000	0.32	288,608	-	288,608
Penalties	-		14,967	14,967	-
Total	<u>8,123,145,313</u>		<u>26,009,032</u>	<u>25,250,484</u>	<u>758,548</u>
Discoveries:					
Current year taxes	7,682,813	0.32	24,585	24,585	-
Penalties	-		4,471	4,471	-
Total	<u>7,682,813</u>		<u>29,056</u>	<u>29,056</u>	<u>-</u>
Abatements	<u>(77,894,375)</u>		<u>(249,262)</u>	<u>(210,725)</u>	<u>(38,537)</u>
Total property valuation	<u><u>\$ 8,052,933,751</u></u>				
Net levy			25,788,826 (a)	25,068,815	720,011
Uncollected taxes at June 30, 2006			465,967 (c)	398,414	67,553
Current year's taxes collected			<u>\$ 25,322,859 (b)</u>	<u>\$ 24,670,401</u>	<u>\$ 652,458</u>
Current levy collection percentage			<u>98.19%</u>	<u>98.41%</u>	<u>90.62%</u>

County of Currituck, North Carolina
Analysis of Current Tax Levy
County - wide Levy
For the Fiscal Year Ended June 30, 2008

Secondary Market Disclosures:

Assessed Valuation:

Assessment Ratio ¹	100 %
Real Property	\$ 7,585,901,778
Personal Property	404,527,675
Public Service Companies ²	62,504,298
Total Assessed Valuation	\$ 8,052,933,751
Tax Rate per \$100	0.32
Levy (includes discoveries, releases and abatements) ³	\$ 25,788,826

In addition to the County-wide rate, the following table lists the levies by the County on behalf of watershed improvement districts and Moyock Commons sewer district for the fiscal year ended June 30:

Guinea Mill watershed improvement district	11,369
Hog Ditch watershed improvement district	991
Moyock watershed improvement district	13,403
Northwest watershed improvement district	1,852
Whalehead watershed improvement district	95,343
Moyock Commons sewer district	44,327
Total	\$ 25,956,111

¹ Percentage of appraised value has been established by statute.

² Valuation of railroads, telephone companies and other utilities as determined by the North Carolina Property Tax Commission.

³ The levy includes interest and penalties.

County of Currituck, North Carolina
Ten Largest Taxpayers
For the Fiscal Year Ended June 30, 2008

Taxpayer	Type of Business	2007 Assessed Valuation	Percentage of Total Assessed Valuation
Coastland Properties I LLC	Land Development	\$ 56,361,000	0.70 %
Dominion Power	Utility	49,305,568	0.61
Coastland Corporation	Land Development	39,124,596	0.49
Turnpike Properties LLC	Land Development	35,555,864	0.44
Pine Island Holdings LLC	Land Development	22,693,027	0.28
Richardson, Ernest	Real Estate Investor	15,117,123	0.19
VOC LLC	Land Development	11,005,239	0.14
Johnson, James E., Jr.	Real Estate Investor	10,608,449	0.13
Tudor, John B	Real Estate Investor	10,101,929	0.13
Coastland Properties II LLC	Land Development	10,060,000	0.12
Total		\$ 259,932,795	3.23 %

Statistical Section

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

Financial Trends:

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

Revenue Capacity:

These schedules contain information to help the reader assess the factors affecting the county's ability to generate its property and sales taxes.

Debt Capacity:

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

Demographic and Economic Information:

These schedules offer demographic and economic indicators to help the reader understand the environment within which the county's financial activities take place and to help make comparisons over time and with other governments.

Operating Information:

These schedules contain information about the county's operations and resources to help the reader understand how the county's financial information relates to the services the county provides and the activities it performs.

Schedule 1

Currituck County, North Carolina
 Net Assets by Component
 (accrual basis of accounting)

	Fiscal Year					
	2003	2004	2005	2006	2007	2008
Governmental activities						
Invested in capital assets, net of related debt	\$ 26,693,349	\$ 34,106,089	\$ 37,925,033	\$ 40,388,334	\$ 51,299,094	\$ 56,558,162
Restricted	14,872	3,060	-	-	-	-
Unrestricted	34,760,360	41,852,873	51,159,760	62,050,122	62,303,803	62,010,794
Total governmental activities net assets	<u>\$ 61,468,581</u>	<u>\$ 75,962,022</u>	<u>\$ 89,084,793</u>	<u>\$ 102,438,456</u>	<u>\$ 113,602,897</u>	<u>\$ 118,568,956</u>
Business-type activities						
Invested in capital assets, net of related debt	\$ 9,308,414	\$ 9,729,712	\$ 14,459,467	\$ 15,878,837	\$ 17,290,296	\$ 22,735,808
Unrestricted	13,128,435	15,736,338	11,991,335	13,167,320	14,601,498	11,278,840
Total business-type activities net assets	<u>\$ 22,436,849</u>	<u>\$ 25,466,050</u>	<u>\$ 26,450,802</u>	<u>\$ 29,046,157</u>	<u>\$ 31,891,794</u>	<u>\$ 34,014,648</u>
Primary government						
Invested in capital assets, net of related debt	\$ 36,001,763	\$ 43,835,801	\$ 52,384,500	\$ 56,267,171	\$ 68,589,390	\$ 79,293,970
Restricted	14,872	3,060	-	-	-	-
Unrestricted	47,888,795	57,589,211	63,151,095	75,217,442	76,905,301	73,289,634
Total governmental activities net assets	<u>\$ 83,905,430</u>	<u>\$ 101,428,072</u>	<u>\$ 115,535,595</u>	<u>\$ 131,484,613</u>	<u>\$ 145,494,691</u>	<u>\$ 152,583,604</u>

Note: Accrual-basis financial information for the county government as a whole is available back to 2003 only, the year GASB Statement 34 was implemented.

Schedule 2

Currituck County, North Carolina
 Changes in Net Assets
 (accrual basis of accounting)

	Fiscal Year					
	2003	2004	2005	2006	2007	2008
Expenses						
Governmental activities:						
General government	3,702,311	3,624,010	4,415,836	4,583,886	5,155,428	3,230,828
Public safety	6,256,770	10,348,741	9,519,057	11,311,450	14,759,626	15,490,648
Transportation	574,238	400,063	295,590	791,450	576,920	1,379,504
Economic and physical development	2,372,004	3,063,105	3,794,111	3,539,620	3,430,161	6,176,978
Environmental protection	154,180	173,025	295,732	238,502	303,871	385,879
Human services	3,010,850	3,207,729	3,682,371	4,168,102	4,236,355	4,550,718
Cultural and recreation	980,464	1,272,882	1,536,324	1,232,301	376,240	1,523,197
Education	8,361,774	7,422,207	8,956,381	12,281,089	13,869,357	18,420,509
Interest on long-term debt	654,140	555,056	404,700	354,100	325,600	418,693
Total governmental activities expenses	<u>\$ 26,066,731</u>	<u>\$ 30,066,818</u>	<u>\$ 32,900,102</u>	<u>\$ 38,500,500</u>	<u>\$ 43,033,558</u>	<u>\$ 51,576,954</u>
Business-type activities:						
Solid Waste	2,545,400	3,282,646	3,874,034	4,235,412	4,274,781	3,788,615
Water and Sewer	2,117,515	4,336,850	4,334,864	4,606,566	4,761,213	4,844,089
Total business-type activities expenses	<u>4,662,915</u>	<u>7,619,496</u>	<u>8,208,898</u>	<u>8,841,978</u>	<u>9,035,994</u>	<u>8,632,704</u>
Total primary government expenses	<u>\$ 30,729,646</u>	<u>\$ 37,686,314</u>	<u>\$ 41,109,000</u>	<u>\$ 47,342,478</u>	<u>\$ 52,069,552</u>	<u>\$ 60,209,658</u>
Program Revenues						
Governmental activities:						
Charges for services:						
General government	446,262	657,106	670,821	596,957	610,955	523,617
Public safety	398,375	411,296	1,534,985	1,592,122	1,074,519	1,250,083
Transportation	164,327	111,981	141,666	109,221	282,624	299,781
Economic and physical development	1,006,830	1,130,911	54,923	95,206	25,450	93,122
Environmental protection	-	16,025	-	5,100	-	-
Human services	-	6,950	-	-	-	-
Cultural and recreation	24,875	28,500	33,382	35,771	48,593	39,457
Operating grants and contributions:						
General government	31,569	315,380	53,482	11,715	898,407	433,683
Public safety	1,685,941	581,916	641,533	458,277	399,120	284,580
Transportation	-	-	-	-	-	262,251
Economic and physical development	73,441	346,227	183,018	-	85,302	141,865
Environmental protection	26,569	17,963	25,094	-	27,965	40,683
Human services	1,758,469	1,971,389	2,080,364	2,198,370	2,380,359	2,611,369
Cultural and recreation	-	25,959	-	-	21,826	21,345
Education	141,074	-	-	-	-	-
Capital grants and contributions:						
General government	1,012,800	-	-	147,671	-	-
Public safety	128,755	871,628	-	186,000	-	-
Transportation	261,117	1,209,511	369,256	139,590	888,757	722,136
Economic and physical development	-	-	-	80,000	-	-
Environmental protection	-	-	-	112,755	-	-
Human services	-	-	-	4,577	-	-
Education	795,437	-	-	620,980	-	660,325
Total governmental activities program revenues	<u>7,955,841</u>	<u>7,702,742</u>	<u>5,788,524</u>	<u>6,394,312</u>	<u>6,743,877</u>	<u>7,384,297</u>

	Fiscal Year					
	2003	2004	2005	2006	2007	2008
Business-type activities:						
Charges for services:						
Solid Waste	1,605,206	1,717,826	1,818,615	2,791,799	2,792,248	2,510,093
Water and Sewer	2,028,159	6,195,098	3,967,236	5,690,977	6,103,389	5,564,520
Operating grants and contributions:						
Solid Waste	1,376,261	1,420,714	1,519,203	1,961,452	1,992,464	139,856
Water and Sewer	1,441,507	474,192	389,607	141,663	39,710	1,046
Capital grants and contributions:						
Solid Waste	-	-	-	57,583	-	-
Water and Sewer	42,250	-	-	106,464	-	-
Total business-type program revenues	<u>6,493,383</u>	<u>9,807,830</u>	<u>7,694,661</u>	<u>10,749,938</u>	<u>10,927,811</u>	<u>8,215,515</u>
Total primary government program revenues	<u>\$ 14,449,224</u>	<u>\$ 17,510,572</u>	<u>\$ 13,483,185</u>	<u>\$ 17,144,250</u>	<u>\$ 17,671,688</u>	<u>\$ 15,599,812</u>
Net (Expense)/Revenue						
Governmental activities	\$ (18,110,890)	\$ (22,364,076)	\$ (27,111,578)	\$ (32,106,188)	\$ (36,289,681)	\$ (44,192,657)
Business-type activities	<u>1,830,468</u>	<u>2,188,334</u>	<u>(514,237)</u>	<u>1,907,960</u>	<u>1,891,817</u>	<u>(417,189)</u>
Total primary government net expense	<u>\$ (16,280,422)</u>	<u>\$ (20,175,742)</u>	<u>\$ (27,625,815)</u>	<u>\$ (30,198,228)</u>	<u>\$ (34,397,864)</u>	<u>\$ (44,609,846)</u>
General Revenues and Other Changes in Net Assets						
Governmental activities:						
Property taxes	\$ 19,600,458	\$ 17,092,287	\$ 17,925,962	\$ 23,391,822	\$ 23,582,470	\$ 25,978,670
Intergovernmental	9,269,968	19,968,817	21,117,685	19,734,572	20,677,091	21,148,755
Investment earnings	791,107	460,406	1,147,418	2,459,638	3,475,928	3,795,801
Miscellaneous	55,687	-	395,381	92,859	-	-
Loss on disposal/sale of capital assets	-	(14,275)	-	-	-	(22,271)
Transfers	-	(649,718)	(379,513)	(219,040)	(281,367)	(1,742,239)
Total governmental activities	<u>29,717,220</u>	<u>36,857,517</u>	<u>40,206,933</u>	<u>45,459,851</u>	<u>47,454,122</u>	<u>49,158,716</u>
Business-type activities:						
Property taxes	-	-	-	-	-	57,943
Investment earnings	308,646	185,149	262,625	468,355	672,453	746,480
Miscellaneous	-	6,000	-	-	-	-
Loss on disposal/sale of capital assets	-	-	-	-	-	(6,619)
Transfers	-	649,718	379,513	219,040	281,367	1,742,239
Total business-type activities	<u>308,646</u>	<u>840,867</u>	<u>642,138</u>	<u>687,395</u>	<u>953,820</u>	<u>2,540,043</u>
Total primary government	<u>\$ 30,025,866</u>	<u>\$ 37,698,384</u>	<u>\$ 40,849,071</u>	<u>\$ 46,147,246</u>	<u>\$ 48,407,942</u>	<u>\$ 51,698,759</u>
Change in Net Assets						
Governmental activities	\$ 11,606,330	\$ 14,493,441	\$ 13,095,355	\$ 13,353,663	\$ 11,164,441	\$ 4,966,059
Business-type activities	<u>2,139,114</u>	<u>3,029,201</u>	<u>127,901</u>	<u>2,595,355</u>	<u>2,845,637</u>	<u>2,122,854</u>
Total primary government	<u>\$ 13,745,444</u>	<u>\$ 17,522,642</u>	<u>\$ 13,223,256</u>	<u>\$ 15,949,018</u>	<u>\$ 14,010,078</u>	<u>\$ 7,088,913</u>

Note: Accrual-basis financial information for the county government as a whole is only available back to 2003, the year GASB Statement 34 was implemented.

Schedule 3

Currituck County, North Carolina
Fund Balances, Governmental Funds
(modified accrual basis of accounting)

	Fiscal Year					
	2003	2004	2005	2006	2007	2008
General Fund						
Reserved	964,081	2,585,457	1,860,239	3,274,084	2,582,266	2,561,068
Unreserved	<u>17,787,660</u>	<u>19,739,626</u>	<u>22,297,036</u>	<u>24,165,647</u>	<u>21,068,742</u>	<u>22,509,248</u>
Total General Fund	<u>\$ 18,751,741</u>	<u>\$ 22,325,083</u>	<u>\$ 24,157,275</u>	<u>\$ 27,439,731</u>	<u>\$ 23,651,008</u>	<u>\$ 25,070,316</u>
All Other Governmental Funds						
Reserved	56,558	53,702	608,390	744,618	769,510	1,220,692
Unreserved						
Designated						
Special revenue funds	1,248,837	1,457,146	2,057,547	2,365,459	2,195,443	1,770,885
Capital project funds	<u>24,757,080</u>	<u>27,121,787</u>	<u>32,751,680</u>	<u>39,038,133</u>	<u>42,182,550</u>	<u>33,655,022</u>
Total all other governmental funds	<u>\$ 26,062,475</u>	<u>\$ 28,632,635</u>	<u>\$ 35,417,617</u>	<u>\$ 42,148,210</u>	<u>\$ 45,147,503</u>	<u>\$ 36,646,599</u>

Note: Due to changes in the county's fund structure connected with the implementation of GASB Statement 34, fund balance information is available back to 2003 only.

Schedule 4

Currituck County, North Carolina

Changes in Fund Balances, Governmental Funds

(modified accrual basis of accounting)

	Fiscal Year									
	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008
Revenues										
Ad valorem taxes	\$ 13,592,426	\$ 14,084,762	\$ 14,653,879	\$ 15,135,412	\$ 16,011,134	\$ 17,193,047	\$ 18,059,472	\$ 23,402,553	\$ 23,611,381	\$ 25,939,378
Other taxes and licenses	8,782,865	9,861,714	10,683,942	12,427,393	15,624,113	19,821,148	21,063,030	19,369,494	20,677,091	21,148,755
Unrestricted										
intergovernmental	1,769,491	3,007,387	3,109,522	6,668,179	217,477	147,669	155,552	369,270	380,293	355,499
Restricted										
intergovernmental	434,883	427,103	418,250	227,763	2,569,567	4,678,096	3,611,061	4,139,479	3,903,127	4,681,893
Permits and fees	1,183,635	984,046	1,122,547	1,432,312	1,800,213	2,065,709	1,959,085	1,953,439	1,790,528	1,595,122
Sales and services	126,209	144,978	174,980	194,263	240,456	296,943	416,792	386,698	530,740	648,891
Investment earnings	1,114,405	1,992,580	2,403,063	1,619,659	1,049,079	460,406	1,147,418	2,459,527	3,475,928	3,795,801
Miscellaneous	51,825	41,510	51,212	34,032	65,904	669,244	313,648	113,654	205,215	102,892
Total revenues	<u>27,055,739</u>	<u>30,544,080</u>	<u>32,617,395</u>	<u>37,739,013</u>	<u>37,577,943</u>	<u>45,332,262</u>	<u>46,726,058</u>	<u>52,194,114</u>	<u>54,574,303</u>	<u>58,268,231</u>
Expenditures										
General government	3,040,624	2,725,860	2,839,045	2,972,758	4,298,172	8,302,780	5,039,224	5,290,398	5,215,589	5,385,330
Public safety	4,797,377	5,503,206	5,565,195	6,674,795	9,750,951	11,541,352	10,416,287	12,608,149	15,829,185	16,135,119
Transportation	141,672	338,090	471,376	317,674	770,532	1,799,434	581,917	884,938	1,049,293	1,077,529
Environmental protection	112,511	194,073	236,738	196,662	155,943	173,025	295,125	255,142	302,508	373,132
Economic and physical development	1,801,127	2,110,928	2,356,759	1,826,188	2,432,324	3,150,728	4,282,719	3,758,124	11,942,884	8,783,920
Human services	2,615,265	3,386,451	2,716,222	2,752,164	2,961,950	3,279,706	3,684,564	4,051,203	4,187,991	4,503,615
Cultural and recreation	893,454	507,346	705,316	808,645	1,080,901	1,284,754	3,207,252	1,528,882	1,429,959	2,021,669
Education	5,728,698	6,219,018	6,724,065	6,847,235	8,361,774	7,422,207	8,956,381	12,281,089	13,869,357	30,841,156
Capital outlay	1,443,894	1,690,270	4,540,300	6,191,629	20,023	-	-	-	-	-
Debt service										
Debt issuance cost						98,891				
Principal	2,098,436	1,754,294	1,428,346	1,664,397	1,702,233	900,000	950,000	950,000	930,000	2,067,425
Interest	1,012,727	923,755	884,354	739,676	654,140	555,056	404,700	354,100	325,600	418,693
Total expenditures	<u>23,685,785</u>	<u>25,353,291</u>	<u>28,467,716</u>	<u>30,991,823</u>	<u>32,188,943</u>	<u>38,507,933</u>	<u>37,818,169</u>	<u>41,962,025</u>	<u>55,082,366</u>	<u>71,607,588</u>
Excess of revenues over (under) expenditures	3,369,954	5,190,789	4,149,679	6,747,190	5,389,000	6,824,329	8,907,889	10,232,089	(508,063)	(13,339,357)
Other Financing Sources (Uses)										
Bonds issued	-	-	-	-	-	-	-	-	-	-
Refunding bonds issued	-	-	-	-	-	8,770,000	-	-	-	-
Premium on debt issued	-	-	-	-	-	626,527	-	-	-	-
Payments to escrow agent	-	-	-	-	-	(9,427,636)	-	-	-	-
Transfers in	3,223,079	4,825,580	15,138,501	4,913,809	4,746,373	5,407,382	8,074,095	17,388,303	14,868,931	9,736,807
Transfers out	(3,575,522)	(6,358,447)	(17,136,513)	(8,017,457)	(4,746,373)	(6,057,100)	(8,453,608)	(17,607,343)	(4,628,944)	(11,479,046)
State school bond proceeds	311,592	-	-	-	-	-	-	-	-	-
Installment purchase proceeds	-	-	-	-	-	-	-	-	-	8,000,000
Sale of capital assets	67,522	1,357	30,202	13,472	-	-	-	-	-	-
Total other financing sources (uses)	<u>\$ 26,671</u>	<u>\$ (1,531,510)</u>	<u>\$ (1,967,810)</u>	<u>\$ (3,090,176)</u>	<u>\$ -</u>	<u>\$ (680,827)</u>	<u>\$ (379,513)</u>	<u>\$ (219,040)</u>	<u>\$ 10,239,987</u>	<u>\$ 6,257,761</u>
Net change in fund balances	\$ 3,396,625	\$ 3,659,279	\$ 2,181,869	\$ 3,657,014	\$ 5,389,000	\$ 6,143,502	\$ 8,528,376	\$ 10,013,049	\$ 9,731,924	\$ (7,081,596)
Debt service as a percent of noncapital expenditures	13.99%	11.32%	9.67%	9.69%	7.32%	3.78%	3.58%	3.11%	2.28%	4.64%

Schedule 5

Currituck County, North Carolina

Assessed Value and Actual Value of Taxable Property

<u>Fiscal Year</u>	<u>Real Property</u>	<u>Public Service Company Property</u>	<u>Personal Property</u>	<u>Total all taxable property</u>	<u>County-wide tax rate per \$100 value</u>
1999	1,839,417,484	44,910,332	171,584,135	2,055,911,951	0.64
2000	1,947,061,607	44,684,827	189,044,035	2,180,790,469	0.64
2001	2,041,341,714	46,470,316	225,605,100	2,313,417,130	0.62
2002	2,142,843,264	43,591,159	240,631,634	2,427,066,057	0.62
2003	2,251,866,867	43,398,457	253,452,233	2,548,717,557	0.62
2004	2,381,230,573	44,396,839	287,841,084	2,713,468,496	0.62
2005	2,513,740,139	31,248,932	295,551,606	2,840,540,677	0.62
2006	7,286,806,787	65,092,423	355,979,987	7,707,879,197	0.32
2007	7,478,924,823	67,737,027	400,272,427	7,946,934,277	0.32
2008	7,585,901,778	62,504,298	404,527,675	8,052,933,751	0.32

Source: Currituck County Tax Department

Schedule 6

Currituck County, North Carolina
 Direct and Overlapping Property Tax Rates
(rate per \$100 of assessed value)

	Fiscal Year									
	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008
County Direct Rates										
General	0.640	0.640	0.620	0.620	0.620	0.620	0.620	0.320	0.320	0.320
Poplar Branch Fire District	0.040	0.040	0.040	0.040	0.040	0.040	0.040	-	-	-
Fruitville Fire District	0.080	0.080	0.080	0.080	0.080	0.080	0.080	-	-	-
Moyock Fire District	0.065	0.065	0.065	0.065	0.065	0.065	0.065	-	-	-
Crawford Fire District	0.060	0.060	0.060	0.060	0.060	0.060	0.060	-	-	-
Guinea Mill Watershed Improvement District	-	-	0.010	0.010	0.010	0.010	0.010	0.010	0.010	0.010
Hog Ditch Watershed Improvement District	-	-	-	-	-	-	-	0.010	0.010	0.010
Moyock Watershed Improvement District	-	-	-	-	0.030	0.030	0.030	0.015	0.015	0.015
Northwest Watershed Improvement District	-	-	-	-	-	0.070	0.070	0.020	0.020	0.020
Whalehead Watershed Improvement District	-	-	-	-	-	0.070	0.070	0.025	0.010	0.040
Ocean Sands Water and Sewer District	0.310	0.310	0.310	0.230	0.200	0.200	0.150	0.015	-	-
Moyock Commons Sewer District	-	0.010	0.500	0.500	0.500	0.500	0.500	0.245	0.245	0.245

Source: County of Currituck Budget Ordinance

Schedule 7

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

Taxpayer	Type of Business	Fiscal Year 2008			Fiscal Year 1999		
		Assessed Value	Rank	Percentage of Total County Taxable Assessed Value	Assessed Value	Rank	Percentage of Total County Taxable Assessed Value
Coastland Properties 1, LLC	Land Development	\$ 56,381,000	1	0.70%	\$ 10,130,500	5	0.49%
Dominion Power	Utility	49,305,568	2	0.61%	33,776,735	2	1.64%
Coastland Corporation	Land Development	39,124,586	3	0.49%	10,843,603	4	0.53%
Turnpike Properties	Land Development	35,555,864	4	0.44%	11,779,412	3	0.57%
Pine Island Holdings	Land Development	22,693,027	5	0.28%			
Richardson, Ernest	Real Estate Investor	15,117,123	6	0.19%			
VOC, LLC	Land Development	11,005,239	7	0.14%			
Johnson, James E, Jr.	Real Estate Investor	10,608,449	8	0.13%			
Tudor, John B	Real Estate Investor	10,101,929	9	0.13%			
Coastland Properties II, LLC	Land Development	10,060,000	10	0.12%			
Currituck Associates Residential Partners	Land Development				40,925,111	1	1.99%
Ocean Hill Properties	Land Development				9,554,255	6	0.46%
Carolina Telephone	Utility				9,384,500	7	0.46%
DeGabrielle, Robert R					8,482,578	8	0.41%
Whalehead Properties	Land Development				7,735,494	9	0.38%
Beach Mar IV, LLC	Land Development				7,534,752	10	0.37%
Total		\$ 259,952,785		3.23%	\$ 150,146,940		7.30%

Source: Currituck County Tax Department

Schedule 8Currituck County, North Carolina
Property Tax Levies and Collections
Last Ten Fiscal Years

Fiscal Year	Taxes Levied for the Fiscal Year (Original Levy)	Adjustments	Total Adjusted Levy	Collected within the Fiscal Year of the Levy		Total Collections to Date		
				Amount	Percentage of Original Levy	Collections in Subsequent Years	Amount	Percentage of Adjusted Levy
1999	13,194,732	16,481	13,211,213	12,707,630	96.31%	494,142	13,201,772	99.93%
2000	14,073,475	22,142	14,095,617	13,530,061	96.14%	554,609	14,084,670	99.92%
2001	14,459,054	29,676	14,488,730	13,882,561	96.01%	575,757	14,458,318	99.79%
2002	15,112,177	29,403	15,141,580	14,638,016	96.86%	486,554	15,124,570	99.89%
2003	15,916,809	7,264	15,924,073	15,411,378	96.82%	486,844	15,898,222	99.84%
2004	16,896,180	19,778	16,915,958	16,388,762	97.00%	500,801	16,889,563	99.84%
2005	17,729,373	52,223	17,781,596	17,253,685	97.32%	490,500	17,744,185	99.79%
2006	24,979,301	(148,227)	24,831,074	24,362,825	97.53%	413,740	24,776,565	99.78%
2007	25,399,676	(96,097)	25,303,579	24,940,030	98.19%	247,616	25,187,646	99.54%
2008	26,009,032	(220,206)	25,788,826	25,322,859	97.36%	-	25,322,859	98.19%

Note: The information in this schedule relates to the county-wide tax levy and does not include special district taxes.

Schedule 9

Currituck County, North Carolina
Ratios of Debt Outstanding,
Last Ten Fiscal Years

Fiscal Year	General Obligation and Revenue Bonds	Less: Amounts Payable from Enterprise Revenues	Net Bonded Debt	Installment Purchase Contract	Less: Amounts Payable from Enterprise Revenues	Net Installment Purchase Contract Debt	Total Net Debt	Percentage of Personal Income ^a	Percentage of Actual Value ^b of Taxable Property	Net Bonded Debt Per Capita ^a	Net Total Debt Per Capita ^a
1999	22,812,230	4,978,750	17,833,480	-	-	-	17,833,480	4.18%	0.87%	\$ 974	\$ 974
2000	20,742,729	4,752,750	15,989,979	-	-	-	15,989,979	3.42%	0.73%	\$ 846	\$ 846
2001	18,988,784	4,520,750	14,468,034	-	-	-	14,468,034	2.94%	0.63%	\$ 791	\$ 791
2002	17,011,111	4,283,750	12,727,361	-	-	-	12,727,361	2.46%	0.52%	\$ 668	\$ 668
2003	14,841,750	4,141,750	10,700,000	-	-	-	10,700,000	1.89%	0.42%	\$ 544	\$ 544
2004	13,590,000	3,920,000	9,670,000	9,386,321	9,386,321	-	9,670,000	1.54%	0.36%	\$ 464	\$ 464
2005	12,410,000	3,690,000	8,720,000	8,537,182	8,537,182	-	8,720,000	1.31%	0.31%	\$ 386	\$ 386
2006	11,215,000	3,445,000	7,770,000	7,658,149	7,658,149	-	7,770,000	1.07%	0.10%	\$ 330	\$ 330
2007	10,035,000	3,195,000	6,840,000	6,748,170	6,748,170	-	6,840,000	0.94%	0.09%	\$ 273	\$ 273
2008	28,923,550	21,935,000	6,988,550	12,658,730	5,806,155	6,852,575	13,841,125	1.91%	0.17%	\$ 279	\$ 552

Notes: Percentages calculated using 2006 personal income data for 2007 and following years, which is the most recent available

^aPopulation and personal income data can be found in Schedule 12.

^bSee Schedule 5 for property value data for years 1999 through 2006

Schedule 10Currituck County, North Carolina
Legal Debt Margin Information,
Last Ten Fiscal Years

	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008
Assessed Value of Property	\$ 2,056,496,562	\$ 2,188,746,440	\$ 2,320,690,665	\$ 2,431,621,612	\$ 2,560,600,483	\$ 2,709,746,613	\$ 2,847,455,323	\$ 7,714,703,609	\$ 7,903,781,250	\$ 8,052,933,751
Debt Limit, 8% of Assessed Value (Statutory Limitation)	164,519,725	175,099,715	185,655,253	194,529,729	204,848,039	216,779,729	227,796,426	617,176,289	632,302,500	644,234,700
Amount of Debt Applicable to Limit										
General Obligation Bonds	19,239,050	17,952,750	17,020,750	15,883,750	14,841,750	13,590,000	12,410,000	11,215,000	10,035,000	9,923,550
Revenue Bonds	-	-	-	-	-	-	-	-	-	19,000,000
Installment Purchase Agreements	3,573,180	2,789,979	1,968,034	1,127,361	-	9,386,321	8,537,182	7,658,149	6,748,170	12,658,730
Less: General Obligation Bonds paid from Enterprise Funds	(4,978,750)	(4,752,750)	(4,520,750)	(4,283,750)	(4,141,750)	(3,920,000)	(3,690,000)	(3,445,000)	(3,195,000)	(2,935,000)
Revenue Bonds from Enterprise Funds	-	-	-	-	-	-	-	-	-	(19,000,000)
Total net debt applicable to limit	17,833,480	15,989,979	14,468,034	12,727,361	10,700,000	19,056,321	17,257,182	15,428,149	13,588,170	19,647,280
Legal Debt Margin	<u>\$ 146,686,245</u>	<u>\$ 159,109,736</u>	<u>\$ 171,187,219</u>	<u>\$ 181,802,368</u>	<u>\$ 194,148,039</u>	<u>\$ 197,723,408</u>	<u>\$ 210,539,244</u>	<u>\$ 601,748,140</u>	<u>\$ 618,714,330</u>	<u>\$ 624,587,420</u>
Total net debt applicable to the limit as a percentage of debt limit	0.87%	0.73%	0.62%	0.52%	0.42%	0.70%	0.61%	0.20%	0.17%	0.24%

Note: The legal debt margin is the difference between the debt limit and the county's net debt outstanding applicable to the limit, and represents the county's legal borrowing authority.

Schedule 11
 Currituck County, North Carolina
 Revenue Bond Coverage
 Mainland Water Revenue Bonds

PERIOD ENDING 6/30/08

REVENUES	
Water Sales	\$2,479,589
Water Impact Fees	\$193,300
	<u>\$2,672,889</u>
Reconnection Fees	\$26,530
Penalties	\$61,127
Investment Earnings	\$200,131
	<u>\$287,788</u>
TOTAL REVENUES	\$2,960,677
EXPENSES	
Personnel	\$585,721
Operations	\$862,531
Capital Outlay	\$121,959
TOTAL EXPENSES, EXCLUDING DEBT	<u>\$1,570,211</u>
REVENUES AVAILABLE FOR DEBT	\$1,390,466
2004 General Obligation Bond Refunding	\$260,000
Interest: 2004 General Obligation Bond Refunding	\$131,784
2008 Water Revenue Bonds	-
TOTAL DEBT	<u>\$391,784</u>
MINIMUM 1.15 DEBT COVERAGE	\$450,552
TOTAL DEBT SERVICE COVERAGE	3.55

Note: Only one year of data is presented. This is a new schedule that is d by revenue bond covenants for bonds issued in March 2008.

Schedule 12

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

Year	Population ^a	Personal Income (<i>thousands of dollars</i>) ^d	Per Capita Personal Income ^d	Public School Enrollment ^b	Unemployment Rate ^c
1999	18,305	426,909	23,908	3,294	2.30%
2000	18,900	468,081	25,543	3,354	2.50%
2001	18,289	491,334	26,145	3,392	2.43%
2002	19,059	516,392	26,460	3,400	2.00%
2003	19,653	567,165	27,524	3,427	1.80%
2004	20,834	626,832	28,660	3,685	2.40%
2005	22,617	667,122	29,089	3,854	2.90%
2006	23,580	725,136	30,842	4,156	2.40%
2007	25,089	*	*	4,120	2.80%
2008	25,089	*	*	4,118	3.60%

* Information not yet available

^a North Carolina Department of Commerce

^b Currituck County Board of Education

^c North Carolina Employment Security Commission

^d Bureau of Economic Analysis

Ten Largest Employers^e

Employer	2008	
	Number of Employees	Industry
Currituck County Board of Education	500-999	Education
County of Currituck	250-499	Local Government
Presidential Airways, Inc.	100-249	Trade, Transportation and Utilities
Food Lion LLC	100-249	Trade, Transportation and Utilities
EP Management Services LLC	100-249	Professional and Business Services
Corolla Classic Vacations LLC	100-249	Financial Activities
Sentara Health Care Center	100-249	Health Services
Southland Trade Corp.	50-99	Trade, Transportation and Utilities
Sun Realty Nags Head Inc	50-99	Financial Activities
Twiddy & Co of Duck Inc	50-99	Financial Activities

^e North Carolina Employment Security Commission

Schedule 13

Currituck County, North Carolina
Full-time Equivalent County Government Employees by Function,
Last Ten Fiscal Years

Function	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008
General government	37.35	35.93	36.18	37.23	38.22	40.22	44.92	52.50	53.50	56.60
Public safety	79.74	80.38	88.38	106.58	123.22	133.62	146.62	162.42	164.92	181.92
Transportation	-	-	-	-	-	1.00	1.00	1.00	2.00	2.00
Environmental protection	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00
Community development	24.93	18.88	23.72	19.86	21.42	25.42	25.42	28.42	28.42	27.42
Cultural & recreation	6.25	4.25	8.36	9.64	9.79	9.79	10.79	14.15	17.60	12.85
Human services	43.68	39.45	34.00	35.25	35.75	38.75	39.75	43.00	42.75	43.75
Proprietary operations	12.45	11.45	11.45	12.70	12.70	17.70	20.10	20.00	20.00	22.00
	206.40	192.34	204.09	223.26	243.10	268.50	290.60	323.49	331.19	348.54

Note: A full-time employee is scheduled to work 2,080 hours per year (including vacation and sick leave). Full-time-equivalent is calculated by dividing total labor hours by 2,080.

Source: Currituck County Budget

Schedule 14
Currituck County, North Carolina
Operating Indicators

Function	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008
Governmental Activities:										
Public Safety										
Law Enforcement										
Stations	1	1	1	1	1	1	1	1	1	1
Satellite Stations	2	3	3	3	3	3	3	3	3	3
Deputies	36	37	39	38	44	49	52	59	59	59
Emergency Medical Services										
Stations	8	6	6	6	6	6	8	11	11	11
Emergency Medical Technicians	17	18	30	30	43	45	49	55	56	71
Human Services¹										
Number of Physicians	7	7	*	6	6	*	*	3	*	*
Population/physician ratio	2,499	2,723	*	3,216	3,288	*	*	-	*	*
Education²										
Schools	7	7	7	7	8	8	8	8	8	8
Teachers	230	233	240	273	273	257	254	346	314	315
Student Enrollment	2,988	3,354	3,392	3,400	3,729	3,685	3,854	4,156	4,120	4,070
SAT Scores	991	962	992	1,024	988	1,003	1,013	1,502*	1,466	1,465
Enterprise Activities:										
Newtown Road Sewer										
Miles of sewer lines	*	*	*	*	*	*	*	*	1	1
Residential sewer customers	*	*	*	*	*	*	*	*	24	28
Commercial sewer customers	*	*	*	*	*	*	*	*	-	1
Moyock Commons Sewer										
Miles of sewer lines	*	*	*	*	*	*	*	*	1	1
Number of residential customers	*	*	*	*	*	*	*	*	-	-
Number of commercial customers	*	*	*	*	*	*	*	*	23	21
Southern Outer Banks Water										
Miles of water lines	*	*	*	*	*	*	*	*	27.07	27.07
Average daily usage (in 1,000 gallons)	*	*	*	*	*	*	*	*	240	615
Number of wells	*	*	*	*	*	*	*	*	47	47
Number of residential customers	*	*	*	*	*	*	*	*	1,181	1,179
Number of commercial customers	*	*	*	*	*	*	*	*	2	2
Ocean Sands Water and Sewer										
Miles of water lines	*	*	*	*	*	*	*	*	11.09	11.09
Miles of sewer lines	*	*	*	*	*	*	*	*	12.40	12.40
Average daily usage (in 1,000 gallons)	*	*	*	*	*	*	*	*	160	180
Number of residential water customers	*	*	*	*	*	*	*	*	954	954
Number of commercial water customers	*	*	*	*	*	*	*	*	-	-
Number of residential sewer customers	*	*	*	*	*	*	*	*	953	954
Number of commercial sewer customers	*	*	*	*	*	*	*	*	-	-
Mainland Water										
Miles of water lines	*	*	*	*	*	*	*	*	300	350
Number of wells	*	*	*	*	*	*	*	*	28	28
Residential water customers	*	*	*	*	*	*	*	*	4,891	4,559
Commercial water customers	*	*	*	*	*	*	*	*	-	397
Solid Waste										
Total number of households served	10,442	10,494	10,667	11,348	11,460	11,971	12,591	13,217	13,813	14,176
Total tonnage disposed	21,826	28,875	27,619	28,225	34,592	41,298	37,234	34,878	31,374	26,300
Recycling Program:										
Households served by program	10,442	10,494	10,667	11,348	11,460	11,971	12,591	13,217	13,813	14,176
Tonnage recovered	1,105	1,014	1,033	1,012	1,032	728	2,009	1,392	1,516	1,713
Mulching/composting program										
Households served by program	10,442	10,494	10,667	11,348	11,460	11,971	12,591	13,217	10,097	10,462
Tonnage recovered	779	795	1,088	1,050	1,065	12,800	1,780	1,323	1,746	1,023
Total cost of solid waste program	\$ 1,824,021	\$ 2,290,861	\$ 2,309,240	\$ 2,154,794	\$ 2,264,910	\$ 2,901,485	\$ 3,747,674	\$ 4,015,956	\$ 3,804,292	\$ 3,521,710
Cost per household	\$ 175	\$ 218	\$ 216	\$ 190	\$ 198	\$ 242	\$ 297	\$ 304	\$ 275	\$ 250
Cost per ton	\$ 77	\$ 79	\$ 78	\$ 76	\$ 62	\$ 53	\$ 91	\$ 107	\$ 110	\$ 120

¹NC Department of Commerce

²Currituck County Schools

*The SAT scores include a new writing test this year.

*Data not available



Report On Internal Control Over Financial Reporting And On Compliance and Other Matters Based On An Audit Of Financial Statements Performed In Accordance With Government Auditing Standards

To the Board of County Commissioners
Currituck County, North Carolina

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregated remaining fund information of the County of Currituck, North Carolina, as of and for the year ended June 30, 2008, which collectively comprises the County of Currituck's basic financial statements, and have issued our report thereon dated November 25, 2008. We did not audit the financial statements of the Currituck County ABC Board, or The Whalehead Preservation Trust and The Currituck Wildlife Museum. Those financial statements were audited by other auditors whose reports thereon have been furnished to us, and our opinion, insofar as it relates to the amounts included for the Currituck County ABC Board and The Whalehead Preservation Trust and The Currituck Wildlife Museum is based solely on the reports of the other auditors. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. The financial statements of the Currituck County ABC Board were not audited in accordance with *Government Auditing Standards*.

Internal Control Over Financial Reporting

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

A control deficiency exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the County's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the County's financial statements that is more than inconsequential will not be prevented or detected by the County's internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the County's internal control.

Our consideration of the internal control over financial reporting was for limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control over financial reporting that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

Compliance and Other Matters

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

We noted certain matters that we reported to the management of Currituck County in a separate letter dated November 25, 2008.

This report is intended solely for the information and use of management, others within the organization, members of the Board of County Commissioners, and federal and State awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specific parties.

Pittard Perry & Crone, Inc.

November 25, 2008



Report On Compliance With Requirements Applicable To Each Major Federal Program And Internal Control Over Compliance In Accordance With OMB Circular A-133 and the State Single Audit Implementation Act

To the Board of County Commissioners
Currituck County, North Carolina

Compliance

We have audited the compliance of Currituck County, North Carolina, with the types of compliance requirements described in the U. S. Office of Management and Budget (OMB) *Circular A-133 Compliance Supplement* and the *Audit Manual for Governmental Auditors in North Carolina*, issued by the Local Government Commission, that are applicable to each of its major federal programs for the year ended June 30, 2008. Currituck County's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal programs is the responsibility of Currituck County's management. Our responsibility is to express an opinion on Currituck County's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and the State Single Audit Implementation Act. Those standards, OMB Circular A-133, and the State Single Audit Implementation Act require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about Currituck County's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination on Currituck County's compliance with those requirements.

In our opinion, Currituck County complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended June 30, 2008.

Internal Control Over Compliance

The management of Currituck County is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts and grants applicable to federal programs. In planning and performing our audit, we considered Currituck County's internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the County's internal control over compliance.

Our consideration of the internal control over compliance would not necessarily disclose all matters in the internal control that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that non compliance with applicable requirements of laws, regulations, contracts and grants that would be material in relation to a major federal program being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over compliance and its operation that we consider to be material weaknesses.

A control deficiency in an entity's internal control over compliance exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect noncompliance with a type of compliance requirement of a federal program on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies that adversely affects the entity's ability to administer a federal program such that there is more than a remote likelihood that noncompliance with a type of compliance requirement of a federal program that is more than inconsequential will not be prevented or detected by the County's internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that material noncompliance with a type of compliance requirement of a federal program will not be prevented or detected by the County's internal control.

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

This report is intended solely for the information and use of the audit committee, management, others within the organization, members of the Board of County Commissioners, and federal and State awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specific parties.

Pittard Perry & Crane, Inc.

November 25, 2008



Report On Compliance With Requirements Applicable To Each Major State Program And Internal Control Over Compliance In Accordance With Applicable Sections of OMB Circular A-133 and the State Single Audit Implementation Act

To the Board of County Commissioners
Currituck County, North Carolina

Compliance

We have audited the compliance of the County of Currituck, North Carolina, with the types of compliance requirements described in the *Audit Manual for Governmental Auditors in North Carolina*, issued by the Local Government Commission, that are applicable to each of its major State programs for the year ended June 30, 2008. The County of Currituck's major State programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major State programs is the responsibility of the County of Currituck's management. Our responsibility is to express an opinion on the County of Currituck's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and applicable sections of OMB Circular A-133, as described in the *Audit Manual for Governmental Auditors in North Carolina*, and the State Single Audit Implementation Act. Those standards, applicable sections of OMB Circular A-133, and the State Single Audit Implementation Act require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major State program occurred. An audit includes examining, on a test basis, evidence about the County of Currituck's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination on the County of Currituck's compliance with those requirements.

In our opinion, the County of Currituck complied, in all material respects, with the requirements referred to above that are applicable to each of its major State programs for the year ended June 30, 2008.

Internal Control Over Compliance

The management of the County of Currituck is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts and grants applicable to State programs. In planning and performing our audit, we considered the County of Currituck's internal control over compliance with requirements that could have a direct and material effect on a major State program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with applicable sections of OMB Circular A-133 and the State Single Audit Implementation Act.

Our consideration of the internal control over compliance would not necessarily disclose all matters in the internal control that might be material weaknesses. A material weakness is a reportable condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that noncompliance with applicable requirements of laws, regulations, contracts and grants caused by error or fraud that would be material in relation to a major State program being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over compliance and its operation that we consider to be material weaknesses.

This report is intended solely for the information and use of the audit committee, management, others within the organization, members of the Board of Commissioners, and federal and State awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

Pittard Perry + Crane, Inc.

November 25, 2008

CURRITUCK COUNTY, NORTH CAROLINA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the Fiscal Year Ended June 30, 2008

Section I Summary of Auditor's Results

Financial Statements

Type of auditor's report issued: Unqualified

Internal control over financial reporting:

- Material weakness(es) identified? _____ yes __X__ no
- Reportable condition(s) identified that are not considered to be material weaknesses _____ yes __X__ none reported
- Noncompliance material to financial statements noted _____ yes __X__ no

Federal Awards

Type of auditor's report issued on compliance for major federal programs: Unqualified

Internal control over major federal programs

- Material weakness(es) identified? _____ yes __X__ no
- Reportable condition(s) identified that are not considered to be material weaknesses _____ yes __X__ none reported
- Noncompliance material to federal awards _____ yes __X__ no
- Any audit findings disclosed that are required to be reported in accordance with Section 510(a) of Circular A-133 _____ yes __X__ no

Identification of major federal programs:

CFDA Numbers	Names of Federal Program or Cluster
20.106	State Aid to Airports
93.558 93.778	Temporary Assistance for Needy Families Medical Assistance Program
10.551 10.561	Food Stamp Cluster
93.558 93.596 93.575 93.667	Child Care Cluster

Dollar threshold used to distinguish between Type A and Type B Programs \$402,667

Auditee qualified as low-risk auditee? yes no

State Awards

Internal control over major State programs:

- Material weakness identified? yes no
- Significant Deficiency identified that are not considered to be material weaknesses yes none reported

Type of auditor's report issued on compliance for major State programs: Unqualified

Any audit findings disclosed that are required to be Reported in accordance with the State Single Audit Implementation Act yes no

Identification of major State programs:

Public School Building Capital Fund

Section II Financial Statement Findings

None Reported

Section III Federal Award Findings and Questioned Costs

None Reported

CURRITUCK COUNTY, NORTH CAROLINA
SUMMARY SCHEDULE OF PRIOR YEAR AUDIT FINDINGS
For the Year Ended June 30, 2008

There were no prior year audit findings.

COUNTY OF CURRITUCK
SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS
For the Fiscal Year Ending June 30, 2008

GRANTOR, PASS THROUGH GRANTOR PROGRAM TITLE	CFDA	AMOUNT EXPENDED		COUNTY
		FEDERAL	STATE	
FEDERAL AWARDS -				
U.S. Department of Agriculture				
North Carolina Department of Health Human Resources: Division of Social Services				
Food Stamp Program - Noncash	10.551	\$ 1,612,522	\$ -	\$ -
Food Stamps Administrative Match	10.561	146,271	-	-
Total Food Stamp Cluster		1,758,793	-	-
Total U.S. Department of Agriculture		1,758,793	-	-
U.S. Department of Transportation				
State aid to airports passed through				
NC Dept of Transportation	20.106	492,965	-	-
Governor's Highway Safety Program	20.601	15,000	-	-
Total U.S. Department of Transportation		507,965	-	-
U.S. Department of Health and Human Services				
North Carolina Department of Health and Human Services				
Division of Social Services:				
TANF Benefit Payments	93.558	103,750	-	-
Work First - Services	93.558	340,812	-	-
Low Income Home Energy Assistance				
Administration	93.568	4,289	-	-
Direct Payments	93.568	21,972	-	-
Crisis Intervention Program	93.568	47,479	-	-
Family Preservation				
Permanency Planning	93.556	2,433	-	-
SSBG	93.645	7,012	1,802	-
LINKS	93.667	44,673	4,299	-
NC Health Choice	93.674	2,880	720	-
	93.767	16,272	582	-
Foster Care and Adoption				
Title IV-E Foster Care - Administration	93.556	95,169	22,649	-
Foster Care - Direct Benefit Payments	93.645	16,905	2,429	-
Adoption - Administration	93.659	14,322	-	-
Adoption Assistance - Direct Payments	93.659	53,446	15,092	-
Total Foster Care and Adoption Cluster		179,842	40,170	-
Division of Child Development:				
<u>Child Care Development Fund Cluster</u>				
Division of Social Services				
Child Care Development Fund - Administration	93.596	60,000	-	-
Division of Child Development:				
Child Care and Development Block Grant	93.575	225,665	-	-
Child Care and Development Fund - Mandatory	93.596	92,005	-	-
Child Care and Development Fund - Match	93.596	135,082	75,505	-
Total Child Care Development Fund Cluster		512,752	75,505	-

continued

COUNTY OF CURRITUCK
SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS
For the Fiscal Year Ending June 30, 2008

GRANTOR, PASS THROUGH GRANTOR PROGRAM TITLE	CFDA	AMOUNT EXPENDED		COUNTY
		FEDERAL	STATE	
Social Services Block Grant	93.667	13,915		
TANF	93.558	77,530		
Smart Start			27,370	
State Appropriations			199,969	
Total Subsidized Child Care		604,197	302,844	-
Centers for Medicare and Medicaid Services:				
Passed-through NC Department of Health and Human Services, Division of Medical Assistance:				
Direct Benefit Payments	93.778	9,423,531	4,779,244	-
Administration	93.778	330,382	11,461	-
Total U.S. Department of Health and Human Services		11,129,524	5,141,122	-
U.S. Department of Homeland Security				
Passed through NC Department of Crime Control and Public Safety				
Emergency Management	97.042	25,947	-	-
Total U.S. Department of Homeland Security		25,947	-	-
TOTAL FEDERAL AWARDS		13,422,229	5,141,122	-
STATE AWARDS -				
North Carolina Department of Health and Human Services				
Division of Social Services:				
State/County Special Assistance for Adults		-	105,950	-
State Foster Care Benefits		-	23,130	-
State Aid to Counties		-	12,935	-
CWS Adoption Benefit Payments		-	62,597	-
State Adult Protective Services		-	18,009	-
TANF Incentive		-	185	-
Smart Start		-	11,908	-
Total North Carolina Department of Health and Human Services		-	234,714	-
NC Department of Juvenile Justice and Delinquency Prevention				
Juvenile Crime Prevention Programs		-	77,511	26,172
Support Our Students		-	56,865	-
Total North Carolina Department of Health and Human Services		-	134,376	26,172
North Carolina Department of Transportation				
Public Transportation Division:				
ROAP		-	124,160	-
DOT-18 - Industrial construction		-	225,000	-
Total North Carolina Department of Transportation		-	349,160	-

continued

COUNTY OF CURRITUCK
SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS
For the Fiscal Year Ending June 30, 2008

GRANTOR, PASS THROUGH GRANTOR PROGRAM TITLE	CFDA	AMOUNT EXPENDED		COUNTY
		FEDERAL	STATE	
North Carolina Department of Public Instruction				
Public School Building Capital Fund		-	456,585	-
Lottery Fund		-	203,740	-
		-	660,325	-
TOTAL STATE AWARDS		-	1,378,575	26,172
TOTAL FEDERAL AND STATE AWARDS		13,422,229	6,519,697	26,172

Notes to the Schedule of Expenditures of Federal and State Financial Awards

1 Basis of Presentation - The accompanying schedule of expenditures of federal and State awards includes the federal and State grant activity of Currituck County and is presented on the modified accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of OMB Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the presentation of the basic financial statements. Benefit payments are paid directly to recipients and are not included in the County's general purpose financial statements. However, due to the County's involvement in determining eligibility, they are considered federal awards to the County and are included on this schedule.

2 Subrecipients - Of the federal and State expenditures presented in the schedule, Currituck County provided federal and State awards to subrecipients as follows:

Program Title	CFDA	Federal Expenditures	State Expenditures
Support Our Students		-	56,865
Partnership of Adolescents and Support Services		-	60,334
Victim Compensation and Juvenile Restitution		-	7,529
Teen Court		-	21,801
JCPC Council Administration		-	14,019
Smart Start		-	9,315
Elderly and Disabled Transportation		-	138,278

3 The following are clustered by the North Carolina Department of Health and Human Services and are treated separately for State audit requirement purposes: Subsidized Child Care and Foster Care and Adoption.

This page intentionally blank