

COUNTY OF CURRITUCK NORTH CAROLINA



COMPREHENSIVE ANNUAL FINANCIAL REPORT For the Fiscal Year Ended June 30, 2009

Prepared by:
County of Currituck Finance Department

COMPREHENSIVE ANNUAL FINANCIAL REPORT
For the Fiscal Year Ended June 30, 2009



County of Currituck, North Carolina

Prepared by the Currituck County Finance Department

County of Currituck, North Carolina
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BOARD OF COMMISSIONERS

J. Owen Etheridge, Chairman
S. Paul O'Neal, Vice-Chairman
Oswald Vance Aydlett Jr.
Gene A. Gregory
Barry Nelms
John D. Rorer
Janet L. Taylor

COUNTY OF CURRITUCK
Post Office Box 39
Currituck, North Carolina 27929-0039
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Daniel F. Scanlon II, CPA

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

November 30, 2009

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, 2009. 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. 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 25,473; 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 seven members, that serve staggered four-year terms. 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 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 continues throughout the County. 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 40.04 percent from 2000 to 2009.

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 \$8,052,933,751 to \$8,176,639,688 an average increase of 1.54 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, 2009 was \$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 the design of a recreation/community center in Maple, while skate parks are under construction at Sound Park in Point Harbor and in Knotts Island.

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. Construction was completed on an elementary school in Jarvisburg and another elementary school in Shawboro during this fiscal year. Renovations are also underway for the J. P. Knapp School early college program. (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 was completed; funds were appropriated to open the 4H Cultural Life Center on the Spot Road property and those improvements are underway; construction of the Maple reverse osmosis plant for the Mainland Water system began water treatment in June 2009; the Moyock Library project was still in process at year end and officially opened in October 2009; renovations to the Moyock Welcome Center were in process and that facility was also completed in October 2009; construction of a fire station at Knotts Island and renovations to the Lower Currituck fire station at Kilmarnock were also in process during the year.

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, the School Facilities Fund and the Mainland Water Construction 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 the tourism industry. 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.

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 Parks and Recreation in Maple that will be contracted through the YMCA. The County is also investigating expanding the sewer capacity in the Moyock area. In addition, 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 900 days for U. S. Treasury obligations and 56 days for commercial paper. The average yield on investments was 4.023% for federal agency funds 3.714% for North Carolina School Bonds, 2.691% for certificates of deposit and 1.654% 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. The County also maintains flood insurance on structures located in flood prone areas. As of June 30, 2009 the Whalehead Club and the Shawboro Elementary School were both covered by flood insurance.

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 ninth Comprehensive Annual Financial Report prepared by Currituck County. It is the County's intention to submit this year's 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

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the County of Currituck for its comprehensive annual financial report for the fiscal year ended June 30, 2008. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized comprehensive annual financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

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

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

Certificate of Achievement for Excellence in Financial Reporting

Presented to

County of Currituck
North Carolina

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended
June 30, 2008

A Certificate of Achievement for Excellence in Financial Reporting is presented by the Government Finance Officers Association of the United States and Canada to government units and public employee retirement systems whose comprehensive annual financial reports (CAFRs) achieve the highest standards in government accounting and financial reporting.

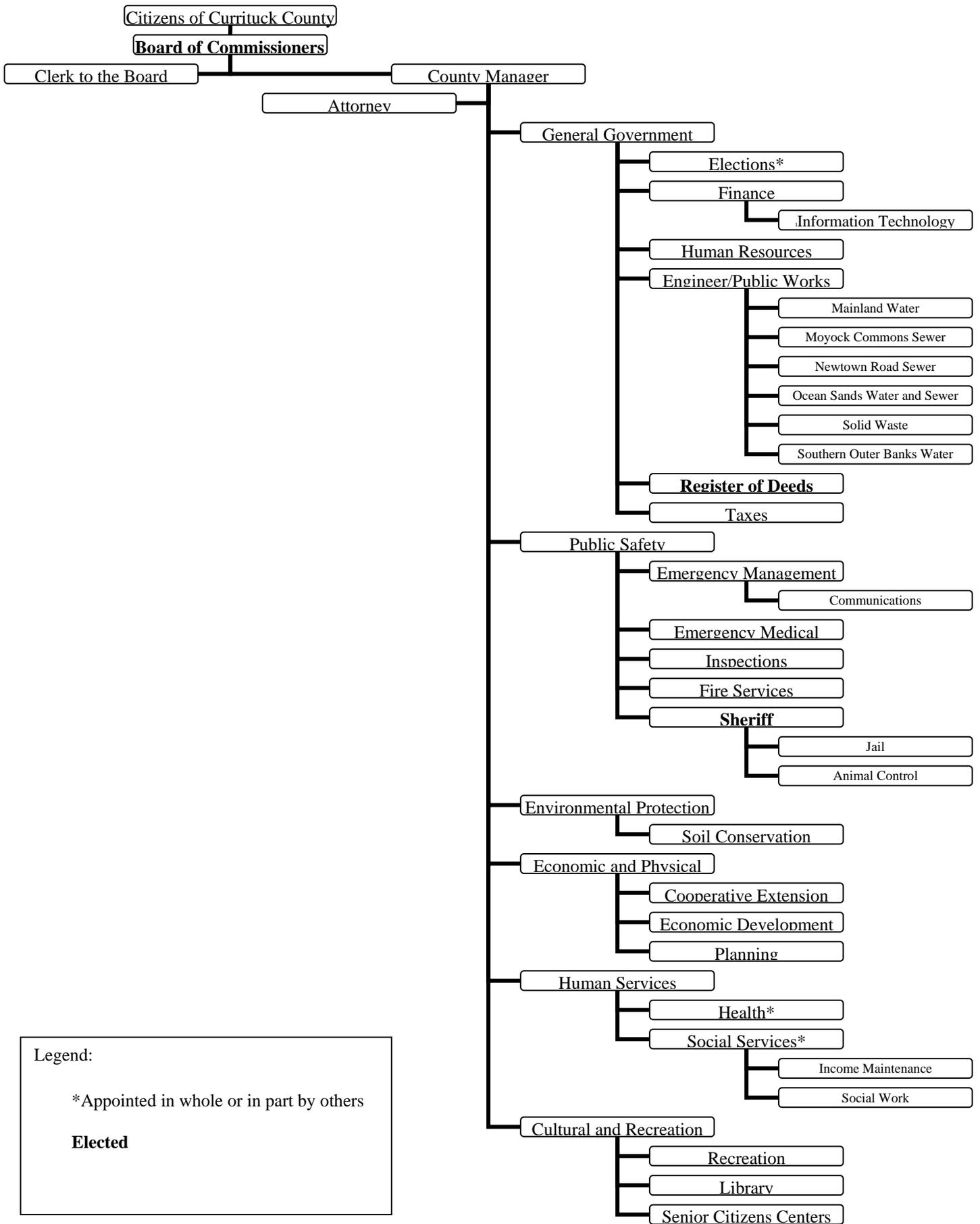


A handwritten signature in black ink, appearing to read "M. L. Post".

President

A handwritten signature in black ink, appearing to read "Jeffrey R. Emer".

Executive Director



Legend:

*Appointed in whole or in part by others

Elected

CURRITUCK, NORTH CAROLINA

J. Owen Etheridge, Chairman

S. Paul O’Neal, Vice-Chairman

Oswald Vance Aydlett, Jr.

Gene A. Gregory

Barry Nelms

John D. Rorer

Janet L. 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



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, 2009, 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, 2009, 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.

In accordance with *Government Auditing Standards*, we have also issued our report dated November 30, 2009 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. The purpose of the report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. 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.

Management's Discussion and Analysis and the Law Enforcements Officers' Special Separation Allowance and the Other Postemployment Benefits' Schedules of Funding Progress and Employer Contributions are not a required part of the basic financial statements but are 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 the information and express no opinion on it.

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 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 basis financial statements and, accordingly, we express no opinion on them.

Pittard Perry + Crane, Inc.

November 30, 2009

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, 2009. 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

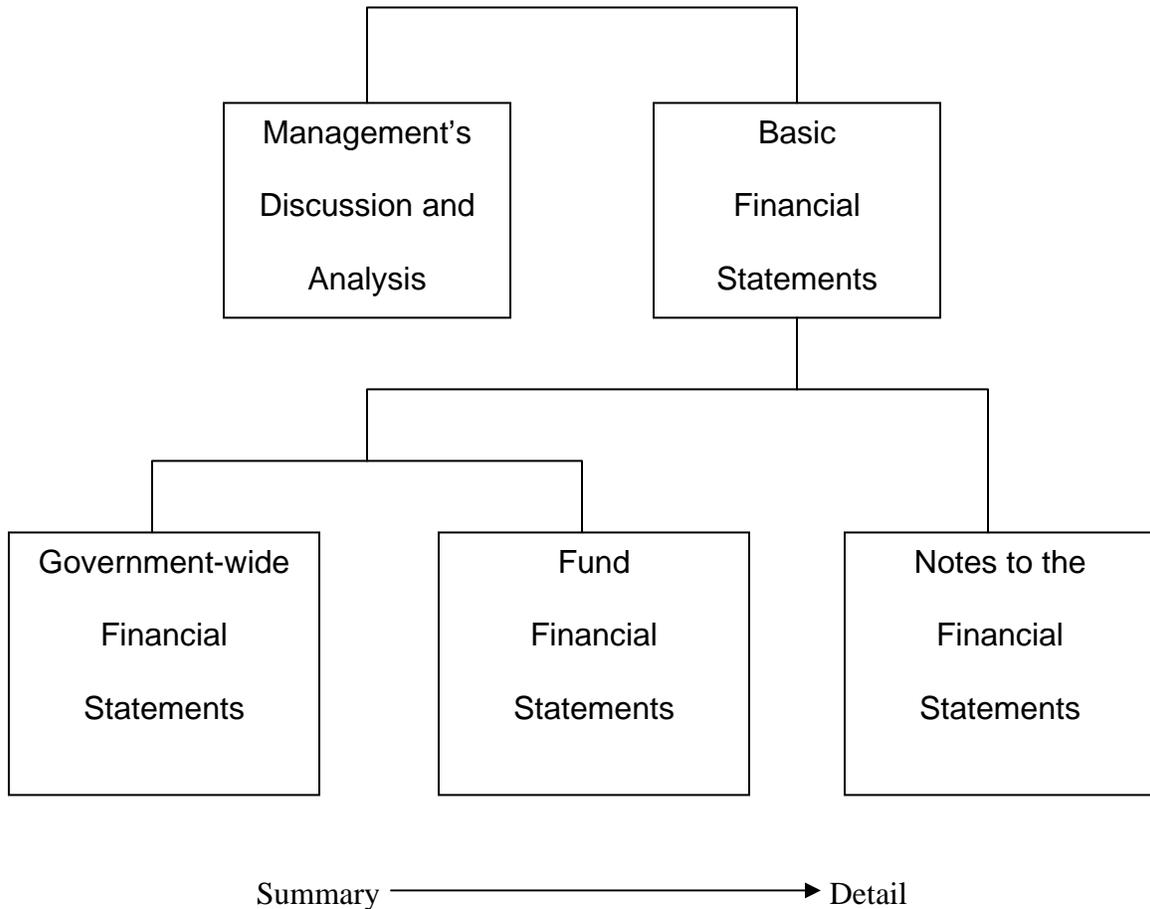
- The assets of Currituck County exceeded its liabilities at the close of the fiscal year by \$157,955,722.
- The government's total net assets increased by \$5,304,543, 75% of this increase is from governmental activities.
- As of the close of the current fiscal year, Currituck County's governmental funds reported combined ending fund balances of \$ 55,269,101, a decrease of \$6,447,814 in comparison with the prior year. Approximately 83.48% of this total amount or \$46,136,569 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 \$8,854,501, or 20.39% of total general fund expenditures for the fiscal year; \$4,465,763 of this amount is designated to fund next year's budget.
- Currituck County's total debt increased by \$1,208,710 or 3.08% during the current fiscal year. This increase is due to a \$2,520,000 installment purchase financing land acquisition at the Currituck County airport and a \$744,287 installment purchase financing for five ambulances.

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 74 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 \$157,955,772 as of June 30, 2009. The County's net assets increased by \$5,304,543 for the fiscal year ended June 30, 2009. One of the largest portions (56.71 %) 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, 2009, long-term debt in governmental activities was for the Currituck County High School, the Shawboro Elementary School, land at the airport and five ambulances. 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 \$63,344,205 is unrestricted, the County has designated a significant portion of this balance for capital construction projects for schools, County facilities and expansion of water and sewer utilities within the County. As of June 30, 2009, the County has designated \$3,274,763 for future school construction and \$18,789,934 for governmental facilities.

Currituck County's Net Assets

Figure 2

CURRITUCK COUNTY'S NET ASSETS

	Governmental Activities		Business-type Activities		Total	
	2009	2008	2009	2008	2009	2008
Current and other assets	\$ 59,423,593	\$ 79,801,428	\$ 15,964,997	\$ 31,657,466	\$ 75,388,590	\$ 111,458,894
Capital assets	81,651,526	56,558,162	47,245,062	32,263,984	128,896,588	88,822,146
Total assets	\$ 141,075,119	\$ 136,359,590	\$ 63,210,059	\$ 63,921,450	\$ 204,285,178	\$ 200,281,040
Long-term liabilities outstanding	\$ 13,317,986	\$ 11,551,508	\$ 24,308,964	\$ 26,034,141	\$ 37,626,950	\$ 37,585,649
Other liabilities	5,206,962	6,239,126	3,495,494	3,872,661	8,702,456	10,111,787
Total liabilities	18,524,948	17,790,634	27,804,458	29,906,802	46,329,406	47,697,436
Net assets:						
Invested in capital assets, net of related debt	73,367,483	56,558,162	21,244,084	22,735,808	94,611,567	79,293,970
Unrestricted	49,182,688	62,010,794	14,161,517	11,278,840	63,344,205	73,289,634
Total net assets	\$ 122,550,171	\$ 118,568,956	\$ 35,405,601	\$ 34,014,648	\$ 157,955,772	\$ 152,583,604

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

- Ad valorem tax revenue collected in the County's General fund were down by \$50,590; however, the overall collection increase by \$224,088 due to an increased tax rate in the Whalehead Watershed Improvement district.
- Other taxes and licenses decreased by \$9,803,251 in the County's General fund; however, in the prior year the Tourism Development Authority was presented as a department in the General Fund. \$8,944,369 of this decrease is directly attributed to Occupancy tax, which is now represented in the Tourism Development Authority Fund. The actual decrease of other taxes and licenses in the General fund was \$858,882. The decrease in other taxes and licenses over all of the governmental funds was \$1,382,082, which is attributed to the decreased collection of sales and use taxes throughout the year.
- Occupancy tax collections, now represented in the Tourism Development Authority fund, increased by \$332,155 over the prior year.
- Permits and fees decreased \$348,756 over the prior year; all permits and fee revenues were down from the prior year.
- Unrestricted intergovernmental revenues were \$50,946 less than the prior year, primarily due to the payment in lieu of taxes received on federal properties.
- Restricted governmental revenues were down by \$826,318 in the governmental funds primarily. \$660,325 is attributed to Public School Capital Building Fund and Lottery Proceeds received for school construction in the prior year, while the remaining is a reduction in State and Federal grants.
- Investment earning was down in the governmental funds by \$1,637,646, which was due to the depressed investment earnings rates compounded with the cash outlays for the ongoing construction projects.
- 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 decreased by 1.74% over the prior year..
- Public safety expenditures increased by 19.11%, \$3,082,674. \$2,002,179 was for the Knotts Island fire station construction and renovations to the Lower Currituck Fire station at Kilmarlic, while the public safety operations in the General fund increased by \$2,272,375.
- Transportation expenditures increased by \$3,003,670 primarily due to acquisition of land for the airport.
- Economic and physical development expenditures decreased by \$2,652,165, the is the result of completion of the Cooperative Extension facility in the prior year.
- Currituck County's funding for education decreased by \$13,866,521 over the prior year, which reflects the completion of two elementary schools in the County.
- The general fund debt service was increased by \$746,242, which is debt incurred for the airport land purchase and five ambulances.

Currituck County Changes in Net Assets
Figure 3

	Governmental Activities		Business-type Activities		Total	Total
	2009	2008	2009	2008	2009	2008
Revenues:						
Program revenues:						
Charges for services	\$ 2,262,663	\$ 2,206,060	\$ 8,546,681	\$ 8,074,613	\$ 10,809,344	\$ 10,280,673
Operating grants and contributions	3,263,138	3,795,776	45,481	140,902	3,308,619	3,936,678
Capital grants and contributions	1,496,588	1,382,461	-	-	1,496,588	1,382,461
General revenues:						
Property taxes	26,284,460	25,978,670	109,907	57,943	26,394,367	26,036,613
Other taxes	20,142,538	21,148,755	-	-	20,142,538	21,148,755
Investment earnings, unrestricted	2,141,772	3,795,801	427,232	746,480	2,569,004	4,542,281
Miscellaneous	-	-	-	-	-	-
Total revenues	55,591,159	58,307,523	9,129,301	9,019,938	64,720,460	54,332,256
Expenses:						
General government	7,590,041	3,230,828	-	-	7,590,041	3,230,828
Public safety	17,202,362	15,490,648	-	-	17,202,362	15,490,648
Transportation	751,195	1,379,504	-	-	751,195	1,379,504
Economic and physical development	5,792,463	6,176,978	-	-	5,792,463	6,176,978
Environmental protection	390,630	385,879	-	-	390,630	385,879
Human services	4,462,531	4,550,718	-	-	4,462,531	4,550,718
Cultural and recreation	1,368,558	1,523,197	-	-	1,368,558	1,523,197
Education	11,758,442	18,420,509	-	-	11,758,442	18,420,509
Interest on long-term debt	492,453	418,693	-	-	492,453	418,693
Solid Waste	-	-	3,927,902	3,788,615	3,927,902	3,788,615
Water and sewer	-	-	5,591,471	4,844,089	5,591,471	4,844,089
Total expenses	49,808,675	51,576,954	9,519,373	8,632,704	59,328,048	41,109,000
Increase in net assets before transfers and special items	5,782,484	6,730,569	(390,072)	387,234	5,392,412	7,117,803
Loss on sale of capital assets	(87,869)	(22,271)	-	(6,619)	(87,869)	-
Transfers	(1,713,400)	(1,742,239)	1,713,400	1,742,239	-	-
Increase in net assets	3,981,215	4,966,059	1,323,328	2,122,854	5,304,543	7,117,803
Net assets, July 1	118,568,956	113,602,897	34,014,648	31,891,794	152,583,604	145,494,691
Prior period adjustment	-	-	67,625	-	67,625	-
Net assets, June 30	\$ 122,550,171	\$ 118,568,956	\$ 35,405,601	\$ 34,014,648	\$ 157,955,772	\$ 152,612,494

Governmental activities. Governmental activities increased the County's net assets by \$3,981,215, thereby accounting for 75.05% of the total growth in the net assets of Currituck County. Key elements of this increase are as follows:

- Completion of several major construction projects, including two elementary schools and the Cooperative Extension Facility
- Moderate growth in property tax revenues

Business-type activities: Business-type activities increased Currituck County's net assets by \$1,323,328, accounting for 24.95 % 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

	2009			2008	Change in Fund Balances
	Reserved	Unreserved	Total	Total	
General	\$ 1,761,527	\$ 8,854,501	\$ 10,616,028	\$ 25,070,316	\$ (14,454,288)
Tourism Development Authority	\$ -	\$ 7,303,492	7,303,492	-	7,303,492
County Governmental Facilities	18,289,934	500,000	18,789,934	19,766,389	(976,455)
Other Governmental	639,385	17,920,262	18,559,647	9,122,670	9,436,977
	<u>\$ 20,690,846</u>	<u>\$ 34,578,255</u>	<u>\$ 55,269,101</u>	<u>\$ 61,716,915</u>	<u>\$ 1,309,726</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 \$8,854,501, while total fund balance reached \$10,616,028. 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 20.39% of total General Fund expenditures, while total fund balance represents 24.45% of that same amount. The decrease from the prior year is primarily attributed to \$6,000,000 used for construction of the Shawboro Elementary School, \$4,882,355 transferred to the Tourism Development Authority to report the blended component unit as a separate fund and a \$2,272,375 in public safety expenditures.

Fund balances in the Tourism Development Authority Fund are for tourism promotion and tourism related expenditures, while fund balances in the County Governmental Facilities Fund are for ongoing and future capital construction projects. The Tourism Development Authority was presented in prior years as a department in the General Fund and has now been established as a separate blended component unit and is reported as a separate fund. The significant increase in the other governmental funds is due to reclassification of funds from major funds in prior years to nonmajor as of June 30, 2009. The School Capital Projects fund and the Transfer Tax Capital fund were major funds in prior years and contributed \$3,274,763 and 4,456,909 respectively to the fund balance of the other governmental funds.

At June 30, 2009, the governmental funds of Currituck County reported a combined fund balance of \$55,269,101, a 10.48% 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 increased revenues by \$838,596. The significant variances in revenues under budget were in other taxes and licenses, restricted intergovernmental, permits and fees and investment earnings, which had unfavorable variances of \$799,288, \$566,409, \$598,634 and \$253,095, respectively. The overall actual General fund revenues were \$956,176 less than budget. Exhibit 5 on page 33 shows all variances in the General Fund. The final budget for expenditures was \$47,9215,841, which was a \$2,208,682 increase over the original budget. The general governmental services budget increased \$337,083, which was primarily carry-forward funds from projects initiated in the prior fiscal year; Public Safety budget increased \$1,250,512 attributed to purchase of five ambulances and repairs at the volunteer fire stations; transportation increased by \$143,017 due to increase aviation fuel sales; Cultural and recreational budgets increased by \$382,184 due to preparing the 4H Cultural Life Center for operations.

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 \$5,688,397, and those for the Water and Sewer Districts totaled \$8,473,120. 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 2009	June 30 2008	Change in Net Assets
Solid Waste	\$ 6,293,915	\$ 5,597,509	\$ 696,406
Ocean Sands Water and Sewer	7,505,484	7,326,547	178,937
Mainland Water	11,843,550	11,568,515	275,035
Southern Outer Banks Water	8,734,572	8,594,304	140,268
Non-Major Proprietary Funds			
Newtown Road Sewer	483,387	475,708	7,679
Moyock Commons Sewer	544,693	452,065	92,628
Total	<u>\$ 35,405,601</u>	<u>\$ 34,014,648</u>	<u>\$ 1,390,953</u>

Capital Asset and Debt Administration

Capital assets. Currituck County’s capital assets for its governmental and business – type activities as of June 30, 2009, totals \$128,896,588, 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:

- Knotts Island Fire Station construction
- Continued expansion of the Airport runway and taxiway, including land acquisition
- Construction of a reverse osmosis plant and expansion of the Mainland Water distribution system
- Construction of the Moyock Library
- Construction of the Carova Beach Park
- Purchase of five ambulances for Emergency Medical Services
- Expansion of the 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
	2009	2009	2009	2008
Land	\$ 18,622,112	\$ 1,228,349	\$ 19,850,461	\$ 17,006,471
Buildings and system	50,419,494	30,833,803	81,253,297	39,056,509
Furniture & Fixtures	5,671,106	206,783	5,877,889	6,098,783
Equipment	2,085,446	10,579,149	12,664,595	10,946,894
Vehicles and motorized equipment	3,102,702	100,562	3,203,264	2,496,849
Construction in progress	1,750,666	4,296,416	6,047,082	25,989,217
Total	\$ 81,651,526	\$ 47,245,062	\$ 128,896,588	\$ 101,594,723

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, 2009, Currituck County had total bonded debt outstanding of \$26,190,000. Of that amount, \$7,690,000 is debt backed by the full faith and credit of the County while the remaining \$18,500,000 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, land acquisition at the Airport, purchase of five ambulances and for Southern Outer Banks Water System, with outstanding balances of \$5,808,278, \$1,890,000, \$585,765 and \$4,830,977, 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	
	2009	2008	2009	2008	2009	2008	2009	2008
Installment Purchase	\$ 8,284,043	\$ 6,852,575	\$ 4,830,977	\$ 5,806,155	\$ 13,115,020	\$ 12,658,730		
Revenue bonds	-	-	18,500,000	19,000,000	18,500,000	19,000,000		
General obligation bonds	5,020,000	5,920,000	2,670,000	2,935,999	7,690,000	8,855,999		
Total debt	\$ 13,304,043	\$ 12,772,575	\$ 26,000,977	\$ 27,742,154	\$ 39,305,020	\$ 40,514,729		

Figure 7

Currituck County's total debt increased by \$1,209,709 (2.99%) during the past fiscal year, due installment purchase financing of the airport land acquisition and five ambulances.

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 \$635,996,154. The County has no bonds authorized but un-issued at June 30, 2009.

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.

- Although the unemployment rate has risen to 6.20%, Currituck still has one of the lowest rates in the State
- Property values increased 1.54% over the previous year
- Occupancy tax increased 3.71% due to increased tourism

Budget Highlights for the Fiscal Year Ending June 30, 2010

Governmental Activities: Currituck County's octennial revaluation became effective for the 2006 fiscal year. Governmental fund revenues are expected to decrease 3.07% this year, while the business fund revenues are projected to be level with less than 1% change from the prior year.

Budgeted expenditures in the General Fund are anticipated to be \$43,979,251, approximately 1.2% 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 completed the 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, 2009

	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	\$ 54,747,892	\$ 14,906,404	\$ 69,654,296	\$ 1,101,490	\$ 686,403
Receivables (net)	1,312,741	1,005,430	2,318,171	40,778	-
Internal balances	122,197	(122,197)	-	-	-
Due from other governments	2,689,649	-	2,689,649	-	-
Due from component unit	1,508	-	1,508	-	-
Inventories	1,317	-	1,317	87,219	458,793
Prepaid items	-	-	-	16,112	33,894
Deferred charges - issuance costs	49,446	30,080	79,526	-	-
Deferred charges -refunding	263,816	145,280	409,096	-	-
Prepaid pension costs	235,027	-	235,027	-	-
Endowment fund	-	-	-	12,003	-
Capital assets:					
Land, improvements, non- depreciable collections and construction in progress	20,372,778	5,524,765	25,897,543	824,113	425,900
Other capital assets, net of depreciation	61,278,748	41,720,297	102,999,045	98,747	1,702,040
Total capital assets	81,651,526	47,245,062	128,896,588	922,860	2,127,940
Total assets	141,075,119	63,210,059	204,285,178	2,180,462	3,307,030
LIABILITIES					
Accounts payable and accrued expenses	2,276,411	1,548,841	3,825,252	50,649	434,615
Unearned revenue	17,051	-	17,051	60,101	-
Customer deposits	-	84,569	84,569	23,250	-
Due to primary government	-	-	-	-	1,508
Long-term liabilities:					
Premium on debt issued	313,262	170,070	483,332	-	-
Due within one year	2,600,238	1,692,014	4,292,252	-	91,824
Due in more than one year	13,317,986	24,308,964	37,626,950	-	212,396
Total long-term liabilities	16,231,486	26,171,048	42,402,534	-	304,220
Total liabilities	18,524,948	27,804,458	46,329,406	134,000	740,343
NET ASSETS					
Invested in capital assets, net of related debt	73,367,483	21,244,084	94,611,567	922,860	1,823,720
Restricted for:					
Capital assets	-	-	-	828,397	-
Unrestricted (deficit)	49,182,688	14,161,517	63,344,205	295,205	742,968
Total net assets	\$ 122,550,171	\$ 35,405,601	\$ 157,955,772	\$ 2,046,462	\$ 2,566,688

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, 2009

	Program Revenues			
Functions/Programs	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Primary government:				
Governmental Activities:				
General government	\$ 7,677,910	\$ 732,634	\$ 9,392	\$ -
Public safety	17,202,362	1,122,524	388,608	-
Transportation	751,195	331,208	-	740,232
Economic and physical development	5,792,463	-	40,000	-
Environmental protection	390,630	-	16,365	-
Human services	4,462,531	16,314	2,808,773	-
Cultural and recreation	1,368,558	59,983	-	-
Education	11,758,442	-	-	756,356
Interest on long-term debt	492,453	-	-	-
Total governmental activities	49,896,544	2,262,663	3,263,138	1,496,588
Business-type activities:				
Solid Waste	3,927,902	2,568,346	45,481	-
Water and Sewer	5,591,471	5,978,335	-	-
Total business-type activities	9,519,373	8,546,681	45,481	-
	\$ 59,415,917	\$ 10,809,344	\$ 3,308,619	\$ 1,496,588
Component units:				
Whalehead Preservation Trust	\$ 1,046,739	\$ 358,971	\$ 318,421	\$ 525,000
ABC Board	3,010,940	3,277,609	-	-
Total component units	\$ 4,057,679	\$ 3,636,580	\$ 318,421	\$ 525,000

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

Transfers

Total general revenues and transfers

Change in net assets

Net assets-beginning

Prior period adjustment

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
\$ (6,935,884)	\$	\$ (6,935,884)		
(15,691,230)		(15,691,230)		
320,245		320,245		
(5,752,463)		(5,752,463)		
(374,265)		(374,265)		
(1,637,444)		(1,637,444)		
(1,308,575)		(1,308,575)		
(11,002,086)		(11,002,086)		
(492,453)		(492,453)		
<u>(42,874,155)</u>	<u>-</u>	<u>(42,874,155)</u>		
-	(1,314,075)	(1,314,075)		
-	386,864	386,864		
-	(927,211)	(927,211)		
<u>(42,874,155)</u>	<u>(927,211)</u>	<u>(43,801,366)</u>		
			\$ 155,653	\$ -
			-	266,669
			<u>155,653</u>	<u>266,669</u>
26,284,460	-	26,284,460	-	-
-	109,907	109,907	-	-
411,283	-	411,283	-	-
7,476,351	-	7,476,351	-	-
1,890,224	-	1,890,224	-	-
9,318,994	-	9,318,994	-	-
12,279	-	12,279	-	-
459,967	-	459,967	-	-
320,621	-	320,621	-	-
252,819	-	252,819	-	-
2,141,772	427,232	2,569,004	18,161	1,816
<u>(1,713,400)</u>	<u>1,713,400</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>46,855,370</u>	<u>2,250,539</u>	<u>49,105,909</u>	<u>18,161</u>	<u>1,816</u>
3,981,215	1,323,328	5,304,543	173,814	268,485
118,568,956	34,014,648	152,583,604	1,872,648	2,298,203
-	67,625	67,625	-	-
<u>\$ 122,550,171</u>	<u>\$ 35,405,601</u>	<u>\$ 157,955,772</u>	<u>\$ 2,046,462</u>	<u>\$ 2,566,688</u>

County of Currituck, North Carolina
Balance Sheet
Governmental Funds
June 30, 2009

	Major			Nonmajor	
	General	Tourism Development Authority Fund	County Governmental Facilities Fund	Other Governmental Funds	Total Governmental Funds
ASSETS					
Cash and cash equivalents	\$ 10,412,951	\$ 7,394,219	\$ 19,142,036	\$ 17,798,686	\$ 54,747,892
Taxes receivable, net	1,302,318	-	-	10,423	1,312,741
Other receivables, net	118,755	5,067	-	24,560	148,382
Due from other governments	1,637,810	17,179	75,636	810,642	2,541,267
Due from component unit	1,508	-	-	-	1,508
Due from Southern Outer Banks Water Fund	122,197	-	-	-	122,197
Inventories	1,317	-	-	-	1,317
Total assets	<u>\$ 13,596,856</u>	<u>\$ 7,416,465</u>	<u>\$ 19,217,672</u>	<u>\$ 18,644,311</u>	<u>\$ 58,875,304</u>
LIABILITIES AND FUND BALANCES					
Liabilities:					
Accounts payable and accrued liabilities	\$ 1,661,460	\$ 112,973	\$ 427,738	\$ 74,240	\$ 2,276,411
Miscellaneous liabilities	-	-	-	-	-
Due to other funds	-	-	-	-	-
Deferred revenue	1,319,368	-	-	10,424	1,329,792
Total liabilities	<u>2,980,828</u>	<u>112,973</u>	<u>427,738</u>	<u>84,664</u>	<u>3,606,203</u>
Fund balances:					
Reserved for:					
Inventories	1,317	-	-	-	1,317
State statute	1,758,073	-	75,636	639,385	2,473,094
Register of Deeds Automation	2,137	-	-	-	2,137
Unreserved	3,882,620	7,303,492	18,214,298	-	29,400,410
Unreserved, reported in nonmajor:					
Special revenue funds	-	-	-	1,654,897	1,654,897
Capital projects funds	-	-	-	14,575,144	14,575,144
Unreserved, designated for subsequent year's budget					
Unreserved, designated for fire services	4,465,763	-	500,000	-	4,965,763
Unreserved, designated for subsequent year's budget, reported in nonmajor	506,118	-	-	-	506,118
Unreserved, designated for subsequent year's budget, reported in nonmajor					
Special revenue funds	-	-	-	1,048,459	1,048,459
Capital projects funds	-	-	-	641,762	641,762
Total fund balances	<u>10,616,028</u>	<u>7,303,492</u>	<u>18,789,934</u>	<u>18,559,647</u>	<u>55,269,101</u>
Total liabilities and fund balances	<u>\$ 13,596,856</u>	<u>\$ 7,416,465</u>	<u>\$ 19,217,672</u>	<u>\$ 18,644,311</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	235,027
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.	81,651,526
Liabilities for earned but deferred revenues in fund statements.	1,312,741
Some liabilities, including bonds payable and other postemployment benefits, are not due and payable in the current period and therefore are not reported in the funds (Note 7).	<u>(15,918,224)</u>
Net assets of governmental activities	<u>\$ 122,550,171</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, 2009

	Major			Nonmajor	
	General Fund	Tourism Development Authority Fund	County Governmental Facilities Fund	Other Governmental Funds	Total Governmental Funds
REVENUES					
Ad valorem taxes	\$ 25,750,315	\$ -	\$ -	\$ 413,151	\$ 26,163,466
Other taxes and licenses	5,810,381	9,276,524	-	4,679,768	19,766,673
Unrestricted intergovernmental	304,553	-	-	-	304,553
Restricted intergovernmental	3,074,776	567	740,232	40,000	3,855,575
Permits and fees	1,246,366	-	-	-	1,246,366
Sales and services	652,366	-	-	-	652,366
Investment earnings	612,513	311,464	650,146	584,032	2,158,155
Miscellaneous	891,792	42,470	-	-	934,262
Total revenues	38,343,062	9,631,025	1,390,378	5,716,951	55,081,416
EXPENDITURES					
Current:					
General government	5,291,527	-	-	-	5,291,527
Public safety	16,921,209	-	2,002,179	294,405	19,217,793
Transportation	577,874	-	3,503,325	-	4,081,199
Environmental protection	200,527	-	-	184,344	384,871
Economic and physical development	1,233,484	4,231,095	562,011	105,165	6,131,755
Human services	4,385,682	-	-	-	4,385,682
Cultural and recreational	1,711,196	-	1,676,187	-	3,387,383
Intergovernmental:					
Education	9,873,952	-	-	7,100,683	16,974,635
Debt service:					
Principal	2,739,907	-	-	-	2,739,907
Interest	492,453	-	-	-	492,453
Total expenditures	43,427,811	4,231,095	7,743,702	7,684,597	63,087,205
Excess (deficiency) of revenues over expenditures	(5,084,749)	5,399,930	(6,353,324)	(1,967,646)	(8,005,789)
OTHER FINANCING SOURCES (USES)					
Debt proceeds	751,375	-	2,520,000	-	3,271,375
Transfers from other funds	3,443,025	4,882,355	2,856,869	7,233,586	18,415,835
Transfers to other funds	(13,563,939)	(2,978,793)	-	(3,586,503)	(20,129,235)
Total other financing sources and uses	(9,369,539)	1,903,562	5,376,869	3,647,083	1,557,975
Net change in fund balance	(14,454,288)	7,303,492	(976,455)	1,679,437	(6,447,814)
Fund balances-beginning	25,070,316	-	19,766,389	16,880,210	61,716,915
Fund balances-ending	\$ 10,616,028	\$ 7,303,492	\$ 18,789,934	\$ 18,559,647	\$ 55,269,101

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, 2009

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

Net changes in fund balances - total governmental funds	\$ (6,447,814)
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	12,431,192
Cost of capital asset disposed of during the year, not recognized on modified accrual basis	(110,403)
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds	532,277
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.	(531,468)
Actuarial decrease in prepaid pension costs that do not use current financial resources and are not reported as revenues in the funds	(1,618)
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>(1,890,951)</u>
Total changes in net assets of governmental activities	<u><u>\$3,981,215</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, 2009

	2009			Variance With Final Positive (Negative)	2008
	Original Budget	Final Budget	Actual		Actual
Revenues:					
Ad valorem taxes	\$ 24,950,416	\$ 24,950,416	\$ 25,750,315	\$ 799,899	\$ 25,810,239
Other taxes and licenses	6,563,148	6,609,669	5,810,381	(799,288)	15,613,632
Unrestricted intergovernmental	375,500	376,600	304,553	(72,047)	355,499
Restricted intergovernmental	3,549,602	3,641,185	3,074,776	(566,409)	3,143,203
Permits and fees	1,763,500	1,845,000	1,246,366	(598,634)	1,595,122
Sales and services	458,476	554,734	652,366	97,632	648,891
Investment earnings	750,000	865,608	612,513	(253,095)	1,517,879
Miscellaneous	50,000	456,026	891,792	435,766	102,892
Total revenues	<u>38,460,642</u>	<u>39,299,238</u>	<u>38,343,062</u>	<u>(956,176)</u>	<u>48,787,357</u>
Expenditures					
Current:					
General government	6,186,068	6,523,151	5,291,527	1,231,624	5,385,330
Public safety	17,192,369	18,442,881	16,921,209	1,521,672	14,648,834
Transportation	561,417	704,434	577,874	126,560	701,129
Environmental protection	243,179	243,179	200,527	42,652	185,554
Economic and physical development	1,368,977	1,382,987	1,233,484	149,503	5,907,410
Human services	4,690,509	4,772,385	4,385,682	386,703	4,503,615
Cultural and recreational	1,658,378	2,040,562	1,711,196	329,366	1,436,413
Intergovernmental:					
Education	9,873,952	9,873,952	9,873,952	-	9,563,912
Debt service	3,232,310	3,232,310	3,232,360	(50)	2,486,118
Total expenditures	<u>45,007,159</u>	<u>47,215,841</u>	<u>43,427,811</u>	<u>3,788,030</u>	<u>44,818,315</u>
Revenues over (under) expenditures	<u>(6,546,517)</u>	<u>(7,916,603)</u>	<u>(5,084,749)</u>	<u>2,831,854</u>	<u>3,969,042</u>
Other financing sources (uses):					
Proceeds from debt issued	-	751,375	751,375	-	-
Transfers to other funds	(7,293,939)	(13,563,939)	(13,563,939)	-	(4,289,390)
Transfers from other funds	4,636,208	5,009,208	3,443,025	-	1,739,656
Total other financing sources (uses)	<u>(2,657,731)</u>	<u>(7,803,356)</u>	<u>(9,369,539)</u>	<u>(1,566,183)</u>	<u>(2,549,734)</u>
Revenues and other financing sources over expenditures and other financing uses	<u>(9,204,248)</u>	<u>(15,719,959)</u>	<u>(14,454,288)</u>	<u>1,265,671</u>	<u>1,419,308</u>
Appropriated fund balance	<u>9,204,248</u>	<u>15,719,959</u>	<u>-</u>	<u>(15,719,959)</u>	<u>-</u>
Revenues, appropriated fund balance, and other financing sources over expenditures and other financing uses	<u>\$ -</u>	<u>\$ -</u>	<u>(14,454,288)</u>	<u>\$ (14,454,288)</u>	<u>1,419,308</u>
Fund balances:					
Beginning of year, July 1			25,070,316		23,651,008
End of year, June 30			<u>\$ 10,616,028</u>		<u>\$ 25,070,316</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, 2009

	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, 2009	June 30, 2008
ASSETS							
Current assets:							
Cash and cash equivalents	\$ 6,115,569	\$ 5,328,096	\$ 3,143,719	\$ -	\$ 319,020	\$ 14,906,404	\$ 12,630,887
Taxes receivable, net	11,097	499	-	-	558	12,154	18,147
Receivables, net	109,381	97,503	596,209	182,444	7,739	993,276	600,608
Deferred charges - bond issuance	-	-	30,080	-	-	30,080	33,423
Deferred charges - refunding	-	-	145,280	-	-	145,280	161,422
Total current assets	6,236,047	5,426,098	3,915,288	182,444	327,317	16,087,194	13,444,487
Noncurrent assets:							
Restricted cash, cash equivalents, and investments:							
Cash, revenue bond proceeds	-	-	-	-	-	-	18,212,979
Capital assets:							
Land, improvements, and construction in progress	62,962	963,012	4,301,566	42,600	154,625	5,524,765	6,940,145
Other capital assets, net of depreciation	542,556	1,149,949	25,973,421	13,505,954	548,417	41,720,297	25,323,839
Total capital assets	605,518	2,112,961	30,274,987	13,548,554	703,042	47,245,062	50,476,963
Total noncurrent assets	605,518	2,112,961	30,274,987	13,548,554	703,042	47,245,062	50,476,963
Total assets	6,841,565	7,539,059	34,190,275	13,730,998	1,030,359	63,332,256	63,921,450
LIABILITIES							
Current liabilities:							
Accounts payable	547,650	33,575	868,294	20,299	2,013	1,471,831	1,833,933
Due to operating fund	-	-	-	122,197	-	122,197	-
Customer deposits	-	-	82,878	1,425	266	84,569	71,353
Accrued salaries	-	-	55,483	21,527	-	77,010	71,394
General obligation bonds payable	-	-	275,000	-	-	275,000	265,000
Revenue bonds payable	-	-	475,000	-	-	475,000	500,000
Notes payable	-	-	-	942,014	-	942,014	942,014
Premium on debt issued	-	-	170,070	-	-	170,070	188,967
Total current liabilities	547,650	33,575	1,926,725	1,107,462	2,279	3,617,691	3,872,661
Noncurrent liabilities:							
Liabilities payable from restricted assets:							
General obligation bonds payable	-	-	2,395,000	-	-	2,395,000	2,670,000
Revenue bonds payable	-	-	18,025,000	-	-	18,025,000	18,500,000
Notes payable	-	-	-	3,888,964	-	3,888,964	4,864,141
Total noncurrent liabilities	-	-	20,420,000	3,888,964	-	24,308,964	26,034,141
Total liabilities	547,650	33,575	22,346,725	4,996,426	2,279	27,926,655	29,906,802
NET ASSETS							
Invested in capital assets, net of related debt	605,518	2,112,961	9,104,987	8,717,576	703,042	21,244,084	22,735,808
Unrestricted	5,688,397	5,392,523	2,738,563	16,996	325,038	14,161,517	11,278,840
Total net assets	\$ 6,293,915	\$ 7,505,484	\$ 11,843,550	\$ 8,734,572	\$ 1,028,080	\$ 35,405,601	\$ 34,014,648

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, 2009

	Enterprise Funds					Totals	
	Solid Waste	Ocean Sands	Mainland	Southern	Non-Major	June 30, 2009	June 30, 2008
	Fund	Water and Sewer Fund	Water Fund	Outer Banks Water System Fund	Proprietary Funds		
OPERATING REVENUES							
Charges for services	\$ 2,568,346	\$ 896,722	\$ 2,870,146	\$ 1,677,037	\$ 80,892	\$ 8,093,143	\$ 7,681,970
Water and sewer taps	-	2,250	336,500	93,817	-	432,567	375,627
Miscellaneous	-	2,766	-	17,560	645	20,971	17,016
Total operating revenues	<u>2,568,346</u>	<u>901,738</u>	<u>3,206,646</u>	<u>1,788,414</u>	<u>81,537</u>	<u>8,546,681</u>	<u>8,074,613</u>
OPERATING EXPENSES							
Administration	78,050	22,603	140,097	224,520	9,160	474,430	645,051
Water operations	-	272,421	1,273,134	565,174	-	2,110,729	2,010,835
Sewer operations	-	402,318	-	-	61,612	463,930	466,948
Landfill operations	3,817,586	-	-	-	-	3,817,586	3,676,695
Depreciation	32,266	184,933	683,981	664,834	31,876	1,597,890	1,480,058
Total operating expenses	<u>3,927,902</u>	<u>882,275</u>	<u>2,097,212</u>	<u>1,454,528</u>	<u>102,648</u>	<u>8,464,565</u>	<u>8,279,587</u>
Operating income (loss)	<u>(1,359,556)</u>	<u>19,463</u>	<u>1,109,434</u>	<u>333,886</u>	<u>(21,111)</u>	<u>82,116</u>	<u>(204,974)</u>
NONOPERATING REVENUES (EXPENSES)							
Tax revenue	52,671	10	-	-	57,226	109,907	57,943
Unrestricted intergovernmental revenues	45,481	-	-	-	-	45,481	140,902
Investment earnings	209,812	159,464	26,209	582	31,165	427,232	746,480
Interest expenses	-	-	(860,608)	(194,200)	-	(1,054,808)	(359,736)
Total nonoperating revenue (expenses)	<u>307,964</u>	<u>159,474</u>	<u>(834,399)</u>	<u>(193,618)</u>	<u>88,391</u>	<u>(472,188)</u>	<u>585,589</u>
Income (loss) before contributions and transfers	<u>(1,051,592)</u>	<u>178,937</u>	<u>275,035</u>	<u>140,268</u>	<u>67,280</u>	<u>(390,072)</u>	<u>380,615</u>
Transfer	<u>1,747,998</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(34,598)</u>	<u>1,713,400</u>	<u>1,742,239</u>
Change in net assets	<u>696,406</u>	<u>178,937</u>	<u>275,035</u>	<u>140,268</u>	<u>32,682</u>	<u>1,323,328</u>	<u>2,122,854</u>
Total net assets - beginning	<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>
Prior period adjustment	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>67,625</u>	<u>67,625</u>	<u>-</u>
Total net assets - ending	<u>\$ 6,293,915</u>	<u>\$ 7,505,484</u>	<u>\$ 11,843,550</u>	<u>\$ 8,734,572</u>	<u>\$ 1,028,080</u>	<u>\$ 35,405,601</u>	<u>\$ 34,014,648</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, 2009

Exhibit 8

						Totals	
	Solid Waste	Ocean Sands	Mainland	Southern	Non-Major	June 30, 2009	June 30, 2008
	Fund	Water and Sewer Fund	Water Fund	Outer Banks Water System Fund	Proprietary Funds		
Cash flows from operating activities:							
Cash received from customers	\$ 2,625,252	\$ 915,479	\$ 2,815,753	\$ 1,695,401	\$ 95,136	\$ 8,147,021	\$ 7,956,447
Cash paid for goods and services	(3,720,234)	(717,210)	(1,198,212)	(493,432)	(73,064)	(6,202,152)	(5,849,682)
Cash paid to employees for services	-	-	(622,001)	(419,093)	-	(1,041,094)	(978,173)
Customer deposits received	-	-	13,216	-	-	13,216	4,747
Other operating revenue	-	2,766	-	3,581	645	6,992	17,016
Net cash provided (used) by operating activities	(1,094,982)	201,035	1,008,756	786,457	22,717	923,983	1,150,355
Cash flows from noncapital financing activities:							
Tax revenues	15,285	60	-	-	56,829	72,174	81,386
Loan from other funds	-	-	-	122,197	-	122,197	-
Transfer from other funds	1,747,998	-	-	-	(34,598)	1,713,400	1,742,239
Net cash provided by noncapital financing	1,763,283	60	-	122,197	22,231	1,907,771	1,823,625
Cash flows from capital and related financing activities:							
Proceeds from issuance of debt	-	-	-	-	-	-	19,000,000
Acquisition and construction of capital assets	-	(30,153)	(16,435,638)	(25,465)	-	(16,491,256)	(5,290,214)
Principal paid on bond maturities and installment purchase contracts	-	-	(765,000)	(975,178)	-	(1,740,178)	(1,202,014)
Interest paid on bond maturities and installment purchase contracts	-	-	(860,020)	(194,200)	-	(1,054,220)	(360,324)
Grants	89,206	-	-	-	-	89,206	139,856
Net cash used by capital and related financing activities	89,206	(30,153)	(18,060,658)	(1,194,843)	-	(19,196,448)	12,287,304
Cash flows from investing activities:							
Interest on investments	209,812	159,464	26,209	582	31,165	427,232	746,480
Net increase (decrease) in cash and cash equivalents	967,319	330,406	(17,025,693)	(285,607)	76,113	(15,937,462)	16,007,764
Cash and cash equivalents, July 1	5,148,250	4,997,690	20,169,412	285,607	242,907	30,843,866	14,836,102
Cash and cash equivalents, June 30	\$ 6,115,569	\$ 5,328,096	\$ 3,143,719	\$ -	\$ 319,020	\$ 14,906,404	\$ 30,843,866
Reconciliation of operating income to net cash provided by operating activities:							
Operating income (loss)	\$ (1,359,556)	\$ 19,463	\$ 1,109,434	\$ 333,886	\$ (21,111)	\$ 82,116	\$ (204,974)
Adjustments to reconcile operating income to net cash provided (used) by operating activities:							
Depreciation	32,266	184,933	683,981	664,834	31,876	1,597,890	1,480,058
Changes in assets and liabilities:							
(Increase) decrease in accounts receivable	56,906	16,507	(390,893)	(89,430)	14,244	(392,666)	(101,149)
(Increase) decrease in taxes receivable	-	-	-	-	-	-	-
Increase (decrease) in accounts payable and accrued liabilities	175,402	(19,868)	(392,707)	(122,639)	(2,292)	(362,104)	(23,855)
(Increase) in accrued vacation	-	-	(14,275)	(194)	-	(14,469)	(4,472)
Increase (Decrease) in customer deposits	-	-	13,216	-	-	13,216	4,747
Total adjustments	264,574	181,572	(100,678)	452,571	43,828	841,867	1,355,329
Net cash provided (used) by operating activities	\$ (1,094,982)	\$ 201,035	\$ 1,008,756	\$ 786,457	\$ 22,717	\$ 923,983	\$ 1,150,355

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, 2009

	<u>Pension Trust Fund</u>	<u>Agency Funds</u>
Assets:		
Cash and cash equivalents	\$ 756,044	\$ 37,835
Due from other governments	-	30,548
Total assets	<u>756,044</u>	<u>68,383</u>
Liabilities:		
Accounts payable	-	37,542
Due to other governments	-	30,841
Total liabilities	<u>-</u>	<u>68,383</u>
Net assets:		
Assets held for pension benefits	<u>\$ 756,044</u>	<u>\$ -</u>

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, 2009

	Post-employment	Benefits Fund
	June 30	June 30
	2009	2008
Additions:		
Employer contributions		
Law enforcement separation allowance	\$ 37,664	\$ 39,507
Postemployment benefits	117,047	102,781
	<u>154,711</u>	<u>142,288</u>
Investment income:		
Interest	25,217	33,246
Total additions	<u>179,928</u>	<u>175,534</u>
Deductions:		
Benefits		
Law enforcement separation allowance	29,499	29,499
Postemployment benefits	110,249	87,944
Administrative expense	255	251
Total deductions	<u>140,003</u>	<u>117,694</u>
Change in net assets	39,925	57,840
Net assets:		
Beginning of year, July 1		
Law enforcement separation allowance	335,173	319,432
Postemployment benefits	380,946	338,847
Beginning of year, totals	<u>716,119</u>	<u>658,279</u>
End of year, June 30		
Law enforcement separation allowance	347,622	335,173
Postemployment benefits	408,422	380,946
Net assets - end of year, totals	<u>\$ 756,044</u>	<u>\$ 716,119</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, 2009

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. A five-member Board of Commissioners governed the County until November 30, 2008. As of December 1, 2008, this board was increased 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 two blended component units, although legally separate entities, are, 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.
Tourism Development Authority	Blended	The Currituck County Tourism Development Authority is a public authority established to expend the net proceeds of the tax levied for a room occupancy tax and shall promote travel, tourism and conventions in the County, sponsor tourist-related events and activities in the county, and finance tourist-related capital projects in the county. It is composed of eight members: seven voting members and one ex officio nonvoting member. The ex officio nonvoting member shall be the county's designated travel and tourism representative and the voting members are the county commissioners of Currituck County.	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. Interfund services provided and used are not eliminated in the consolidation process. 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.

Tourism Development Authority Fund. This fund accounts for financial resources to be used for tourism promotion and tourism-related expenses.

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

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.

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 maintains a Post-Employment Benefits Fund. Pension trust funds are used to report resources that are required to be held in trust for the members and beneficiaries of defined benefit pension plans, defined contribution plans, or other postemployment benefit plans. This fund accounts for the Law Enforcement Officers' Special Separation Allowance, a single-employer, public employee retirement system and for the County's contributions for healthcare coverage provided to qualified retirees.

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 2008 through February 2009 apply to the fiscal year ended June 30, 2009. 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 Tourism Development Authority, 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 departmental 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 ended June 30, 2008 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 \$627,790 and interest payments of \$25,117 were made during the year, leaving an outstanding principal balance of \$304,219.

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, 2009 and 2008 amounted to approximately \$7,500 and \$2,320, 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 2008-2009 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 \$67,281,070 consists of several elements as follows:

Description	Amount
Prepaid pension costs resulting from actuarial study, which are not reported in the funds	\$ 235,027
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)	104,959,011
Less accumulated depreciation	(23,307,485)
Net capital assets	<u>81,651,526</u>
Deferred charges related to advance refunding bond issue	313,262
Liabilities for revenue deferred but earned and therefore reported in the fund statements but not the government-wide	1,312,741
Bonds, leases, and installment financing	(13,304,043)
Compensated absences	(830,765)
Premium on debt issued	(313,262)
Other postemployment benefits	(1,783,416)
Total adjustment	<u>\$ 67,281,070</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 \$10,429,029 as follows:

Description	Amount
Capital outlay expenditures recorded in the fund statements but capitalized as assets in the statement of activities	\$ 16,431,706
Cost of disposed capital asset not recorded on fund statement	(110,403)
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.	(4,000,514)
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	(3,271,375)
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	2,739,907
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	(107,535)
Other postemployment benefits	(1,783,416)
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	(780,464)
Recording of tax receipts deferred in the fund statements as of 6/30/08	1,312,741
Change in prepaid pension cost for law enforcement separation allowance	
Change in prepaid pension cost for law enforcement separation allowance	<u>(1,618)</u>
Total adjustment	<u>\$ 10,429,029</u>

II. Stewardship, Compliance, and Accountability

A. Excess of Expenditures over Appropriations

The budget for Debt Service was over expended by \$50. Although this amount is immaterial, we have made appropriations to insure compliance in the future.

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, 2009, the County's deposits had a carrying amount of \$40,849,884 and a bank balance of \$40,964,152. Of the bank balance, \$750,000 was covered by federal depository insurance and \$40,214,152 in interest bearing deposits were covered by collateral held under the Pooling Method.

At June 30, 2009, the County had \$1,735 and the Whalehead Preservation Trust had \$200 cash on hand.

At June 30, 2009, the carrying amount of deposits for Currituck County ABC Board was \$691,903. Of this amount, \$250,000 was covered by federal depository insurance and the remainder was covered by collateral held under the Pooling Method.

At June 30, 2009, the Whalehead Preservation Trust's deposits had a carrying amount of \$1,100,740 and a bank balance of \$1,102,763. Of the bank balance, \$250,000 was covered by federal depository insurance, \$605,068 was covered by federal depository insurance through the CDARs program, 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, 2009, 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	\$ 6,931,966	\$ 6,931,966	\$ -	\$ -	\$ -
Federal agencies	4,045,570	-	-	4,045,570	-
NC State Education Assistance	5,000,000	-	-	-	5,000,000
NC Capital Management Trust:					
Cash Portfolio	12,684,595	N/A	N/A	N/A	N/A
Term Portfolio*	928,263	-	928,263	-	-
Total Investments	\$ 29,590,394	\$ 6,931,966	\$ 928,263	\$ 4,045,570	\$ 5,000,000

* 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. The County has reduced the amount held in NCSEAA instruments; however, these instruments were liquid at year end.

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, 2009, 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, 2009. 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, 2009, 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 Dexia Delaware Commercial Paper, UBS Financial Commercial Paper, Federal Home Loan Mortgage Corporation, Fannie Mae, and NCSEAA instruments. These investments are 6.70%, 6.72%, 6.76%, 6.76% and 16.90%, 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 Levied	Tax	Interest	Total
2006	954,286	312,529	1,266,815
2007	955,252	226,872	1,182,124
2008	956,028	141,014	1,097,042
2009	966,182	55,555	1,021,737
Total	\$ 3,831,748	\$ 735,970	\$ 4,567,718

4. Receivables

Receivables at the government-wide level at June 30, 2009, were as follows:

	Accounts	Taxes and Related Accrued Interest	Due from Other Governments	Total
Governmental Activities:				
General	\$ 118,755	\$ 1,312,317	\$ 1,637,810	\$ 3,068,882
Tourism Development Authority	5,067	-	75,636	80,703
County Gov't Facilities	-	-	17,179	17,179
Other Governmental	24,560	10,423	810,642	845,625
Total receivables	148,382	1,322,740	2,541,267	4,012,389
Allowance for doubtful accounts	-	(9,999)	-	(9,999)
Total-governmental activities	\$ 148,382	\$ 1,312,741	\$ 2,541,267	\$ 4,002,390
Business-type Activities				
Solid Waste	\$ 109,381	\$ 11,499	\$ -	\$ 120,880
Ocean Sands Water and Sewer	97,503	499	-	98,002
Mainland Water	626,599	-	-	626,599
Southern Outer Banks Water	182,444	-	-	182,444
Other Proprietary	7,739	558	-	8,297
Total receivables	1,023,666	12,556	-	1,036,222
Allowance for doubtful accounts	(30,390)	(402)	-	(30,792)
Total - business-type activities	\$ 993,276	\$ 12,154	\$ -	\$ 1,005,430

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

Clerk of Court fee revenues	\$ 43,535
Local option sales tax	1,837,784
Medicaid hold harmless funds	50,831
Sales and use tax refund	450,705
NC Div Health & Human Services	155,303
Ambulance fees/Medicaid reimbursement	3,109
Total	<u>\$2,541,267</u>

5. Capital Assets

Capital asset activity for the year ended June 30, 2009, was as follows:

	Beginning Balances	Increases	Decreases	Ending Balances
Governmental activities:				
Capital assets not being depreciated:				
Land	\$ 15,853,347	2,857,390	88,625	\$ 18,622,112
Construction in progress	20,202,196	1,560,967	20,012,497	1,750,666
Total capital assets not being depreciated	36,055,543	4,418,357	20,101,122	20,372,778
Capital assets being depreciated:				
Buildings	33,269,261	29,884,824	-	63,154,085
Furniture and fixtures	8,353,997	256,087	-	8,610,084
Equipment	5,273,751	130,349	176,452	5,227,648
Vehicles and motor equipment	5,839,830	1,754,586	-	7,594,416
Total capital assets being depreciated'	52,736,839	32,025,846	176,452	84,586,233
Less accumulated depreciation for:				
Buildings	10,864,644	1,869,947	-	12,734,591
Furniture and fixtures	2,461,997	476,981	-	2,938,978
Equipment	2,674,381	622,495	154,674	3,142,202
Vehicles and motor equipment	3,460,623	1,031,091	-	4,491,714
Total accumulated depreciation	19,461,645	4,000,514	154,674	23,307,485
Total capital assets being depreciated, net	33,275,194			61,278,748
Governmental activity capital assets, net	\$ 69,330,737			\$ 81,651,526

Primary Government

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

General government	\$ 1,674,925
Public safety	1,505,730
Transportation	173,302
Environmental protection	3,857
Economic and physical development	383,489
Human services	58,807
Cultural and recreational	200,404
Total depreciation expense	<u>\$ 4,000,514</u>

Proprietary Funds

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	806,864			806,864
Equipment	214,078			214,078
Vehicles and motor equipment	12,736			12,736
Total capital assets being depreciated	1,033,678	-	-	1,033,678

Less accumulated depreciation for:

Buildings	359,234	26,895	-	386,129
Equipment	86,886	5,371	-	92,257
Vehicles and motor equipment	12,736	-	-	12,736
Total accumulated depreciation	458,856	32,266	-	491,122

Total capital assets being depreciated, net	574,822			542,556
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Solid Waste capital assets, net	\$ 637,784			\$ 605,518
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	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>963,012</u>
Capital assets being depreciated:				
Plant and distribution systems	3,938,654	-	-	3,938,654
Furniture and maintenance equipment	657,727	-	-	657,727
Vehicles and motor equipment	-	30,153	-	30,153
Total capital assets being depreciated	<u>4,596,381</u>	<u>30,153</u>	-	<u>4,626,534</u>
Less accumulated depreciation for:				
Plant and distribution systems	2,840,708	131,289	-	2,971,997
Furniture and maintenance equipment	450,944	49,121	-	500,065
Vehicles and motor equipment	-	4,523	-	4,523
Total accumulated depreciation	<u>3,291,652</u>	<u>184,933</u>	-	<u>3,476,585</u>
Total capital assets being depreciated, net	<u>1,304,729</u>			<u>1,149,949</u>
Ocean Sands Water and Sewer District capital assets, net	\$ <u>2,267,741</u>			\$ <u>2,112,961</u>

Mainland Water

Capital assets not being depreciated:				
Land	\$ 5,150	-	-	\$ 5,150
Construction in process	5,787,021	3,867,586	5,358,191	4,296,416
Total capital assets not being depreciated	<u>5,792,171</u>	<u>3,867,586</u>	<u>5,358,191</u>	<u>4,301,566</u>
Capital assets being depreciated:				
Buildings	3,324,099	15,000,353	-	18,324,452
Equipment	12,733,483	2,945,975	-	15,679,458
Vehicles	331,977	-	-	331,977
Total capital assets being depreciated	<u>16,389,559</u>	<u>17,946,328</u>	-	<u>34,335,887</u>
Less accumulated depreciation for:				
Buildings	1,573,856	132,198	-	1,706,054
Equipment	5,875,373	516,376	-	6,391,749
Vehicles	229,256	35,407	-	264,663
Total accumulated depreciation	<u>7,678,485</u>	<u>683,981</u>	-	<u>8,362,466</u>
Total capital assets being depreciated, net	<u>8,711,074</u>			<u>25,973,421</u>
Mainland Water capital assets, net	\$ <u>14,503,245</u>			\$ <u>30,274,987</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>87,000</u>
Capital assets being depreciated:				
Equipment	508,622	-	-	508,622
Total capital assets being depreciated	<u>508,622</u>	-	-	<u>508,622</u>
Less accumulated depreciation for:				
Equipment	268,439	16,954	-	285,393
Total accumulated depreciation	<u>268,439</u>	<u>16,954</u>	-	<u>285,393</u>
Total capital assets being depreciated, net	<u>240,183</u>			<u>223,229</u>
Newtown Road Sewer District capital assets, net	\$ <u>327,183</u>			\$ <u>310,229</u>

continued

	Beginning Balances	Increases	Decreases	Ending Balances
Moyock Commons Sewer District				
Capital assets not being depreciated:				
Land	\$ -	67,625	-	\$ 67,625
Total capital assets not being depreciated	-	67,625	-	67,625
Capital assets being depreciated:				
Buildings	\$ 329,267	-	-	\$ 329,267
Equipment	27,626	-	-	27,626
Total capital assets being depreciated	356,893	-	-	356,893
Less accumulated depreciation for:				
Buildings	\$ 8,232	10,975	-	\$ 19,207
Equipment	8,551	3,947	-	12,498
Total accumulated depreciation	16,783	14,922	-	31,705
Total capital assets being depreciated, net	340,110			325,188
Moyock Commons Sewer District capital assets, net	\$ 340,110			\$ 392,813
Southern Outer Banks Water System				
Capital assets not being depreciated:				
Land	\$ 35,000	7,600	-	\$ 42,600
Total capital assets not being depreciated	35,000	7,600	-	42,600
Capital assets being depreciated:				
Buildings	14,817,953	-	-	14,817,953
Equipment	1,792,178	17,865	-	1,810,043
Vehicles	133,135	-	-	133,135
Total capital assets being depreciated	16,743,266	17,865	-	16,761,131
Less accumulated depreciation for:				
Buildings	1,791,147	508,853	-	2,300,000
Equipment	680,982	148,678	-	829,660
Vehicles	118,214	7,303	-	125,517
Total accumulated depreciation	2,590,343	664,834	-	3,255,177
Total capital assets being depreciated, net	14,152,923			13,505,954
Southern Outer Banks Water capital assets, net	\$ 14,187,923			\$ 13,548,554
Business-type activities capital assets, net	\$ 32,263,986			\$ 47,245,062

Construction commitments

Currituck County has active construction projects as of June 30, 2009, 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, 2009, the government’s commitments with contractors are as follows:

Project	Spent-to-date	Remaining Commitment
Outer Banks Greenway/Bike Path	\$ 9,930	\$ 990,070
Recreation/Sr Center Facility	\$ 66,591	\$ 627,323
Moyock Library	\$ 1,674,145	\$ 840,749
Total	<u>\$ 1,750,666</u>	<u>\$ 2,458,142</u>

Discretely presented component units

Activity for the ABC Board for the year ended June 30, 2009, was as follows:

	Beginning Balances	Increases	Decreases	Ending Balances
Capital assets not being depreciated:				
Land	\$ 425,900	\$ -	\$ -	\$ 425,900
Capital assets being depreciated:				
Buildings	1,842,303	-	-	1,842,303
Furniture and equipment	199,851	223	-	200,074
Vehicles	34,827	-	-	34,827
Leasehold improvements	5,631	-	-	5,631
Total capital assets being depreciated	<u>2,082,612</u>	<u>223</u>	<u>-</u>	<u>2,082,835</u>
Less accumulated depreciation:				
Total accumulated depreciation	<u>290,631</u>	<u>90,164</u>	<u>-</u>	<u>380,795</u>
ABC capital assets, net	<u>\$ 2,217,881</u>			<u>\$ 2,127,940</u>

Activity for the Whalehead Preservation Trust and Currituck Wildlife Museum as of June 30, 2009, was as follows:

	Beginning Balances	Increases	Decreases	Ending Balances
Capital assets not being depreciated:				
Museum collection	\$ 732,300	\$ 91,813	\$ -	\$ 824,113
Total capital assets not being depreciated	<u>732,300</u>	<u>91,813</u>	<u>-</u>	<u>824,113</u>
Capital assets being depreciated:				
Furniture, fixtures and equipment	207,369	2,675	-	210,044
Total capital assets being depreciated	<u>207,369</u>	<u>2,675</u>	<u>-</u>	<u>210,044</u>
Less accumulated depreciation for:				
Furniture, fixtures and equipment	94,785	16,512		111,297
Total accumulated depreciation	<u>94,785</u>	<u>16,512</u>	<u>-</u>	<u>111,297</u>
Total capital assets being depreciated, net	112,584			98,747
Whalehead Preservation Trust capital assets, net	<u>\$ 844,884</u>			<u>\$ 922,860</u>

B. Liabilities

1. Payables

Payables at the government-wide level at June 30, 2009, were as follows:

	Vendors	Other	Total
Governmental Activities:			
General	\$ 1,135,829	\$ 525,631	\$ 1,661,460
Tourism Development Authority	112,973	-	112,973
County Governmental Facilities	427,738	-	427,738
Other Governmental	74,240	-	74,240
Total-governmental activities	<u>\$ 1,750,780</u>	<u>\$ 525,631</u>	<u>\$ 2,276,411</u>
Business-type Activities			
Solid Waste	\$ 547,650	\$ -	\$ 547,650
Ocean Sands Water and Sewer	33,575	-	33,575
Mainland Water	868,294	55,483	923,777
Southern Outer Banks Water	20,299	21,527	41,826
Other Proprietary	2,013	-	2,013
Total - business-type activities	<u>\$ 1,471,831</u>	<u>\$ 77,010</u>	<u>\$ 1,548,841</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, 2009, 2008, and 2007 were \$679,135, \$615,627, and \$546,742, respectively. The ABC Board's contributions to LGERS for the years ended June 30, 2009, 2008, and 2007 were \$11,850, \$22,802, and \$24,633, 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 pension trust fund, 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, 2009, the Separation Allowance's membership consisted of:

Retirees receiving benefits	4
Active plan members	63
Total	<u>67</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 \$37,664, or 1.35% 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, 2008 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, 2008, was 22 years.

NineYear 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)
2009	39,282	95.88%		(235,027)

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	\$ 41,483
Interest on net pension obligation	(17,157)
Adjustment to annual required contribution	14,956
Annual pension cost	<u>\$ 39,282</u>
Employer contributions made for fiscal year	<u>37,664</u>
Decrease in net pension obligation	\$ 1,618
Net pension obligation beginning of fiscal year	(236,645)
Net pension obligation end of fiscal year	<u><u>\$ (235,027)</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, 2009, were \$184,610, which consisted of \$143,568 from the County and \$41,042 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, 2009 were \$767,801 which consisted of \$548,428 from the County and \$219,373 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, 2009, the County's required and actual contributions were \$3,441.

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 – (OPEB) – Healthcare Benefits

Plan Description. 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	75% of active employee rate
20 years or more	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.

	General Employees	Law Enforcement Officers
Retirees receiving benefits	23	4
Active plan members	<u>273</u>	<u>62</u>
Total	296	66

Funding Policy. The County pays the cost of coverage for the healthcare benefits paid to qualified retirees as stated above under a County resolution that can be amended by the Board of Commissioners. The County has chosen to fund healthcare benefits on a pay as you go basis.

The current ARC rate is 14.77% of annual covered payroll. For the current year, the County contributed \$117,047 or .91% of annual covered payroll. The County's required contribution for employees not engaged in law enforcement and for law enforcement officers was \$1,430,774 annually, with an accrued liability of \$469,689. There were no contributions made by employees. The County obtains healthcare coverage through a self-funded risk financing pool, administered by the North Carolina Association of County Commissioners for all retirees under the age of 65. For retirees 65 years of age and older, healthcare coverage is provided by Medicare Supplement. The County's obligation to contribute to the HCB Plan is established and may be amended by the Board of Commissioners.

Summary of Significant Accounting Policies. Postemployment expenditures are made from the General Fund, which is maintained on the modified accrual basis of accounting, for all employees.

Annual OPEB cost and Net OPEB Obligation. The County's annual OPEB cost (expense) is calculated based on the annual required contribution of the employer (ARC) an amount actuarially determined in accordance with the parameters of GASB Statement 45. The ARC represents a level of funding that, if paid on an ongoing basis is projected to cover normal cost year and amortize any unfunded actuarial liabilities (or funding excess) over a period not to exceed thirty years. The following table shows the components of the County's annual OPEB cost for the year, the amount actually contributed to the plan, and changes in the County's net OPEB obligation for the healthcare benefits:

Annual required contribution (ARC)	\$1,900,463
Contributions for current year	(117,047)
Increase (decrease) in net OPEB obligation	<u>1,783,416</u>
Net OPEB obligation, beginning of year	-
Net OPEB obligation, end of year	<u>\$1,783,416</u>

The County's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for 2009 were as follows:

<u>For Year Ended June 30</u>	<u>Annual OPEB Cost</u>	<u>Percentage of Annual OPEB Cost Contributed</u>	<u>Net OPEB Obligation</u>
2009	\$1,900,463	6.16%	\$1,783,416

Funded Status and Funding Progress: As of December 31, 2008, the most recent actuarial valuation date, the plan was not funded. The actuarial accrued liability for benefits and, thus, the unfunded actuarial accrued liability (UAAL) was \$13,610,360. The covered payroll (annual payroll of active employees covered by the plan) was \$12,861,869, and the ratio of the UAAL to the covered payroll was 105.8%.

Actuarial valuations of an ongoing plan involve estimates of the value of reported amount and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about the future employment, mortality, and healthcare trends. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer and subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The schedule of funding progress, presented as required supplementary information following the notes to the financial statements, presents multiyear trends information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

Actuarial Methods and Assumptions. Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and the plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and plan members at the point. The actuarial methods and assumptions used include techniques that are designed to reduce the effects of short-term volatility in actuarial accrued liabilities and the actuarial value assets, consistent with the long-term perspective of the calculations.

In the December 31, 2008 actuarial valuation, the projected unit credit actuarial cost method was used. The actuarial assumptions included a 4.0%, four percent, investment rate of return (net of administrative expenses), which is the expected long-term investment returns on the employer's own investments calculated based on the funded level of the plan at the valuation date, and an annual medical cost trend increase of 10.5 percent to 5 percent annually. Both rates included a 3.75 percent inflation assumption. The actuarial value of assets, if any, was determined using techniques that spread the effects of short-term volatility in the market value of investments over a 5 year period. The UAAL is being amortized as a level percentage of projected payroll on an open basis. The remaining amortization period at December 31, 2008 was 30 years.

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)	\$ -	\$ 17,049
Taxes receivable, net (General)	1,302,318	-
Taxes receivable, net (Special Revenue)	10,424	-
	<u>\$ 1,312,742</u>	<u>\$ 17,049</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, 2009, 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

Serviced by the County's General Fund:

\$8,000,000 2008 Installment Purchase Agreement for construction of the Shawboro Elementary School, dated July 2, 2007 with semi-annual principal and interest payments due January 1 and July 1, \$1,081,592 2010; \$1,120,220 2011; \$1,160,226 2012; \$1,201,663 2013; \$1,244,577 2014; interest at 3.54%.

\$5,808,278

\$2,520,000 2009 Installment Purchase Agreement for land acquisition at the Currituck County Airport/Industrial Park, dated July 29, 2008 with annual principal payments due September 11, \$630,000 2010; \$630,000 2011; \$630,000 2012; interest at 0%.

1,890,000

\$744,287 2009 Installment Purchase Agreement for purchase of five ambulances dated July 15, 2008 with annual principal and interest payments due July 15, \$136,646 2010; \$142,978 2011; \$149,604 2012; \$156,537 2013 interest at 4.63%.

585,765

Total serviced by the General Fund

\$8,284,043

Serviced by the Southern Outer Banks Water System Fund:

\$9,800,000 2004 Installment Purchase Agreement for construction of the Southern Outer Banks reverse osmosis water plant and distribution system, dated August 22, 2003 with semi-annual principal payments and interest payments due February 22 and August 22, \$1,009,508 2010; \$1,045,047 2011; \$1,081,838 2012; \$1,119,923 2013; \$574,661 2014; interest at 3.49%.

4,830,977

Total Installment Purchase Debt

\$13,115,020

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

Year Ending	Governmental Activities		Business-type Activities	
	Principal	Interest	Principal	Interest
June 30				
2010	1,848,238	131,271	1,009,508	160,230
2011	1,893,198	178,311	1,045,047	124,691
2012	1,939,830	131,679	1,081,838	87,900
2013	1,358,200	83,310	1,119,923	49,815
2014	1,244,577	33,140	574,661	10,028
	<u>\$ 8,284,043</u>	<u>\$ 557,711</u>	<u>\$ 4,830,977</u>	<u>\$ 432,664</u>

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, 2009, 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, \$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%. \$5,020,000

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, \$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%. 2,670,000

\$7,690,000

Total General Obligation Bond debt

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
2010	875,000	233,800	275,000	116,035
2011	865,000	198,800	285,000	105,035
2012	855,000	155,550	305,000	90,785
2013	850,000	112,800	315,000	75,535
2014	845,000	70,300	330,000	59,785
2015-2018	730,000	36,500	1,160,000	105,620
Total	<u>\$ 5,020,000</u>	<u>\$ 807,750</u>	<u>\$ 2,670,000</u>	<u>\$ 552,795</u>

At June 30, 2009, Currituck County had no bonds authorized but un-issued and a legal debt margin of \$635,996,154.

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; interest at 4.09%.

	18,500,000
Total Revenue Bond debt	\$18,500,000

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

Year Ending	Business-type Activities		
	June 30	Principal	Interest
2010	475,000	756,650	
2011	500,000	737,223	
2012	510,000	716,773	
2013	540,000	695,914	
2014	560,000	673,828	
2015-2019	3,880,000	2,981,815	
2020-2024	6,150,000	1,978,128	
2025-2028	5,885,000	613,703	
Total	\$ 18,500,000	\$ 9,154,034	

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, 2009:

	Balance			Current	
	June 30, 2008	Increases	Decreases	Balance June 30, 2009	Portion of Balance
Governmental activities:					
General obligation debt	\$ 5,920,000	\$ -	\$ 900,000	\$ 5,020,000	\$ 875,000
Installment purchase	6,852,575	3,271,375	1,839,907	8,284,043	1,725,238
Compensated absences	723,230	-	196,987	526,243	-
Other postemployment benefits	-	1,900,463	117,047	1,783,416	-
Total governmental activities	\$ 13,495,805	\$ 5,171,838	\$ 3,053,941	\$ 15,613,702	\$ 2,600,238
Business-type activities:					
General obligation debt	\$ 2,935,000	\$ -	\$ 265,000	\$ 2,670,000	\$ 275,000
Revenue bonded debt	19,000,000	-	500,000	18,500,000	475,000
Installment purchase	5,806,155	-	975,178	4,830,977	992,194
Compensated absences	45,740	14,960	9,960	50,740	-
Total business-type activities	\$ 27,786,895	\$ 14,960	\$ 1,750,138	\$ 26,051,717	\$ 1,742,194
Discretely presented component units:					
Compensated absences	\$ 2,320	\$ 5,180	\$ -	\$ 7,500	\$ -
Total discretely presented component units long-term liabilities	\$ 2,320	\$ 5,180	\$ -	\$ 7,500	\$ -

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.

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C. Inter-fund Balances and Activity

Transfers to/from other funds

Transfers to/from other funds at June 30, 2009, consists of the following:

From the General fund to the Fire Vehicle Replacement Fund to accumulate resources for equipment replacement	\$ 266,528
From the General fund to the Revaluation fund to accumulate resources for the octennial revaluation of real property	121,000
From the General fund to the School Construction fund to accumulate funds for future school construction	276,058
From the General fund to the Solid Waste fund for operations	1,747,998
From the General fund to the Southern Capital projects fund for construction of Shawboro Elementary School	6,000,000
From the General fund to the Multi-year Grant fund for 2002 CDBG scatted site grant	270,000
From the General fund to the Tourism Development Authority fund to establish fund as a blended component unit rather than part of the General fund	4,882,355
Total transfers from the General fund	<u>\$ 13,563,939</u>

From the Tourism Development Authority to the General fund to transfer equity to split from General Fund	1,905,433
From the Tourism Development Authority fund to the County Governmental Facilities fund for matching funds for airport projects	73,360
From the Tourism Development Authority fund to the County Governmental Facilities fund to accumulate funds for a recreation facility	1,000,000
Total transfers from the Tourism Development Authority Fund	<u>\$ 2,978,793</u>

From the Poplar Branch Fire Tax fund to the General fund for fire equipment repair at Corolla Vol Fire Department	\$ 25,000
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From the Capital Improvements fund to the General fund for capital improvements of County buildings	120,978
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From the School Capital fund to the General fund for capital purchases for the Currituck County Schools.	1,220,000
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From the Transfer Tax Capital fund to the County Government Facilities fund to accumulate resources for a recreation facility	1,000,000
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

From the Capital Improvements fund to the General fund for engineering and design for a sewer force main	137,016
From the Capital Improvements fund to the County Governmental Facilities fund for renovations to the Lower Currituck Fire Station at Kilmarric	325,000
From the Capital Improvements fund to the County Governmental Facilities fund for construction of the Moyock Library	458,509
Total transfers from other governmental funds	<u>\$ 3,586,503</u>

From the Moyock Commons Sewer fund to the General fund to repay a portion of funding for sewer plant	34,598
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Total transfers from Enterprise funds	<u>\$ 34,598</u>
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Balances due to/from other funds

Balances due to/from other funds at June 30, 2009 consists of the following:

Due to the General Fund from the Southern Outer Banks Water fund due to expected cash flows.	<u>\$ 122,197</u>
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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 \$127,000 to Albemarle Regional Health Services during the fiscal year ended June 30, 2009, 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, 2009. 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, 2009, the County contributed \$36,413 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, 2009. 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 \$67,770 to the Authority during the fiscal year ended June 30, 2009, 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, 2009. 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, 2009, expenditures were \$404,377. 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, 2009. 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 \$15,287 to the Commission during the fiscal year ended June 30, 2009.

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	\$ 102,574	\$ -
Medicaid	10,658,972	4,046,734
Food stamp program	2,337,575	-
Energy assistance	53,779	-
Adoption assistance	65,085	12,156
Adult assistance	-	111,306
Title IV-E, foster care	12,744	1,907
CWS Adoption	-	88,076
State foster care	-	23,215
Total	<u>\$ 13,230,729</u>	<u>\$ 4,283,394</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. Prior Period Adjustment

On the June 30, 2008 financial statements, net assets of the Moyock Commons Sewer Fund was understated by \$67,625. Land conveyed with the acquisition of the sewer system was not included in the capital assets of the fund.

Net assets, June 30, 2008	\$452,065
Prior period adjustment	67,625
Net assets, June 30, 2008 as restated	<u>\$544,693</u>

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

Schedule of Funding Progress for the
Other Postemployment Benefits

Schedule of Employer Contributions for the
Other Postemployment Benefits

Notes to the Required Schedules for the
Other Postemployment Benefits

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)
12/31/1999	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%
12/31/2008	326,045	470,039	143,994	69.37%	2,786,092	5.17%

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
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%
2009	49,022	77%

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	12/31/2008
Actuarial cost method	Projected unit credit
Amortization method	Level percent of pay closed
Remaining amortization period	22 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

County of Currituck, North Carolina
 Other Postemployment Benefits
 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)
12/31/2008	-	13,610,360	13,610,360	0.00%	12,861,869	105.80%

County of Currituck, North Carolina
 Other Postemployment Benefits
 Required Supplementary Information
 Schedule of Employer Contributions

Year Ending June 30	Annual Required Contributions	Percentage Contributed
2009	\$ 1,900,463	1%

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	12/31/2008
Actuarial cost method	Projected unit credit
Amortization method	Level percent of pay, open
Remaining amortization period	30 Years
Asset valuation method	Market value
Actuarial assumptions:	
Investment rate of return*	4.00%
Projected salary increases*	10.5-5.0%
*Includes inflation at	3.75%

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, 2009

	2009			Variance with Final Budget Positive (Negative)	2008
	Budgeted Amounts		Actual		Actual
	Original	Final			
Revenues:					
Ad valorem taxes:					
Taxes	\$ -	\$ -	\$ 25,641,404	\$ -	\$ 25,700,994
Interest	-	-	108,911	-	109,245
Total	<u>24,950,416</u>	<u>24,950,416</u>	<u>25,750,315</u>	<u>799,899</u>	<u>25,810,239</u>
Other taxes and licenses:					
Sexually oriented business license	-	-	250	-	325
Animal tax	-	-	12,279	-	12,816
Marriage license	-	-	23,500	-	23,650
Franchise tax	-	-	320,621	-	222,745
Deed stamp excise tax	-	-	459,967	-	544,968
Article 39 local option sales tax	-	-	3,675,872	-	3,914,719
Article 44 local option sales tax	-	-	962,703	-	1,522,226
Medicaid hold harmless funds	-	-	355,189	-	427,814
Occupancy tax	-	-	-	-	8,944,369
Total	<u>6,563,148</u>	<u>6,609,669</u>	<u>5,810,381</u>	<u>(799,288)</u>	<u>15,613,632</u>
Unrestricted intergovernmental:					
Gasoline tax refund	-	-	2,370	-	5,222
Payments in lieu of taxes-outside sources	-	-	195,608	-	241,944
Beer and wine tax	-	-	106,575	-	108,333
Total	<u>375,500</u>	<u>376,600</u>	<u>304,553</u>	<u>(72,047)</u>	<u>355,499</u>
Restricted intergovernmental:					
Federal and State grants	-	-	2,864,334	-	2,944,738
Safe roads act	-	-	3,301	-	3,011
Crime control act	-	-	21,952	-	14,983
Court facility fees	-	-	92,538	-	98,034
Jail fees	-	-	23,426	-	20,200
Officer fees	-	-	57,404	-	50,729
ABC bottles taxes	-	-	11,821	-	11,508
Total	<u>3,549,602</u>	<u>3,641,185</u>	<u>3,074,776</u>	<u>(566,409)</u>	<u>3,143,203</u>
Permits and fees:					
Ambulance service fees	-	-	544,109	-	572,849
Administration and filing fees	-	-	181,863	-	379,317
Register of deeds fees	-	-	207,942	-	221,345
Building permit fees	-	-	226,557	-	318,669
Re-inspection fees	-	-	27,550	-	33,825
Planning fees	-	-	51,962	-	57,557
Land disturbance permit	-	-	2,850	-	5,100
Zoning violation fees	-	-	-	-	-
Homeowners' recovery fees	-	-	1,050	-	1,340
CAMA permits	-	-	-	-	-
Animal control fees	-	-	2,483	-	5,120
Total	<u>1,763,500</u>	<u>1,845,000</u>	<u>1,246,366</u>	<u>(598,634)</u>	<u>1,595,122</u>
Sales and services:					
Rents	-	-	123,721	-	126,621
Airport fees	-	-	74,840	-	43,296
Vending sales	-	-	8,010	-	8,150
Senior meals	-	-	9,304	-	4,176
EMS revenues	-	-	6,490	-	57,590
Sheriff revenues	-	-	-	-	-
Jail housing	-	-	89,638	-	65,020
Sale of materials	-	-	3,028	-	6,271
Aviation fuel sales	-	-	253,067	-	256,485

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, 2009

	2009			Variance with Final Budget Positive (Negative)	2008
	Budgeted Amounts		Actual		Actual
	Original	Final			
Tax data fees	-	-	647	-	1,046
Sale of fixed assets	-	-	22,534	-	2,000
Auction proceeds	-	-	1,104	-	7,955
Recreation fees	-	-	59,983	-	35,281
Co-op advertising	-	-	-	-	35,000
Total	<u>458,476</u>	<u>554,734</u>	<u>652,366</u>	<u>97,632</u>	<u>648,891</u>
Investment earnings	<u>750,000</u>	<u>865,608</u>	<u>612,513</u>	<u>(253,095)</u>	<u>1,517,879</u>
Miscellaneous:					
Public school capital building fund	-	-	744,201	-	-
Donations	-	-	8,825	-	6,573
Insurance recoveries	-	-	92,296	-	19,719
ABC Education distribution	-	-	12,155	-	34,675
ABC Law enforcement distribution	-	-	8,682	-	24,768
Other	-	-	25,633	-	17,157
Total	<u>50,000</u>	<u>456,026</u>	<u>891,792</u>	<u>435,766</u>	<u>102,892</u>
Total revenues	<u>38,460,642</u>	<u>39,299,238</u>	<u>38,343,062</u>	<u>(956,176)</u>	<u>48,787,357</u>
Expenditures:					
General government:					
Administration:					
Salaries and employee benefits	-	-	334,773	-	354,099
Other operating expenditures	-	-	83,175	-	71,181
Total	<u>449,581</u>	<u>459,581</u>	<u>417,948</u>	<u>41,633</u>	<u>425,280</u>
Legal:					
Salaries and employee benefits	-	-	240,985	-	52,948
Other operating expenditures	-	-	210,117	-	333,618
Capital outlay	-	-	-	-	1,457
Total	<u>493,602</u>	<u>493,602</u>	<u>451,102</u>	<u>42,500</u>	<u>388,023</u>
Governing body:					
Salaries and employee benefits	-	-	95,613	-	77,743
Other operating expenditures	-	-	33,336	-	21,512
Capital Outlay	-	-	5,260	-	-
Total	<u>162,620</u>	<u>162,620</u>	<u>134,209</u>	<u>28,411</u>	<u>99,255</u>
Elections:					
Salaries and employee benefits	-	-	106,599	-	102,073
Other operating expenditures	-	-	46,996	-	55,753
Capital outlay	-	-	-	-	129,899
Total	<u>164,239</u>	<u>165,339</u>	<u>153,595</u>	<u>11,744</u>	<u>287,725</u>
Finance					
Salaries and employee benefits	-	-	263,832	-	222,395
Other operating expenditures	-	-	74,586	-	57,812
Total	<u>339,017</u>	<u>350,648</u>	<u>338,418</u>	<u>12,230</u>	<u>280,207</u>
Information Technology:					
Salaries and employee benefits	-	-	234,527	-	227,458
Other operating expenditures	-	-	142,056	-	135,774
Capital outlay	-	-	64,840	-	257,132
Total	<u>530,823</u>	<u>621,263</u>	<u>441,423</u>	<u>179,840</u>	<u>620,364</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, 2009

	2009			Variance with Final Budget Positive (Negative)	2008
	Budgeted Amounts		Actual		Actual
	Original	Final			
Human resources:					
Salaries and employee benefits	-	-	113,629	-	116,037
Other operating expenditures	-	-	9,892	-	14,026
Total	142,406	142,406	123,521	18,885	130,063
Public information:					
Salaries and employee benefits	-	-	88,837	-	209,052
Other operating expenditures	-	-	48,505	-	94,141
Capital outlay	-	-	-	-	18,306
Total	171,143	171,143	137,342	33,801	321,499
Taxes:					
Salaries and employee benefits	-	-	374,912	-	364,054
Other operating expenditures	-	-	96,407	-	87,449
Total	498,196	498,196	471,319	26,877	451,503
Public works:					
Salaries and employee benefits	-	-	492,688	-	532,619
Other operating expenditures	-	-	630,196	-	369,318
Capital outlay	-	-	152,977	-	98,742
Total	1,544,241	1,658,715	1,275,861	382,854	1,000,679
Public utilities:					
Salaries and employee benefits	-	-	133,715	-	34,589
Operating expenditures	-	-	19,457	-	6,917
Capital outlay	-	-	22,636	-	-
Total	179,190	179,190	175,808	3,382	41,506
Register of deeds:					
Salaries and employee benefits	-	-	275,823	-	260,127
Other operating expenditures	-	-	313,478	-	349,956
Capital outlay	-	-	3,627	-	-
Total	743,666	748,666	592,928	155,738	610,083
Court facilities:					
Operating expenditures	-	-	167,661	-	176,682
Capital outlay	-	-	-	-	-
Total	192,589	195,099	167,661	27,438	176,682
Agency appropriations:					
Operating expenditures	-	-	33,400	-	31,200
Total	36,200	36,200	33,400	2,800	31,200
Central services:					
Operating expenditures	-	-	376,992	-	521,261
Total	538,555	640,483	376,992	263,491	521,261
Total general government	6,186,068	6,523,151	5,291,527	1,231,624	5,385,330
Public safety:					
Sheriff:					
Salaries and employee benefits	-	-	3,898,444	-	3,447,795
Other operating expenditures	-	-	743,106	-	759,332
Capital outlay	-	-	665,584	-	328,993
Total	5,500,889	5,495,742	5,307,134	188,608	4,536,120

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, 2009

	2009			Variance with Final Budget Positive (Negative)	2008
	Budgeted Amounts		Actual		Actual
	Original	Final			
Jail:					
Salaries and employee benefits	-	-	1,342,665	-	1,252,365
Other operating expenditures	-	-	578,949	-	587,975
Capital outlay	-	-	7,510	-	10,877
Total	1,999,480	2,055,880	1,929,124	126,756	1,851,217
Animal control:					
Salaries and employee benefits	-	-	166,979	-	159,072
Other operating expenditures	-	-	176,403	-	150,505
Capital outlay	-	-	25,538	-	7,467
Total	381,027	381,027	368,920	12,107	317,044
Jury commission:					
Operating expenditures	-	-	2,003	-	1,800
Total	1,800	2,004	2,003	1	1,800
Emergency medical services:					
Salaries and employee benefits	-	-	4,430,188	-	3,974,928
Other operating expenditures	-	-	683,964	-	619,978
Capital outlay	-	-	840,183	-	114,230
Total	5,466,774	6,264,913	5,954,335	310,578	4,709,136
Emergency management:					
Salaries and employee benefits	-	-	91,946	-	114,092
Other operating expenditures	-	-	58,819	-	64,406
Capital outlay	-	-	3,949	-	4,790
Total	207,648	243,699	154,714	88,985	183,288
Communications:					
Salaries and employee benefits	-	-	610,685	-	540,968
Other operating expenditures	-	-	181,319	-	168,991
Capital outlay	-	-	278,899	-	140,255
Total	1,406,401	1,612,901	1,070,903	541,998	850,214
Building inspections:					
Salaries and employee benefits	-	-	407,930	-	410,384
Other operating expenditures	-	-	52,094	-	53,243
Capital outlay	-	-	22,058	-	1,340
Total	558,288	558,288	482,082	76,206	464,967
Fire prevention:					
Salaries and employee benefits	-	-	60,587	-	58,933
Other operating expenditures	-	-	28,223	-	28,828
Capital outlay	-	-	14,535	-	99,266
Total	106,284	107,649	103,345	4,304	187,027
Volunteer fire departments:					
Carova Beach Volunteer Fire Department	-	-	258,963	-	200,947
Corolla Fire & Rescue Squad	-	-	258,497	-	403,853
Crawford Volunteer Fire Department	-	-	258,963	-	253,665
Lower Currituck Volunteer Fire Department	-	-	258,963	-	253,665
Knotts Island Volunteer Fire Department	-	-	247,600	-	176,781
Moyock Volunteer Fire Department	-	-	258,963	-	246,510
Total	1,553,778	1,710,778	1,541,949	168,829	1,535,421
Medical examiner:					
Contracted services	-	-	6,700	-	12,600
Total	10,000	10,000	6,700	3,300	12,600

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, 2009

	2009			Variance with Final Budget Positive (Negative)	2008
	Budgeted Amounts		Actual		Actual
	Original	Final			
Total public safety	17,192,369	18,442,881	16,921,209	1,521,672	14,648,834
Transportation:					
Airport:					
Salaries and employee benefits	-	-	97,380	-	106,918
Other operating expenditures	-	-	325,228	-	341,806
Capital outlay	-	-	10,360	-	114,127
Total	436,384	509,523	432,968	76,555	562,851
Inter-county transportation:					
Contracted services	-	-	144,906	-	138,278
Total	125,033	194,911	144,906	50,005	138,278
Total transportation	561,417	704,434	577,874	126,560	701,129
Environmental protection:					
Forestry:					
Contracted services	-	-	58,107	-	70,449
Total	82,575	82,575	58,107	24,468	70,449
Soil and water conservation:					
Salaries and employee benefits	-	-	105,271	-	98,253
Other operating expenditures	-	-	37,149	-	16,852
Total	160,604	160,604	142,420	18,184	115,105
Total environmental protection	243,179	243,179	200,527	42,652	185,554
Economic and physical development:					
Cooperative extension:					
Salaries and employee benefits	-	-	149,156	-	139,073
Other operating expenditures	-	-	87,319	-	49,555
Contracted services	-	-	200,663	-	168,781
Capital outlay	-	-	7,922	-	11,422
Total	465,517	471,027	445,060	25,967	368,831
Support our students:					
Salaries and employee benefits	-	-	44,508	-	36,691
Other operating expenditures	-	-	26,070	-	29,250
Total	80,000	80,000	70,578	9,422	65,941
Economic development:					
Salaries and employee benefits	-	-	84,852	-	68,048
Other operating expenditures	-	-	37,109	-	20,772
Total	166,736	166,736	121,961	44,775	88,820
Planning and inspections:					
Salaries and employee benefits	-	-	523,374	-	505,293
Other operating expenditures	-	-	72,511	-	74,741
Capital outlay	-	-	-	-	2,800
Total	656,724	665,224	595,885	69,339	582,834

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, 2009

	2009			Variance with Final Budget Positive (Negative)	2008
	Budgeted Amounts		Actual		Actual
	Original	Final			
Occupancy tax:					
Promotion of tourism	-	-	-	-	3,207,868
Tourism related expenses	-	-	-	-	639,020
Capital outlay	-	-	-	-	954,096
Total	-	-	-	-	4,800,984
Total economic and physical development	1,368,977	1,382,987	1,233,484	149,503	5,907,410
Human services:					
Health:					
Contracted services	-	-	127,000	-	100,000
Total	127,000	127,000	127,000	-	100,000
Mental health:					
Contracted services	-	-	36,413	-	36,100
Total	39,592	39,592	36,413	3,179	36,100
Social services:					
Administration:					
Salaries and employee benefits	-	-	1,993,063	-	1,906,160
Other operating expenditures	-	-	436,204	-	439,813
Capital outlay	-	-	8,900	-	25,119
Total	2,383,575	2,507,701	2,438,167	69,534	2,371,092
Public Assistance:					
Electronic issuance	-	-	2,951	-	2,769
Medical Transportation	-	-	40,882	-	43,370
TANF	-	-	(122)	-	(22)
Medical assistance program	-	-	321,000	-	647,094
Special assistance for adults	-	-	110,791	-	106,582
State foster care and boarding home payments	-	-	87,885	-	53,809
Title IV-E foster care	-	-	22,487	-	24,270
Special assistance for the blind	-	-	392	-	525
Title IV-E adoption assistance	-	-	16,975	-	15,918
Title IV-B adoption assistance	-	-	22,152	-	19,945
Title IV-B adoption assistance vendor payments	-	-	11,415	-	11,479
Child daycare	-	-	775,164	-	741,445
Smart start child daycare	-	-	104,629	-	107,145
Home care block grant	-	-	54,022	-	59,353
LINKS special assistance	-	-	7,262	-	-
Other assistance	-	-	93,937	-	49,743
Total	2,025,450	1,984,661	1,671,822	312,839	1,883,425
Total social services	4,409,025	4,492,362	4,109,989	382,373	4,254,517
Smart Start - Eat Smart, Move More:					
Operating expenditures	-	-	4,666	-	4,565
Contracted services	-	-	4,750	-	4,750
Total	9,470	9,470	9,416	54	9,315
Juvenile crime prevention control					
JCPC council and support services	-	-	13,874	-	14,019
	-	-	61,255	-	60,334

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, 2009

	2009			Variance with Final Budget Positive (Negative)	2008
	Budgeted Amounts		Actual		Actual
	Original	Final			
Restitution	-	-	8,322	-	7,529
Teen court	-	-	19,413	-	21,801
Total	<u>105,422</u>	<u>103,961</u>	<u>102,864</u>	<u>1,097</u>	<u>103,683</u>
Total human services	<u>4,690,509</u>	<u>4,772,385</u>	<u>4,385,682</u>	<u>386,703</u>	<u>4,503,615</u>
Cultural and recreational:					
Senior citizens centers:					
Salaries and employee benefits	-	-	158,160	-	186,660
Other operating expenditures	-	-	128,858	-	128,855
Capital outlay	-	-	-	-	67,536
Total	<u>332,960</u>	<u>332,960</u>	<u>287,018</u>	<u>45,942</u>	<u>383,051</u>
Libraries:					
Salaries and employee benefits	-	-	271,174	-	266,049
Other operating expenditures	-	-	133,203	-	137,660
Total	<u>526,933</u>	<u>527,333</u>	<u>404,377</u>	<u>122,956</u>	<u>403,709</u>
Recreation:					
Salaries and employee benefits	-	-	317,471	-	295,121
Other operating expenditures	-	-	260,361	-	269,149
Capital outlay	-	-	159,894	-	85,383
Total	<u>798,485</u>	<u>832,269</u>	<u>737,726</u>	<u>94,543</u>	<u>649,653</u>
4H Rural Center					
Salaries and employee benefits	-	-	-	-	-
Other operating expenditures	-	-	-	-	-
Capital outlay	-	-	282,075	-	-
Total	<u>-</u>	<u>348,000</u>	<u>282,075</u>	<u>65,925</u>	<u>-</u>
Total cultural and recreational	<u>1,658,378</u>	<u>2,040,562</u>	<u>1,711,196</u>	<u>329,366</u>	<u>1,436,413</u>
Education:					
Public schools - current	-	-	8,603,952	-	8,541,848
Public schools - capital outlay	-	-	1,220,000	-	972,064
Community college	-	-	50,000	-	50,000
Total education	<u>9,873,952</u>	<u>9,873,952</u>	<u>9,873,952</u>	<u>-</u>	<u>9,563,912</u>
Debt service:					
Principal retirement	-	-	2,739,907	-	2,067,425
Interest and other charges	-	-	492,453	-	418,693
Total debt service	<u>3,232,310</u>	<u>3,232,310</u>	<u>3,232,360</u>	<u>(50)</u>	<u>2,486,118</u>
Total expenditures	<u>45,007,159</u>	<u>47,215,841</u>	<u>43,427,811</u>	<u>3,788,030</u>	<u>44,818,315</u>
Revenues over (under) expenditures	<u>(6,546,517)</u>	<u>(7,916,603)</u>	<u>(5,084,749)</u>	<u>2,831,854</u>	<u>3,969,042</u>
Other financing sources (uses):					
Transfers to other funds:					
Special Revenue Funds	-	-	(5,539,883)	-	(382,302)
Capital Projects Funds	-	-	(6,276,058)	-	(2,164,849)
Enterprise Funds	-	-	(1,747,998)	-	(1,742,239)
Total transfers to other funds	<u>(7,293,939)</u>	<u>(13,563,939)</u>	<u>(13,563,939)</u>	<u>-</u>	<u>(4,289,390)</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, 2009

	2009			Variance with Final Budget Positive (Negative)	2008
	Budgeted Amounts		Actual		Actual
	Original	Final			
Transfers from other funds:					
Tourism Development Authority	-	-	1,905,433	-	-
Special Revenue Funds	-	-	25,000	-	367,592
Capital Projects Funds	-	-	1,477,994	-	1,372,064
Enterprise Funds	-	-	34,598	-	-
Total transfers from other funds	4,636,208	5,009,208	3,443,025	-	1,739,656
Proceeds from debt issuance	-	751,375	751,375	-	-
Total other financing sources (uses)	(2,657,731)	(7,803,356)	(9,369,539)	(1,566,183)	(2,549,734)
Revenues and other financing sources over (under) expenditures and other financing uses	(9,204,248)	(15,719,959)	(14,454,288)	1,265,671	1,419,308
Appropriated fund balance	9,204,248	15,719,959	-	(15,719,959)	-
Revenues, other sources, and appropriated fund balance over (under) expenditures	<u>\$ -</u>	<u>\$ -</u>	(14,454,288)	<u>\$ (14,454,288)</u>	1,419,308
Fund balances:					
Beginning of year, July 1			25,070,316		23,651,008
End of year, June 30			<u>\$ 10,616,028</u>		<u>\$ 25,070,316</u>

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County of Currituck, North Carolina
Combining Balance Sheet
Non-Major Governmental Funds
June 30, 2009

	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	Moyock Watershed Improvement Fund
ASSETS								
Cash and cash equivalents	\$ 268,278	\$ 533,641	\$ 544,536	\$ 45,052	\$ 422,451	\$ 58,280	\$ 4,243	\$ 15,465
Accounts receivable, net	-	24,560	-	-	-	-	-	-
Taxes receivable, net	-	-	-	7,607	-	638	12	430
Due from other governments	12	-	-	1,480	-	-	-	-
Total assets	\$ 268,290	\$ 558,201	\$ 544,536	\$ 54,139	\$ 422,451	\$ 58,918	\$ 4,255	\$ 15,895
LIABILITIES AND FUND BALANCES								
Liabilities:								
Accounts payable and accrued liabilities	\$ 14,029	\$ 11	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Due to operating fund	-	-	-	-	-	-	-	-
Deferred revenue	-	-	-	7,608	-	638	12	430
Total liabilities	14,029	11	-	7,608	-	638	12	430
Fund balances:								
Reserved by state statute	12	24,560	-	1,480	-	-	-	-
Unreserved	254,249	533,630	353,536	45,051	64,992	58,280	4,243	15,465
Unreserved, designated for subsequent year's budget	-	-	191,000	-	357,459	-	-	-
Total fund balances	254,261	558,190	544,536	46,531	422,451	58,280	4,243	15,465
Total liabilities and fund balances	\$ 268,290	\$ 558,201	\$ 544,536	\$ 54,139	\$ 422,451	\$ 58,918	\$ 4,255	\$ 15,895

Capital Projects Funds

Northwest Watershed Improvement Fund	Whalehead Watershed Improvement Fund	Total Non-Major Special Revenue Funds	Land Banking Fund	Capital Improvements Fund	School Capital Fund	School Capital Projects Fund	Transfer Tax Capital Fund	Total Non-Major Capital Projects Funds	Total Non-Major Governmental Funds
\$ 4,381	\$ 821,070	\$ 2,717,397	\$ 3,180,638	\$ 3,399,263	\$ 905,333	\$ 3,139,146	\$ 4,456,909	\$ 15,081,289	\$ 17,798,686
-	-	24,560	-	-	-	-	-	-	24,560
16	1,720	10,423	-	-	-	-	-	-	10,423
-	-	1,492	-	338,183	275,150	195,817	-	809,150	810,642
<u>\$ 4,397</u>	<u>\$ 822,790</u>	<u>\$ 2,753,872</u>	<u>\$ 3,180,638</u>	<u>\$ 3,737,446</u>	<u>\$ 1,180,483</u>	<u>\$ 3,334,963</u>	<u>\$ 4,456,909</u>	<u>\$ 15,890,439</u>	<u>\$ 18,644,311</u>
\$ -	\$ -	\$ 14,040	\$ -	\$ -	\$ -	\$ 60,200	\$ -	\$ 60,200	\$ 74,240
-	-	-	-	-	-	-	-	-	-
16	1,720	10,424	-	-	-	-	-	-	10,424
16	1,720	24,464	-	-	-	60,200	-	60,200	84,664
-	-	26,052	-	338,183	275,150	-	-	613,333	639,385
4,381	321,070	1,654,897	2,880,638	3,207,501	905,333	3,124,763	4,456,909	14,575,144	16,230,041
-	500,000	1,048,459	300,000	191,762	-	150,000	-	641,762	1,690,221
<u>4,381</u>	<u>821,070</u>	<u>2,729,408</u>	<u>3,180,638</u>	<u>3,737,446</u>	<u>1,180,483</u>	<u>3,274,763</u>	<u>4,456,909</u>	<u>15,830,239</u>	<u>18,559,647</u>
<u>\$ 4,397</u>	<u>\$ 822,790</u>	<u>\$ 2,753,872</u>	<u>\$ 3,180,638</u>	<u>\$ 3,737,446</u>	<u>\$ 1,180,483</u>	<u>\$ 3,334,963</u>	<u>\$ 4,456,909</u>	<u>\$ 15,890,439</u>	<u>\$ 18,644,311</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, 2009

	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	Moyock Watershed Improvement Fund
REVENUES								
Ad valorem taxes	\$ -	\$ -	\$ -	\$ 1,868	\$ -	\$ 11,556	\$ 1,079	\$ 14,503
Other taxes and licenses	-	306,957	-	-	-	-	-	-
Restricted								
intergovernmental	40,000	-	-	-	-	-	-	-
Investment earnings	3,435	14,614	17,555	2,848	11,295	1,901	135	1,239
Total revenues	<u>43,435</u>	<u>321,571</u>	<u>17,555</u>	<u>4,716</u>	<u>11,295</u>	<u>13,457</u>	<u>1,214</u>	<u>15,742</u>
EXPENDITURES								
Current:								
Public safety	-	76,987	-	40,186	177,232	-	-	-
Economic and physical development	105,165	-	-	-	-	-	-	-
Environmental protection	-	-	-	-	-	-	-	39,710
Education	-	-	-	-	-	-	-	-
Total expenditures	<u>105,165</u>	<u>76,987</u>	<u>-</u>	<u>40,186</u>	<u>177,232</u>	<u>-</u>	<u>-</u>	<u>39,710</u>
Excess (deficiency) of revenues over expenditures	<u>(61,730)</u>	<u>244,584</u>	<u>17,555</u>	<u>(35,470)</u>	<u>(165,937)</u>	<u>13,457</u>	<u>1,214</u>	<u>(23,968)</u>
OTHER FINANCING SOURCES (USES)								
Transfers (to) from other funds	270,000	-	121,000	(25,000)	266,528	-	-	-
Total other financing sources and uses	<u>270,000</u>	<u>-</u>	<u>121,000</u>	<u>(25,000)</u>	<u>266,528</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	208,270	244,584	138,555	(60,470)	100,591	13,457	1,214	(23,968)
Fund balances - beginning	45,991	313,606	405,981	107,001	321,860	44,823	3,029	39,433
Fund balances - ending	<u>\$ 254,261</u>	<u>\$ 558,190</u>	<u>\$ 544,536</u>	<u>\$ 46,531</u>	<u>\$ 422,451</u>	<u>\$ 58,280</u>	<u>\$ 4,243</u>	<u>\$ 15,465</u>

			Capital Projects Funds							
Northwest Watershed Improvement Fund	Whalehead Watershed Improvement Fund	Total Non-Major Special Revenue Funds	Land Banking Fund	Capital Improvements Fund	School Capital Fund	School Capital Projects Fund	Transfer Tax Capital Fund	Total Non-major Capital Projects Funds	Total Non-Major Governmental Funds	
\$ 2,089	\$ 382,056	\$ 413,151	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 413,151	
-	-	306,957	-	1,368,438	1,114,149	-	1,890,224	4,372,811	4,679,768	
-	-	40,000	-	-	-	-	-	-	40,000	
125	26,288	79,435	154,876	111,225	29,963	66,456	142,077	504,597	584,032	
2,214	408,344	839,543	154,876	1,479,663	1,144,112	66,456	2,032,301	4,877,408	5,716,951	
-	-	294,405	-	-	-	-	-	-	294,405	
-	-	105,165	-	-	-	-	-	-	105,165	
-	135,384	175,094	9,250	-	-	-	-	9,250	184,344	
-	-	-	-	-	-	7,100,683	-	7,100,683	7,100,683	
-	135,384	574,664	9,250	-	-	7,100,683	-	7,109,933	7,684,597	
2,214	272,960	264,879	145,626	1,479,663	1,144,112	(7,034,227)	2,032,301	(2,232,525)	(1,967,646)	
-	-	632,528	300,000	(1,041,503)	(1,220,000)	6,276,058	(1,300,000)	3,014,555	3,647,083	
-	-	632,528	300,000	(1,041,503)	(1,220,000)	6,276,058	(1,300,000)	3,014,555	3,647,083	
2,214	272,960	897,407	445,626	438,160	(75,888)	(758,169)	732,301	782,030	1,679,437	
2,167	548,110	1,832,001	2,735,012	3,299,286	1,256,371	4,032,932	3,724,608	15,048,209	16,880,210	
\$ 4,381	\$ 821,070	\$ 2,729,408	\$ 3,180,638	\$ 3,737,446	\$ 1,180,483	\$ 3,274,763	\$ 4,456,909	\$ 15,830,239	\$ 18,559,647	

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, 2009

	Project Authorization	Prior Year	Actual Current Year	Total to Date	Variance Positive (Negative)
Revenues					
Restricted intergovernmental:					
CDBG - 2002	\$ 400,000	\$ 394,349	\$ -	\$ 394,349	\$ (5,651)
Albemarle Commission CDBG funding	85,000	85,000	40,000	125,000	40,000
Investment Earnings	5,000	3,860	3,435	7,295	2,295
Total revenues	<u>490,000</u>	<u>483,209</u>	<u>43,435</u>	<u>526,644</u>	<u>36,644</u>
Expenditures					
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	590,773	248,673	91,174	339,847	250,926
Relocation	234,550	278,976	-	278,976	(44,426)
Total CDBG scattered site project 2002	905,323	587,114	91,174	678,288	227,035
UNC economic vision study	153,896	139,905	13,991	153,896	-
Total expenditures	<u>1,059,219</u>	<u>727,019</u>	<u>105,165</u>	<u>832,184</u>	<u>227,035</u>
Revenues under expenditures	<u>(569,219)</u>	<u>(243,810)</u>	<u>(61,730)</u>	<u>(305,540)</u>	<u>263,679</u>
Other financing sources:					
Transfers in:					
General Fund	<u>569,219</u>	<u>300,187</u>	<u>270,000</u>	<u>570,187</u>	<u>968</u>
Revenues and other financing sources over (under) expenditures	<u>\$ -</u>	<u>\$ 56,377</u>	208,270	<u>\$ 264,647</u>	<u>\$ 264,647</u>
Fund balance:					
Beginning of year, July 1			<u>45,991</u>		
End of Year, June 30			<u>\$ 254,261</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, 2009

	2009			Variance with Final Positive (Negative)	2008
	Budgeted Amounts		Actual		Actual
	Original	Final			
Revenues					
Other taxes and licenses:					
911 system subscriber fees	\$ 288,000	\$ 288,000	\$ 306,957	\$ 18,957	\$ 193,563
Restricted intergovernmental:					
Wireless 911 funds	-	-	-	-	71,229
Investment earnings	5,000	5,000	14,614	9,614	28,886
Total revenues	293,000	293,000	321,571	28,571	293,678
Expenditures					
Public safety	293,000	293,000	76,987	216,013	144,286
Total expenditures	293,000	293,000	76,987	216,013	144,286
Revenues over (under) expenditures	-	-	244,584	244,584	149,392
Other financing uses:					
Transfers to general fund	-	-	-	-	(318,028)
Revenues and other financing sources over expenditures	\$ -	\$ -	244,584	\$ 244,584	(168,636)
Fund balances:					
Beginning of year, July 1					
E-911 fund			313,606		280,504
Wireless 911			-		201,738
Beginning of year, totals			<u>313,606</u>		<u>482,242</u>
End of year, June 30					
E-911 fund			558,190		313,606
Wireless 911			-		-
End of year, totals			<u>\$ 558,190</u>		<u>\$ 313,606</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, 2009

	2009			Variance with Final Positive (Negative)	2008
	Budgeted Amounts		Actual		Actual
	Original	Final			
Revenues:					
Investment earnings	\$ 9,000	\$ 9,000	\$ 17,555	\$ 8,555	\$ 17,463
Expenditures:					
Current:					
General government:					
Contract services	130,000	130,000	-	130,000	-
Total expenditures	130,000	130,000	-	130,000	-
Revenues over (under) expenditures	(121,000)	(121,000)	17,555	138,555	17,463
Other financing sources:					
Operating transfer in:					
General Fund	121,000	121,000	121,000	-	121,000
Revenues and other sources over (under) expenditures	\$ -	\$ -	138,555	\$ 138,555	138,463
Fund balances:					
Beginning of year, July 1			405,981		267,518
End of year, June 30			\$ 544,536		\$ 405,981

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, 2009

	2009			Variance with Final Positive (Negative)	2008
	Budgeted Amounts		Actual		Actual
	Original	Final			
Revenues:					
Ad valorem taxes:					
Prior years	\$ -	\$ -	\$ 1,255	\$ 1,255	\$ 4,234
Interest	-	-	613	613	1,456
Total ad valorem taxes	-	-	1,868	1,868	5,690
Investment earnings	-	-	2,848	2,848	22,686
Total revenues	-	-	4,716	4,716	28,376
Expenditures:					
Current:					
Public safety:					
Crawford Fire District	-	27,118	26,589	529	-
Fruitville Fire District	-	-	-	-	35,000
Moyock Fire District	-	17,013	13,597	3,416	-
Poplar Branch Fire District	-	-	-	-	412,969
Total expenditures	-	44,131	40,186	3,945	447,969
Revenues over (under) expenditures	-	(44,131)	(35,470)	8,661	(419,593)
Other financing sources (uses):					
Transfers to general fund	-	(25,000)	(25,000)	-	(49,564)
Revenues and other financing sources under expenditures	-	(69,131)	(60,470)	8,661	(469,157)
Appropriated fund balance	-	69,131	-	(69,131)	-
Revenues, other financing sources and appropriated fund balance over (under) expenditures and other uses	\$ -	\$ -	(60,470)	\$ (60,470)	(469,157)
Fund balances:					
Beginning of year, July 1			107,001		576,158
End of year, June 30			\$ 46,531		\$ 107,001

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, 2009

	2009			Variance with Final Positive (Negative)	2008
	Budgeted Amounts		Actual		Actual
	Original	Final			
Revenues:					
Investment earnings	\$ 2,000	\$ 2,000	\$ 11,295	\$ 9,295	\$ 17,708
Expenditures:					
Current:					
Public safety	816,663	566,545	177,232	389,313	250,118
Total expenditures	816,663	566,545	177,232	389,313	250,118
Revenues over (under) expenditures	(814,663)	(564,545)	(165,937)	398,608	(232,410)
Other financing sources:					
Transfers from general fund	266,528	266,528	266,528	-	261,302
Revenues and other financing sources over expenditures	(548,135)	(298,017)	100,591	398,608	28,892
Appropriated fund balance	548,135	298,017	-	(298,017)	-
Revenues, other finance sources and appropriated fund balance over (under) expenditures	\$ -	\$ -	100,591	\$ 100,591	28,892
Fund balances:					
Beginning of year, July 1			321,860		292,968
End of year, June 30			\$ 422,451		\$ 321,860

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, 2009

	2009			Variance with Final Positive (Negative)	2008
	Budgeted Amounts		Actual		Actual
	Original	Final			
Revenues:					
Ad valorem taxes:					
Current year	\$ 10,644	\$ 10,644	\$ 11,377	\$ 733	\$ 11,045
Prior years	-	-	144	144	315
Interest	-	-	35	35	67
Total ad valorem taxes	<u>10,644</u>	<u>10,644</u>	<u>11,556</u>	<u>912</u>	<u>11,427</u>
Investment earnings	<u>500</u>	<u>500</u>	<u>1,901</u>	<u>1,401</u>	<u>2,145</u>
Total revenues	<u>11,144</u>	<u>11,144</u>	<u>13,457</u>	<u>2,313</u>	<u>13,572</u>
Expenditures:					
Current:					
Environmental protection:	<u>11,144</u>	<u>11,144</u>	<u>-</u>	<u>11,144</u>	<u>2,000</u>
Total expenditures	<u>11,144</u>	<u>11,144</u>	<u>-</u>	<u>11,144</u>	<u>2,000</u>
Revenues over (under) expenditures	-	-	13,457	13,457	11,572
Revenues over (under) expenditures	<u>\$ -</u>	<u>\$ -</u>	13,457	<u>\$ 13,457</u>	11,572
Fund balances:					
Beginning of year, July 1			<u>44,823</u>		<u>33,251</u>
End of year, June 30			<u>\$ 58,280</u>		<u>\$ 44,823</u>

County of Currituck, North Carolina
Hog Bridge Ditch Watershed Improvement Fund
Schedule of Revenues, Expenditures, and
Changes in Fund Balances - Budget and Actual
For the Fiscal Year Ended June 30, 2009

	2009			Variance with Final Positive (Negative)	2008
	Budgeted Amounts		Actual		Actual
	Original	Final			
Revenues:					
Ad valorem taxes:					
Current year	\$ 936	\$ 936	\$ 1,064	\$ 128	\$ 1,023
Prior years taxes	-	-	12	12	12
Interest	-	-	3	3	4
Total ad valorem taxes	<u>936</u>	<u>936</u>	<u>1,079</u>	<u>143</u>	<u>1,039</u>
Investment earnings	-	-	135	135	134
Total revenues	<u>936</u>	<u>936</u>	<u>1,214</u>	<u>278</u>	<u>1,173</u>
Expenditures:					
Current:					
Environmental protection:	912	912	-	912	-
Total expenditures	<u>912</u>	<u>912</u>	<u>-</u>	<u>912</u>	<u>-</u>
Revenues over (under) expenditures	<u>\$ 24</u>	<u>\$ 24</u>	\$ 1,214	<u>\$ 1,190</u>	\$ 1,173
Fund balances:					
Beginning of year, July 1			3,029		1,856
End of year, June 30			<u>\$ 4,243</u>		<u>\$ 3,029</u>

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, 2009

	2009			Variance with Final Positive (Negative)	2008
	Budgeted Amounts		Actual		Actual
	Original	Final			
Revenues:					
Ad valorem taxes:					
Current year	\$ 12,714	\$ 12,714	\$ 14,211	\$ 1,497	\$ 13,287
Prior years taxes	-	-	233	233	134
Interest	-	-	59	59	53
Total ad valorem taxes	<u>12,714</u>	<u>12,714</u>	<u>14,503</u>	<u>1,789</u>	<u>13,474</u>
Investment earnings	<u>500</u>	<u>500</u>	<u>1,239</u>	<u>739</u>	<u>1,947</u>
Total revenues	<u>13,214</u>	<u>13,214</u>	<u>15,742</u>	<u>2,528</u>	<u>15,421</u>
Expenditures:					
Current:					
Environmental protection:	<u>13,214</u>	<u>40,214</u>	<u>39,710</u>	<u>504</u>	<u>5,604</u>
Total expenditures	<u>13,214</u>	<u>40,214</u>	<u>39,710</u>	<u>504</u>	<u>5,604</u>
Revenues over (under) expenditures	<u>-</u>	<u>(27,000)</u>	<u>(23,968)</u>	<u>3,032</u>	<u>9,817</u>
Appropriated fund balance	<u>-</u>	<u>27,000</u>	<u>-</u>	<u>(27,000)</u>	<u>-</u>
Revenues and appropriated fund balance over (under) expenditures	<u>\$ -</u>	<u>\$ -</u>	<u>(23,968)</u>	<u>\$ (23,968)</u>	<u>9,817</u>
Fund balances:					
Beginning of year, July 1			<u>39,433</u>		<u>29,616</u>
End of year, June 30			<u>\$ 15,465</u>		<u>\$ 39,433</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, 2009

	2009			Variance with Final Positive (Negative)	2008
	Budgeted Amounts		Actual		Actual
	Original	Final			
Revenues:					
Ad valorem taxes:					
Current year	\$ 1,754	\$ 1,754	\$ 2,024	\$ 270	\$ 1,795
Prior years taxes	-	-	57	57	11
Interest	-	-	8	8	10
Total ad valorem taxes	<u>1,754</u>	<u>1,754</u>	<u>2,089</u>	<u>335</u>	<u>1,816</u>
Investment earnings	-	-	125	125	181
Total revenues	<u>1,754</u>	<u>1,754</u>	<u>2,214</u>	<u>460</u>	<u>1,997</u>
Expenditures:					
Current:					
Environmental protection:	<u>1,754</u>	<u>1,754</u>	-	<u>1,754</u>	<u>4,950</u>
Total expenditures	<u>1,754</u>	<u>1,754</u>	-	<u>1,754</u>	<u>4,950</u>
Revenues over (under) expenditures	<u>\$ -</u>	<u>\$ -</u>	2,214	<u>\$ 2,214</u>	(2,953)
Fund balances:					
Beginning of year, July 1			<u>2,167</u>		<u>5,120</u>
End of year, June 30			<u>\$ 4,381</u>		<u>\$ 2,167</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, 2009

	2009			Variance with Final Positive (Negative)	2008
	Budgeted Amounts		Actual		Actual
	Original	Final			
Revenues:					
Ad valorem taxes:					
Current year	\$ 372,557	\$ 372,557	\$ 381,488	\$ 8,931	\$ 95,077
Prior year taxes	-	-	190	190	466
Interest	-	-	378	378	150
Total ad valorem taxes	<u>372,557</u>	<u>372,557</u>	<u>382,056</u>	<u>9,499</u>	<u>95,693</u>
Investment earnings	<u>5,000</u>	<u>5,000</u>	<u>26,288</u>	<u>21,288</u>	<u>33,598</u>
Total revenues	<u>377,557</u>	<u>377,557</u>	<u>408,344</u>	<u>30,787</u>	<u>129,291</u>
Expenditures:					
Current:					
Environmental protection:	<u>377,557</u>	<u>377,557</u>	<u>135,384</u>	<u>242,173</u>	<u>175,024</u>
Total expenditures	<u>377,557</u>	<u>377,557</u>	<u>135,384</u>	<u>242,173</u>	<u>175,024</u>
Revenues over (under) expenditures	-	-	272,960	272,960	(45,733)
Appropriated fund balance	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Revenues and appropriated fund balance over (under) expenditures	<u>\$ -</u>	<u>\$ -</u>	272,960	<u>\$ 272,960</u>	(45,733)
Fund balances:					
Beginning of year, July 1			<u>548,110</u>		<u>593,843</u>
End of year, June 30			<u>\$ 821,070</u>		<u>\$ 548,110</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, 2009

	2009			Variance with Final Positive (Negative)	2008
	Original Budget	Final Budget	Actual		Actual
Revenues:					
Investment earnings	\$ -	\$ -	\$ 154,876	\$ 154,876	\$ 130,364
Total revenues	<u>-</u>	<u>-</u>	<u>154,876</u>	<u>154,876</u>	<u>130,364</u>
Expenditures:					
Capital outlay	200,000	200,000	5,000	195,000	-
Farmland preservation	100,000	100,000	4,250	-	-
Total expenditures	<u>300,000</u>	<u>300,000</u>	<u>9,250</u>	<u>195,000</u>	<u>-</u>
Revenues over (under) expenditures	<u>(300,000)</u>	<u>(300,000)</u>	<u>145,626</u>	<u>445,626</u>	<u>130,364</u>
Other financing sources:					
Transfers from transfer tax fund	300,000	300,000	300,000	-	300,000
Revenues and other financing sources over (under) expenditures	-	-	445,626	445,626	430,364
Appropriated fund balance	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Revenues, other financing sources and appropriated fund balance over expenditures	<u>\$ -</u>	<u>\$ -</u>	445,626	<u>\$ 445,626</u>	430,364
Fund balances:					
Beginning of year, July 1			2,735,012		2,304,648
End of year, June 30			<u>\$ 3,180,638</u>		<u>\$ 2,735,012</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, 2009

	2009			Variance with Final Positive (Negative)	2008
	Budgeted Amounts		Actual		Actual
	Original	Final			
Revenues:					
Other taxes and licenses:					
Article 40 supplemental sales tax	\$ 940,328	\$ 940,328	\$ 875,940	\$ (64,388)	\$ 980,092
Article 42 supplemental sales tax	532,826	532,826	492,498	(40,328)	552,658
Investment earnings	25,000	25,000	111,225	86,225	123,015
Total revenues	<u>1,498,154</u>	<u>1,498,154</u>	<u>1,479,663</u>	<u>(18,491)</u>	<u>1,655,765</u>
Expenditures:					
Contingency	885,854	102,345	-	(102,345)	-
Total expenditures	<u>885,854</u>	<u>102,345</u>	<u>-</u>	<u>(102,345)</u>	<u>-</u>
Revenues over expenditures	612,300	1,395,809	1,479,663	83,854	1,655,765
Other financing uses:					
Transfers to other funds:					
General fund	(612,300)	(612,300)	(257,994)	354,306	(200,000)
County Government Facilities fund	-	(783,509)	(783,509)	-	-
Total other financing uses	<u>(612,300)</u>	<u>(1,395,809)</u>	<u>(1,041,503)</u>	<u>354,306</u>	<u>(200,000)</u>
Revenues over (under) other financing uses	<u>\$ -</u>	<u>\$ -</u>	438,160	<u>438,160</u>	1,455,765
Fund balances:					
Beginning of year, July 1			3,299,286		1,843,521
End of year, June 30			<u>\$ 3,737,446</u>		<u>\$ 3,299,286</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, 2009

	2009			Variance with Final Positive (Negative)	2008
	Budgeted Amounts		Actual		Actual
	Original	Final			
Revenues:					
Other taxes and licenses:					
Article 40 supplemental sales tax	\$ 406,284	\$ 406,284	\$ 375,403	\$ (30,881)	\$ 420,039
Article 42 supplemental sales tax	803,961	803,961	738,746	(65,215)	828,987
Investment earnings	9,755	9,755	29,963	20,208	44,019
Total revenues	<u>1,220,000</u>	<u>1,220,000</u>	<u>1,144,112</u>	<u>(75,888)</u>	<u>1,293,045</u>
Other financing uses:					
Transfers to other funds:					
General fund	<u>(1,220,000)</u>	<u>(1,220,000)</u>	<u>(1,220,000)</u>	-	<u>(972,064)</u>
Total other financing uses	<u>(1,220,000)</u>	<u>(1,220,000)</u>	<u>(1,220,000)</u>	<u>-</u>	<u>(972,064)</u>
Revenues over (under) other financing uses	<u>\$ -</u>	<u>\$ -</u>	(75,888)	<u>\$ (75,888)</u>	320,981
Fund balances:					
Beginning of year, July 1			1,256,371		935,390
End of year, June 30			<u>\$ 1,180,483</u>		<u>\$ 1,256,371</u>

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, 2009

	Project Authorization	Actual		Total to Date	Variance Positive (Negative)
		Prior Years	Current Year		
Revenues					
Public School Capital Building Fund	\$ 620,980	\$ 1,077,565	\$ -	\$ 1,077,565	\$ 456,585
State Lottery proceeds	-	203,740	-	203,740	203,740
Investment earnings	1,303,286	2,462,929	66,456	2,529,385	1,226,099
Total revenues	<u>1,924,266</u>	<u>3,744,234</u>	<u>66,456</u>	<u>3,810,690</u>	<u>1,886,424</u>
Expenditures					
Intergovernmental - education:					
Jarvisburg Elementary School construction	14,794,000	12,967,292	1,351,604	14,318,896	475,104
Knapp Early College Renovations/Bleachers	340,000	-	126,705	126,705	213,295
Moyock Elementary School, renovation	1,801,833	1,801,832	-	1,801,832	1
Shawboro Elementary School construction	20,473,208	14,459,983	5,622,374	20,082,357	390,851
Total expenditures	<u>37,409,041</u>	<u>29,229,107</u>	<u>7,100,683</u>	<u>36,329,790</u>	<u>1,079,251</u>
Revenues over (under) expenditures	<u>(35,484,775)</u>	<u>(25,484,873)</u>	<u>(7,034,227)</u>	<u>(32,519,100)</u>	<u>2,965,675</u>
Other financing sources:					
Proceeds from debt issuance	8,000,000	8,000,000	-	8,000,000	-
Transfers from					
General Fund	14,656,058	8,629,295	6,276,058	14,905,353	249,295
Governmental Construction Fund	2,250,000	2,250,000	-	2,250,000	-
Transfer Tax Capital Fund	10,578,717	10,578,717	-	10,578,717	-
	<u>27,484,775</u>	<u>21,458,012</u>	<u>6,276,058</u>	<u>27,734,070</u>	<u>249,295</u>
Total other financing sources	<u>35,484,775</u>	<u>29,458,012</u>	<u>6,276,058</u>	<u>35,734,070</u>	<u>249,295</u>
Revenues, other sources over (under) expenditures	<u>\$ -</u>	<u>\$ 3,973,139</u>	<u>(758,169)</u>	<u>\$ 3,214,970</u>	<u>\$ 3,214,970</u>
Fund balances:					
Beginning of year, July 1			4,032,932		
End of year, June 30			<u>\$ 3,274,763</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, 2009

	2009			Variance with Final Positive (Negative)	2008
	Budgeted Amounts		Actual		Actual
	Original	Final			
Revenues:					
Other taxes and licenses					
Land transfer tax	\$ 2,752,249	\$ 2,752,249	\$ 1,890,224	\$ (862,025)	\$ 2,559,784
Investment earnings	48,451	48,451	142,077	93,626	222,465
Total revenues	<u>2,800,700</u>	<u>2,800,700</u>	<u>2,032,301</u>	<u>(768,399)</u>	<u>2,782,249</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>2,800,000</u>	<u>2,800,000</u>	<u>2,032,301</u>	<u>(767,699)</u>	<u>2,782,249</u>
Other financing uses:					
Transfers to general fund	(500,000)	(500,000)	-	500,000	(200,000)
Transfers to County government facilities	(1,000,000)	(1,000,000)	(1,000,000)	-	(900,000)
Transfers to school facilities fund	(1,000,000)	(1,000,000)	-	1,000,000	(2,000,000)
Transfers to land banking fund	(300,000)	(300,000)	(300,000)	-	(300,000)
Total other financing uses	<u>(2,800,000)</u>	<u>(2,800,000)</u>	<u>(1,300,000)</u>	<u>1,500,000</u>	<u>(3,400,000)</u>
Revenues and other financing uses over (under) expenditures	-	-	732,301	732,301	(617,751)
Revenues and other financing uses over expenditures	<u>\$ -</u>	<u>\$ -</u>	732,301	<u>\$ 732,301</u>	(617,751)
Fund balances:					
Beginning of year, July 1			3,724,608		4,342,359
End of year, June 30			<u>\$ 4,456,909</u>		<u>\$ 3,724,608</u>

County of Currituck, North Carolina
Tourism Development Authority
Schedule of Revenues, Expenditures, and
Changes in Fund Balances - Budget and Actual
For the Fiscal Year Ended June 30, 2009

	2009			Variance with Final Positive (Negative)
	Budgeted Amounts		Actual	
	Original	Final		
Revenues:				
Occupancy Tax	\$ 7,383,644	\$ 8,649,024	\$ 9,276,524	\$ 627,500
Grants	5,000	5,000	567	(4,433)
Co-op Advertising	-	26,750	33,100	6,350
Penalties and interest	-	-	9,370	9,370
Investment earnings	-	94,835	311,464	216,629
Total revenues	<u>7,388,644</u>	<u>8,775,609</u>	<u>9,631,025</u>	<u>855,416</u>
Expenditures:				
Tourism Promotion:				
Salaries	-	-	421,050	-
Operating Expenses	-	-	205,730	-
Promotions	-	-	1,761,476	-
Capital Outlay	-	-	52,429	-
Total Tourism Promotions	<u>6,304,213</u>	<u>6,657,818</u>	<u>2,440,685</u>	<u>4,217,133</u>
Tourism Related Expenditures:				
Utilities	-	-	2,734	-
Repairs and maintenance	-	-	8,251	-
Signs	-	-	11,713	-
Outer Banks access ramps	-	-	33,140	-
Rent	-	-	11,900	-
Contracted services	-	-	72,938	-
Lifeguard services	-	-	500,000	-
Historic preservation	-	-	9,852	-
Corolla Wild Horse support	-	-	54,912	-
Insurance and bonds	-	-	4,018	-
Whalehead projects	-	-	825,000	-
Capital outlay	-	-	255,952	-
Total tourism related expenditures	<u>2,662,878</u>	<u>3,416,223</u>	<u>1,790,410</u>	<u>1,625,813</u>
Total expenditures	<u>8,967,091</u>	<u>10,074,041</u>	<u>4,231,095</u>	<u>5,842,946</u>
Revenues over (under) expenditures	<u>(1,578,447)</u>	<u>(1,298,432)</u>	<u>5,399,930</u>	<u>6,698,362</u>
Other financing sources:				
Transfers (to) from other funds:				
General fund	4,882,355	4,882,355	4,882,355	-
General fund	(2,303,908)	(2,647,601)	(1,905,433)	742,168
County Governmental Facilities fund	(1,000,000)	(1,077,667)	(1,073,360)	4,307
Total other financing uses	<u>1,578,447</u>	<u>1,157,087</u>	<u>1,903,562</u>	<u>746,475</u>
Revenues and other financing sources over (under) expenditures and other financing uses	-	(141,345)	7,303,492	7,444,837
Appropriated fund balance	<u>-</u>	<u>141,345</u>	<u>-</u>	<u>(141,345)</u>
Revenues, other financing sources, and appropriated fund balance over (under) expenditures	<u>\$ -</u>	<u>\$ -</u>	<u>7,303,492</u>	<u>\$ 7,303,492</u>
Fund balances:				
Beginning of year, July 1			<u>-</u>	
Fund balance: Tourism promotion			4,781,466	
Fund balance: Tourism related expenditures			<u>2,522,026</u>	
End of year, June 30			<u>\$ 7,303,492</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, 2009

	Project Authorization	Actual		Total to Date	Variance Positive (Negative)
		Prior Years	Current Year		
Revenues					
Intergovernmental revenues:					
State aid to airports	\$ 2,538,201	\$ 970,231	\$ 740,232	\$ 1,710,463	\$ (827,738)
Park grant	504,905	250,000	-	250,000	(254,905)
Knotts Island Fire Dept Loan Proceeds	800,000	-	-	-	(800,000)
Total	3,843,106	1,220,231	740,232	1,960,463	(1,882,643)
Investment earnings	2,190,213	3,285,880	650,146	3,936,026	1,745,813
Total revenues	6,033,319	4,506,111	1,390,378	5,896,489	(136,830)
Expenditures					
Public safety:					
Jail Kitchen	1,883,764	1,690,483	-	1,690,483	193,281
Knotts Island Fire Station	2,206,411	503,010	1,630,819	2,133,829	72,582
Lower Currituck Station Renovations	325,000	-	264,487	264,487	60,513
Public Safety Communications Equipment	1,632,822	1,523,082	106,873	1,629,955	2,867
Total public safety	6,047,997	3,716,575	2,002,179	5,718,754	329,243
Economic and physical development:					
Cooperative extension building	8,400,000	7,773,433	562,011	8,335,444	64,556
Transportation:					
Hangar #3 FY 2006	71,600	1,917	-	1,917	69,683
Land purchase FY 2009	2,520,000	-	2,520,000	2,520,000	-
Rehab Taxiway A	610,000	-	-	-	610,000
Airport - County Funding	189,935	-	14,501	14,501	175,434
T-Hangar/Fence/Fuel System Repair	500,001	171,077	328,924	500,001	-
Partial parallel and connector taxiway	700,000	534,463	165,537	700,000	-
Parallel taxiway	940,000	-	141,029	141,029	798,971
Hangar & taxiway	333,334	-	333,334	333,334	-
Total transportation	5,864,870	707,457	3,503,325	4,210,782	1,654,088
Cultural and recreational:					
Community park development	2,449,000	2,411,299	12,382	2,423,681	25,319
Carova Beach park	560,811	382,827	96,613	479,440	81,371
Moyock library	2,514,894	173,544	1,500,601	1,674,145	840,749
Recreation facility - Maple	770,000	76,086	66,591	142,677	627,323
Total cultural and recreational	6,294,705	3,043,756	1,676,187	4,719,943	1,574,762
Total expenditures	26,607,572	15,241,221	7,743,702	22,984,923	3,622,649
Revenues under expenditures	(20,574,253)	(10,735,110)	(6,353,324)	(17,088,434)	3,485,819
Other financing sources (uses):					
Airport Property Loan Proceeds	2,520,000	-	2,520,000	2,520,000	-
Transfers (to) from other funds:					
General fund	3,910,667	13,020,288	-	13,020,288	9,109,621
Tourism Development Authority	2,628,600	-	1,073,360	1,073,360	(1,555,240)
Capital improvements fund	1,801,409	5,517,900	1,783,509	7,301,409	5,500,000
Transfer tax capital fund	9,213,577	13,606,258	-	13,606,258	4,392,681
School construction fund	(2,250,000)	(2,250,000)	-	(2,250,000)	-
Total other financing sources (uses)	17,824,253	29,894,446	5,376,869	35,271,315	17,447,062
Revenues and other sources over (under) expenditures	(2,750,000)	19,159,336	(976,455)	18,182,881	20,932,881
Appropriated fund balance	2,750,000	-	-	-	(2,750,000)
Revenues, other sources and appropriated fund balance over (under) expenditures	\$ -	\$ 19,159,336	(976,455)	\$ 18,182,881	\$ 18,182,881
Fund balances:					
Beginning of year, July 1			19,766,389		
End of year, June 30			<u>\$ 18,789,934</u>		

County of Currituck, North Carolina
Combining Statement of Net Assets
Non-Major Proprietary Funds
For the Year Ended June 30, 2009

	Enterprise Funds		Totals	
	Newtown	Moyock	June 30	June 30
	Road Sewer Fund	Commons Sewer Fund		
ASSETS				
Current assets:				
Cash and cash equivalents	\$ 173,782	\$ 145,238	\$ 319,020	\$ 242,907
Taxes receivable, net	-	558	558	162
Receivables, net	941	6,798	7,739	21,983
Total current assets	<u>174,723</u>	<u>152,594</u>	<u>327,317</u>	<u>265,052</u>
Noncurrent assets:				
Capital assets:				
Land, improvements, and construction in progress	87,000	67,625	154,625	87,000
Other capital assets, net of depreciation	223,229	325,188	548,417	580,291
Total capital assets	<u>310,229</u>	<u>392,813</u>	<u>703,042</u>	<u>667,291</u>
Total assets	<u>484,952</u>	<u>545,407</u>	<u>1,030,359</u>	<u>932,343</u>
LIABILITIES				
Current liabilities:				
Accounts payable	1,299	714	2,013	4,305
Customer deposits	266	-	266	265
Total liabilities	<u>1,565</u>	<u>714</u>	<u>2,279</u>	<u>4,570</u>
NET ASSETS				
Invested in capital assets, net of related debt	310,229	392,813	703,042	667,291
Unrestricted	173,158	151,880	325,038	260,482
Total net assets	<u>\$ 483,387</u>	<u>\$ 544,693</u>	<u>\$ 1,028,080</u>	<u>\$ 927,773</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, 2009

	Enterprise Funds		Totals	
	Newtown Road Sewer Fund	Moyock Commons Sewer Fund	June 30, 2009	June 30, 2008
OPERATING REVENUES				
Charges for services	\$ 8,571	\$ 72,321	\$ 80,892	\$ 79,481
Miscellaneous	-	645	645	382
Total operating revenues	<u>8,571</u>	<u>72,966</u>	<u>81,537</u>	<u>79,863</u>
OPERATING EXPENSES				
Administration	970	8,190	9,160	4,175
Water and sewer district	8,707	52,905	61,612	74,522
Depreciation	16,954	14,922	31,876	29,132
Total operating expenses	<u>26,631</u>	<u>76,017</u>	<u>102,648</u>	<u>107,829</u>
Operating income (loss)	<u>(18,060)</u>	<u>(3,051)</u>	<u>(21,111)</u>	<u>(27,966)</u>
NONOPERATING REVENUES (EXPENSES)				
Tax revenue	-	57,226	57,226	48,375
Interest and investment revenue	25,739	5,426	31,165	18,793
Total nonoperating revenue (expenses)	<u>25,739</u>	<u>62,652</u>	<u>88,391</u>	<u>67,168</u>
Income (loss) before transfers	7,679	59,601	67,280	39,202
Transfer	-	(34,598)	(34,598)	-
Change in net assets	7,679	25,003	32,682	39,202
Total net assets - beginning	475,708	452,065	927,773	888,571
Prior period adjustment	-	67,625	67,625	-
Total net assets - ending	<u>\$ 483,387</u>	<u>\$ 544,693</u>	<u>\$ 1,028,080</u>	<u>\$ 927,773</u>

County of Currituck, North Carolina
Combining Statement of Cash Flows
Non-Major Proprietary Fund
For the Year Ended June 30, 2009

	Newtown Road Sewer Fund	Moyock Commons Sewer Fund	Totals	
			June 30, 2009	June 30, 2008
Cash flows from operating activities:				
Cash received from customers	\$ 8,454	\$ 86,683	\$ 95,137	\$ 64,233
Cash paid for goods and services	(8,804)	(64,262)	(73,066)	(81,003)
Customer deposits received	-	-	-	-
Customer deposits returned	-	-	-	-
Other operating revenue	-	645	645	382
Net cash provided (used) by operating activities	<u>(350)</u>	<u>23,066</u>	<u>22,716</u>	<u>(16,388)</u>
Cash flows from noncapital financing activities:				
Tax revenues	-	56,830	56,830	48,321
Cash flows from capital and related financing activities:				
Proceeds from operating fund	-	(34,598)	(34,598)	-
Acquisition of capital assets	-	-	-	(329,626)
Net cash provided by capital and related financing activities	-	(34,598)	(34,598)	(329,626)
Cash flows from investing activities:				
Interest on investments	<u>25,739</u>	<u>5,426</u>	<u>31,165</u>	<u>18,793</u>
Net increase (decrease) in cash and cash equivalents	25,389	50,724	76,113	(278,900)
Cash and cash equivalents, July 1	148,393	94,514	242,907	521,807
Cash and cash equivalents, June 30	<u>\$ 173,782</u>	<u>\$ 145,238</u>	<u>\$ 319,020</u>	<u>\$ 242,907</u>
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:				
Operating income (loss)	<u>\$ (18,060)</u>	<u>\$ (3,051)</u>	<u>\$ (21,111)</u>	<u>\$ (27,966)</u>
Adjustments to reconcile operating income to net cash provided by operating activities:				
Depreciation	16,954	14,922	31,876	29,132
Changes in assets and liabilities:				
(Increase) decrease in accounts receivable	(118)	14,362	14,244	(15,247)
Increase (decrease) in accounts payable and accrued liabilities	874	(3,167)	(2,293)	(2,307)
Increase in customer deposits	-	-	-	-
Total adjustments	<u>17,710</u>	<u>26,117</u>	<u>43,827</u>	<u>11,578</u>
Net cash provided (used) by operating activities	<u>\$ (350)</u>	<u>\$ 23,066</u>	<u>\$ 22,716</u>	<u>\$ (16,388)</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, 2009

	2009			2008	
	Original Budget	Final Budget	Actual	Variance Positive (Negative)	Actual
Revenues:					
Charges for services:					
Sewer charges	\$ -	\$ -	\$ 8,340	\$ -	\$ 8,121
Penalties and interest, sewer	-	-	231	-	305
Other operating revenues, sewer	-	-	-	-	25
Total, sewer operating revenues	<u>8,200</u>	<u>8,200</u>	<u>8,571</u>	<u>371</u>	<u>8,451</u>
Nonoperating revenues:					
Interest earnings	<u>400</u>	<u>400</u>	<u>25,739</u>	<u>25,339</u>	<u>7,491</u>
Total revenues	<u>8,600</u>	<u>8,600</u>	<u>34,310</u>	<u>25,710</u>	<u>15,942</u>
Other financing sources (uses):					
Transfer from operating fund	-	-	-	-	-
Proceeds from Rural Center Grant	<u>100,000</u>	<u>100,000</u>	<u>-</u>	<u>(100,000)</u>	<u>-</u>
	<u>100,000</u>	<u>100,000</u>	<u>-</u>	<u>(100,000)</u>	<u>-</u>
Appropriated net assets	<u>145,700</u>	<u>145,700</u>	<u>-</u>	<u>(145,700)</u>	<u>-</u>
Total revenues, other financing sources and appropriated net assets	<u>254,300</u>	<u>254,300</u>	<u>34,310</u>	<u>(219,990)</u>	<u>15,942</u>
Expenditures:					
Administration:					
Telephone and postage	-	-	380	-	280
Administrative expenses	-	-	590	-	570
	<u>640</u>	<u>990</u>	<u>970</u>	<u>20</u>	<u>850</u>
Sewer treatment operations:					
Utilities	-	-	328	-	344
Repairs and maintenance	-	-	4,934	-	2,477
Lab tests	-	-	1,249	-	1,200
System supplies	-	-	27	-	91
Contracted services	-	-	2,169	-	2,452
Total	<u>68,660</u>	<u>68,310</u>	<u>8,707</u>	<u>59,603</u>	<u>6,564</u>
Capital outlay	<u>185,000</u>	<u>185,000</u>	<u>-</u>	<u>185,000</u>	<u>360</u>
Total expenditures	<u>254,300</u>	<u>254,300</u>	<u>9,677</u>	<u>244,623</u>	<u>7,774</u>
Revenues and appropriated net assets over expenditures	<u>\$ -</u>	<u>\$ -</u>	<u>24,633</u>	<u>\$ 24,633</u>	<u>8,168</u>
Reconciliation from budgetary basis (modified accrual) to full accrual:					
Reconciling items:					
Capital outlays			-		360
Depreciation			(16,954)		(16,954)
Total reconciling items			<u>(16,954)</u>		<u>(16,594)</u>
Change in net assets			<u>\$ 7,679</u>		<u>\$ (8,426)</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, 2009

	2009			2008	
	Original Budget	Final Budget	Actual	Variance Positive (Negative)	Actual
Revenues:					
Charges for services:					
Sewer charges	\$ -	\$ -	\$ 72,321	\$ -	\$ 71,055
Penalties and interest	-	-	645	-	357
Total, sewer operating revenues	<u>74,902</u>	<u>74,902</u>	<u>72,966</u>	<u>(1,936)</u>	<u>71,412</u>
Nonoperating revenues:					
Tax revenue	-	-	57,226	-	48,375
Interest earnings	-	-	5,426	-	11,302
Total nonoperating revenues	<u>48,465</u>	<u>48,465</u>	<u>62,652</u>	<u>14,187</u>	<u>59,677</u>
Total revenues	<u>123,367</u>	<u>123,367</u>	<u>135,618</u>	<u>12,251</u>	<u>131,089</u>
Expenditures:					
Administration:					
Telephone and postage	-	-	707	-	606
Administration	-	-	2,500	-	1,933
Supplies	-	-	4,908	-	755
Credit card fees	-	-	25	-	11
Dues and subscriptions	-	-	50	-	-
Software license fees	-	-	-	-	20
	<u>5,225</u>	<u>11,225</u>	<u>8,190</u>	<u>(2,965)</u>	<u>3,325</u>
Sewer treatment operations:					
Utilities	-	-	7,125	-	7,201
Repairs and maintenance	-	-	7,368	-	11,890
Lab tests	-	-	7,302	-	5,170
Chemicals	-	-	3,067	-	3,716
Contracted services	-	-	28,012	-	33,399
Professional services	-	-	31	-	6,582
Total	<u>83,544</u>	<u>77,544</u>	<u>52,905</u>	<u>30,639</u>	<u>67,958</u>
Capital outlay	-	-	-	-	329,266
Total expenditures	<u>88,769</u>	<u>88,769</u>	<u>61,095</u>	<u>27,674</u>	<u>400,549</u>
Revenues over expenditures	<u>\$ 34,598</u>	<u>\$ 34,598</u>	<u>\$ 74,523</u>	<u>\$ 15,423</u>	<u>\$ (269,460)</u>
Other financing uses:					
Transfers to Operating Fund	<u>34,598</u>	<u>34,598</u>	<u>34,598</u>	<u>-</u>	<u>-</u>
Revenues over (under) expenditures and other financing uses	<u>\$ -</u>	<u>\$ -</u>	<u>39,925</u>	<u>\$ 15,423</u>	<u>(269,460)</u>
Reconciliation from budgetary basis (modified accrual) to full accrual:					
Capital outlays			-		329,266
Depreciation			<u>(14,922)</u>		<u>(12,178)</u>
Change in net assets			<u>\$ 25,003</u>		<u>\$ 47,628</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, 2009

	2009			2008	
	Original Budget	Final Budget	Actual	Variance Positive (Negative)	Actual
Revenues:					
Charges for services:					
Water sales	\$ -	\$ -	\$ 1,467,169	\$ -	\$ 1,443,881
Water tap fees	-	-	93,817	-	182,327
Administration	-	-	209,868	-	205,079
Penalties and interest	-	-	13,979	-	12,194
Other operating revenues	-	-	3,581	-	2,465
Total, water operating revenues	<u>1,807,000</u>	<u>1,807,000</u>	<u>1,788,414</u>	<u>(18,586)</u>	<u>1,845,946</u>
Nonoperating revenues:					
Interest earnings	-	-	582	-	34,837
Total nonoperating revenues	<u>20,000</u>	<u>20,000</u>	<u>582</u>	<u>(19,418)</u>	<u>34,837</u>
Total revenues	<u>1,827,000</u>	<u>1,827,000</u>	<u>1,788,996</u>	<u>(38,004)</u>	<u>1,880,783</u>
Other financing sources:					
Appropriated net assets	<u>212,815</u>	<u>241,258</u>	<u>-</u>	<u>(241,258)</u>	<u>-</u>
Total revenues and other financing sources	<u>2,039,815</u>	<u>2,068,258</u>	<u>1,788,996</u>	<u>(279,262)</u>	<u>1,910,783</u>
Expenditures:					
Administration:					
Salaries and benefits	-	-	104,725	-	104,647
Telephone and postage	-	-	9,693	-	10,364
Advertising	-	-	58	-	462
Supplies	-	-	15,511	-	21,787
Dues and subscriptions	-	-	2,695	-	2,555
Other administrative expenditures	-	-	91,838	-	93,333
Total administration expenditures	<u>156,948</u>	<u>248,902</u>	<u>224,520</u>	<u>24,382</u>	<u>233,148</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, 2009

	2009			2008	
	Original Budget	Final Budget	Actual	Variance Positive (Negative)	Actual
Water treatment operations:					
Salaries and benefits	-	-	314,174	-	313,939
Utilities	-	-	101,160	-	97,223
Gas, oil, etc	-	-	15,550	-	18,219
Repairs and maintenance	-	-	15,425	-	28,729
Lab tests	-	-	11,254	-	14,020
Chemicals	-	-	82,488	-	75,762
Uniforms	-	-	2,366	-	2,587
Contracted services	-	-	15,157	-	17,204
Professional services	-	-	7,600	-	13,001
Total water treatment operations	<u>706,689</u>	<u>649,978</u>	<u>565,174</u>	<u>84,804</u>	<u>580,684</u>
Debt service:					
Interest and other charges	-	-	194,200	-	227,364
Debt principal	-	-	975,178	-	942,014
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	6,800	-	25,465	(25,465)	133,042
Total expenditures	<u>2,039,815</u>	<u>2,068,258</u>	<u>1,984,537</u>	<u>83,721</u>	<u>2,116,252</u>
Revenues and other financing sources over (under) expenditures	<u>\$ -</u>	<u>\$ -</u>	(195,541)	<u>\$ (195,541)</u>	(205,469)
Reconciliation from budgetary basis (modified accrual) to full accrual:					
Reconciling items:					
Capital outlays			25,465		133,042
Debt principal			975,178		942,014
Accrued vacation			-		-
Depreciation			(664,834)		(650,870)
Total reconciling items			<u>335,809</u>		<u>424,186</u>
Change in net assets			<u>\$ 140,268</u>		<u>\$ 218,717</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, 2009

	2009			2008	
	Original Budget	Final Budget	Actual	Variance Positive (Negative)	Actual
Revenues:					
Operating revenues:					
Charges for services:					
Solid waste disposal charges	\$ -	\$ -	\$ 1,910,222	\$ -	\$ 1,864,068
Recycling	-	-	12,849	-	13,496
Tipping fees	-	-	645,275	-	632,529
Total	<u>2,817,661</u>	<u>1,945,386</u>	<u>2,568,346</u>	<u>622,960</u>	<u>2,510,093</u>
Nonoperating revenues:					
Ad valorem taxes	-	-	8,946	-	9,203
White goods tax	-	-	10,609	-	14,194
White goods disposal tax	-	-	43,725	-	-
Tire tax	-	-	30,430	-	33,981
Other solid waste grants	-	-	4,442	-	91,681
Investment earnings	-	-	209,812	-	251,934
Total	<u>80,822</u>	<u>1,005,822</u>	<u>307,964</u>	<u>(697,858)</u>	<u>400,993</u>
Total revenues	<u>2,898,483</u>	<u>2,951,208</u>	<u>2,876,310</u>	<u>(74,898)</u>	<u>2,911,086</u>
Expenditures:					
Solid waste administration:					
Travel	-	-	-	-	48
Training & Education	-	-	-	-	169
Telephone and postage	-	-	335	-	307
Other administrative expenditures	-	-	77,715	-	78,659
Total	<u>78,961</u>	<u>78,961</u>	<u>78,050</u>	<u>911</u>	<u>79,183</u>
Solid waste operations:					
Utilities	-	-	3,838	-	3,169
Repair and maintenance	-	-	9,621	-	10,020
Rent	-	-	22,200	-	21,300
Supplies	-	-	1,714	-	2,834
Professional services	-	-	1,907	-	40,454
Contract services, other	-	-	121,512	-	43,488
Contract services, collection	-	-	1,479,730	-	1,431,397
Contract services, disposal	-	-	1,678,961	-	1,713,278
Site work and landscaping	-	-	17,938	-	22,323
White goods disposal	-	-	23,113	-	20,362
White goods disposal tax	-	-	33,479	-	-
Tire disposal	-	-	37,324	-	31,578
Monitoring wells	-	-	4,500	-	4,500
Recycling	-	-	381,749	-	331,992
Total	<u>4,567,520</u>	<u>4,595,520</u>	<u>3,817,586</u>	<u>777,934</u>	<u>3,676,695</u>
Capital outlays					
Total expenditures	<u>-</u>	<u>24,725</u>	<u>-</u>	<u>24,725</u>	<u>111,550</u>
	<u>4,646,481</u>	<u>4,699,206</u>	<u>3,895,636</u>	<u>803,570</u>	<u>3,867,428</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, 2009

	2009			2008	
	Original Budget	Final Budget	Actual	Variance Positive (Negative)	Actual
Revenues and appropriated net assets over expenditures	(1,747,998)	(1,747,998)	(1,019,326)	728,672	(956,342)
Other financing sources (uses):					
Transfers from operating fund	1,747,998	1,747,998	1,747,998	-	1,712,239
Revenues and appropriated net assets over (under) expenditures and other financing uses	\$ -	\$ -	728,672	\$ 728,672	\$ 755,897
 Reconciliation from budgetary basis (modified accrual) to full accrual:					
Reconciling items:					
Capital outlays			-		111,550
Depreciation			(32,266)		(32,737)
Total reconciling items			(32,266)		78,813
Change in net assets			\$ 696,406		\$ 834,710

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, 2009

	2009			Variance Positive (Negative)	2008
	Original Budget	Final Budget	Actual		Actual
Revenues:					
Charges for services:					
Water sales	\$ -	\$ -	\$ 573,783	\$ -	\$ 562,057
Water impact fees	-	-	5,000	-	-
Water tap fees	-	-	1,125	-	-
Penalties and interest, water	-	-	8,067	-	8,460
Other operating revenues, water	-	-	1,383	-	988
Total, water operating revenues	<u>558,900</u>	<u>558,900</u>	<u>589,358</u>	<u>30,458</u>	<u>571,505</u>
Sewer charges	-	-	299,903	-	299,302
Sewer impact fees	-	-	5,000	-	-
Sewer tap fees	-	-	1,125	-	-
Penalties and interest, sewer	-	-	4,969	-	6,371
Other operating revenues, sewer	-	-	1,383	-	988
Total, sewer operating revenues	<u>316,000</u>	<u>316,000</u>	<u>312,380</u>	<u>(3,620)</u>	<u>306,661</u>
Total operating revenues	<u>874,900</u>	<u>874,900</u>	<u>901,738</u>	<u>26,838</u>	<u>878,165</u>
Nonoperating revenues:					
Tax revenue	-	-	10	-	365
Interest earnings	-	-	159,464	-	240,785
Total nonoperating revenues	<u>125,000</u>	<u>125,000</u>	<u>159,474</u>	<u>34,474</u>	<u>241,150</u>
Total revenues	<u>999,900</u>	<u>999,900</u>	<u>1,061,212</u>	<u>61,312</u>	<u>1,119,315</u>
Appropriated net assets	<u>899,403</u>	<u>899,403</u>	<u>-</u>	<u>(899,403)</u>	<u>-</u>
Total revenues and appropriated net assets	<u>1,899,303</u>	<u>1,899,303</u>	<u>1,061,212</u>	<u>(838,091)</u>	<u>1,119,315</u>
Expenditures:					
Administration:					
Telephone and postage	-	-	4,464	-	4,327
Supplies	-	-	5,021	-	9,733
Dues and subscriptions	-	-	2,180	-	870
Software license fees	-	-	-	-	336
Refunds	-	-	-	-	-
Contract services	-	-	10,938	-	10,938
Total	<u>32,403</u>	<u>34,403</u>	<u>22,603</u>	<u>11,800</u>	<u>26,204</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, 2009

	2009			Variance Positive (Negative)	2008
	Original Budget	Final Budget	Actual		Actual
Water treatment operations:					
Utilities	-	-	9,334	-	8,574
Repairs and maintenance	-	-	25,122	-	48,343
Lab tests	-	-	1,981	-	2,405
System supplies	-	-	15,582	-	13,870
Contracted services	-	-	215,022	-	208,812
Professional services	-	-	5,380	-	-
Total	<u>406,500</u>	<u>406,500</u>	<u>272,421</u>	<u>134,079</u>	<u>282,004</u>
Sewer treatment operations:					
Utilities	-	-	48,960	-	39,324
Repairs and maintenance	-	-	150,952	-	47,385
Lab tests	-	-	20,812	-	15,874
System supplies	-	-	6,495	-	2,105
Chemicals	-	-	10,438	-	8,558
Contracted services	-	-	146,711	-	154,278
Professional services	-	-	17,950	-	124,902
Total	<u>755,500</u>	<u>753,500</u>	<u>402,318</u>	<u>351,182</u>	<u>392,426</u>
Capital outlay	<u>704,900</u>	<u>704,900</u>	<u>30,153</u>	<u>674,747</u>	<u>33,998</u>
Total expenditures	<u>1,899,303</u>	<u>1,899,303</u>	<u>727,495</u>	<u>1,171,808</u>	<u>734,632</u>
Revenues and appropriated retained earnings over expenditures	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 333,717</u>	<u>\$ 333,717</u>	<u>\$ 384,683</u>
Reconciliation from budgetary basis (modified accrual) to full accrual:					
Reconciling items:					
Capital outlays			30,153		33,998
Depreciation			(184,933)		(184,956)
Total reconciling items			<u>(154,780)</u>		<u>(150,958)</u>
Change in net assets			<u>\$ 178,937</u>		<u>\$ 233,725</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, 2009

	2009			Variance Positive (Negative)	2008
	Original Budget	Final Budget	Actual		Actual
Revenues:					
Charges for services:					
Water sales	\$ -	\$ -	\$ 2,724,425	\$ -	\$ 2,479,589
Water tap fees	-	-	336,500	-	193,300
Reconnection fees	-	-	48,530	-	26,530
Penalties and interest	-	-	72,596	-	61,127
Sale of materials	-	-	24,595	-	-
Total	<u>2,665,000</u>	<u>2,851,109</u>	<u>3,206,646</u>	<u>355,537</u>	<u>2,760,546</u>
Nonoperating revenues:					
Interest earnings	-	-	26,209	-	200,131
Other nonoperating revenues	-	-	-	-	1,046
Total nonoperating revenues	<u>110,000</u>	<u>110,000</u>	<u>26,209</u>	<u>(83,791)</u>	<u>201,177</u>
Total revenues	<u>2,775,000</u>	<u>2,961,109</u>	<u>3,232,855</u>	<u>271,746</u>	<u>2,961,723</u>
Appropriated net assets	<u>414,022</u>	<u>774,110</u>	<u>-</u>	<u>(774,110)</u>	<u>-</u>
Total revenues and appropriated net assets	<u>3,189,022</u>	<u>3,735,219</u>	<u>3,232,855</u>	<u>(502,364)</u>	<u>2,961,723</u>
Expenditures:					
Administration:					
Salaries and benefits	-	-	50,225	-	47,037
Administrative support	-	-	-	-	195,773
Credit card fees	-	-	7,562	-	5,996
Telephone and postage	-	-	31,063	-	26,552
Travel	-	-	1,099	-	4,712
Training and education	-	-	979	-	2,586
Advertising	-	-	364	-	434
Supplies	-	-	13,138	-	6,244
Dues and subscriptions	-	-	4,245	-	4,835
Software license fees	-	-	-	-	1,541
Loss on sale of capital assets	-	-	-	-	6,619
Other administration	-	-	1,422	-	12
Total	<u>279,174</u>	<u>283,605</u>	<u>110,097</u>	<u>173,508</u>	<u>302,341</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, 2009

	2009			Variance Positive (Negative)	2008
	Original Budget	Final Budget	Actual		Actual
Water treatment operations:					
Salaries and benefits	-	-	577,585	-	538,684
Utilities	-	-	106,261	-	84,513
Repairs and maintenance	-	-	116,956	-	137,555
Gas, oil, etc.	-	-	23,590	-	30,290
Lab tests	-	-	15,300	-	6,765
Chemicals	-	-	64,899	-	40,299
Uniforms	-	-	953	-	1,198
Purchase of water from another	-	-	323,787	-	280,844
Contracted services	-	-	60,008	-	25,763
Professional services	-	-	3,879	-	-
Total	<u>1,217,776</u>	<u>1,755,887</u>	<u>1,293,218</u>	<u>462,669</u>	<u>1,145,911</u>
Debt service:					
Interest and other charges	-	-	860,020	-	131,784
Debt principal	-	-	765,000	-	260,000
Total	<u>1,625,072</u>	<u>1,625,072</u>	<u>1,625,020</u>	<u>52</u>	<u>391,784</u>
Capital outlay	<u>67,000</u>	<u>70,655</u>	<u>50,677</u>	<u>19,978</u>	<u>121,959</u>
Total expenditures	<u>3,189,022</u>	<u>3,735,219</u>	<u>3,079,012</u>	<u>656,207</u>	<u>1,961,995</u>
Revenues and appropriated net assets over (under) expenditures	<u>-</u>	<u>-</u>	<u>153,843</u>	<u>153,843</u>	<u>999,728</u>
Other financing uses:					
Transfers to Mainland Water Construction Fund	-	-	-	-	(5,000,000)
Revenues and appropriated net assets over (under) expenditures and other financing uses	<u>\$ -</u>	<u>\$ -</u>	<u>153,843</u>	<u>\$ 153,843</u>	<u>(4,000,272)</u>
Reconciliation from budgetary basis (modified accrual) to full accrual:					
Reconciling items:					
Capital outlays			50,677		121,959
Debt principal			765,000		260,000
Depreciation			(683,981)		(582,363)
Amortization of issuance costs, refunding costs and premium			(588)		(588)
Accrued vacation			20,084		(2,236)
Bad debt accrual			(30,000)		-
Transfer to Mainland Water Construction Fund			-		5,000,000
Total reconciling items			<u>121,192</u>		<u>4,796,772</u>
Change in net assets			<u>\$ 275,035</u>		<u>\$ 796,500</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, 2009

	Project Authorization	Actual		Total to Date	Variance Positive (Negative)
		Prior Years	Current Year		
Revenues					
Intergovernmental revenues:					
Investment earnings	\$ -	\$ 93,824	\$ 107,407	\$ 201,231	\$ 201,231
Total revenues	-	93,824	107,407	201,231	201,231
Expenditures					
Wells	1,242,450	102,466	1,133,381	1,235,847	6,603
Reverse osmosis water plant	13,468,798	2,006,437	10,531,209	12,537,646	931,152
Water tanks	2,613,322	2,120,275	461,811	2,582,086	31,236
Distribution system	6,675,430	1,651,667	4,365,967	6,017,634	657,796
Total expenditures	24,000,000	5,880,845	16,492,368	22,373,213	1,626,787
Revenues under expenditures	(24,000,000)	(5,787,021)	(16,384,961)	(22,171,982)	1,828,018
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	\$ (16,384,961)	\$ 1,828,018	\$ 1,828,018

County of Currituck, North Carolina
Agency Funds
Combining Statement of Changes in Assets and Liabilities
For the Fiscal Year Ended June 30, 2009

	Balance June 30 2008	Additions	Deductions	Balance June 30 2009
Social Services				
Assets:				
Cash and cash equivalents	\$ 28,409	\$ 54,468	\$ 45,335	\$ 37,542
Liabilities:				
Accounts Payable	\$ 28,409	\$ 54,468	\$ 45,335	\$ 37,542
Fines and Forfeitures				
Assets:				
Cash and cash equivalents	\$ -	\$ 357,086	\$ 357,086	\$ -
Due from other governments	25,625	30,548	25,625	30,548
Total assets	<u>\$ 25,625</u>	<u>\$ 387,634</u>	<u>\$ 382,711</u>	<u>\$ 30,548</u>
Liabilities:				
Due to other governments	<u>\$ 25,625</u>	<u>\$ 386,517</u>	<u>\$ 381,594</u>	<u>\$ 30,548</u>
Motor Vehicle Tax				
Assets:				
Cash and cash equivalents	\$ 347	\$ 4,573	\$ 4,627	\$ 293
Liabilities:				
Due to other governments	<u>\$ 347</u>	<u>\$ 4,573</u>	<u>\$ 4,627</u>	<u>\$ 293</u>
Totals - All Agency Funds				
Assets:				
Cash and cash equivalents	\$ 28,756	\$ 416,127	\$ 407,048	\$ 37,835
Due from other governments	25,625	30,548	25,625	30,548
Total assets	<u>\$ 54,381</u>	<u>\$ 446,675</u>	<u>\$ 432,673</u>	<u>\$ 68,383</u>
Liabilities:				
Accounts payable	28,409	54,468	45,335	37,542
Intergovernmental payable	25,972	391,090	386,221	30,841
Total liabilities	<u>\$ 54,381</u>	<u>\$ 445,558</u>	<u>\$ 431,556</u>	<u>\$ 68,383</u>

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County of Currituck, North Carolina
General Fund
Schedule of Ad Valorem Taxes Receivable
June 30, 2009

Fiscal Year	Uncollected Balance June 30, 2008	Additions	Collections And Credits	Uncollected Balance June 30, 2009
2008-2009	\$ -	\$ 26,190,731 (a)	\$ 25,209,644 (b)	\$ 981,087 (c)
2007-2008	465,967	13,495	313,631	165,831
2006-2007	115,933	13,387	78,585	50,735
2005-2006	54,509	12,870	37,270	30,109
2004-2005	37,411	-	8,003	29,408
2003-2004	26,395	-	4,353	22,042
2002-2003	25,851	-	10,010	15,841
2001-2002	17,010	-	8,653	8,357
2000-2001	30,412	-	20,201	10,211
1999-2000	10,947	-	752	10,195
1998-1999	9,440	-	9,440	-
	793,875	26,230,483	25,700,542 (d)	1,323,816
Less: allowance for uncollectible accounts:				
				(9,999)
				(402)
Ad valorem taxes receivable - net:				\$ 1,313,415
<u>Reconciliation with revenues:</u>				
				\$ 25,750,315
				8,946
				25,759,261
Reconciling items:				
				(108,911)
				50,192
				(58,719)
Total collections and credits				\$ 25,700,542 (d)

County of Currituck, North Carolina
Analysis of Current Tax Levy
County - wide Levy
For the Fiscal Year Ended June 30, 2009

	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	\$ 8,107,298,438	0.32	\$ 25,943,355	\$ 25,514,678	\$ 428,677
Motor vehicles taxed at prior year's rate	86,224,688	0.32	275,919	0	275,919
Penalties	-		15,954	15,954	-
Total	<u>8,193,523,126</u>		<u>26,235,228</u>	<u>25,530,632</u>	<u>704,596</u>
Discoveries:					
Current year taxes	11,401,250	0.32	36,484	36,484	-
Penalties	-		9,530	9,530	-
Total	<u>11,401,250</u>		<u>46,014</u>	<u>46,014</u>	<u>-</u>
Abatements	<u>(28,284,688)</u>		<u>(90,511)</u>	<u>(58,057)</u>	<u>(32,454)</u>
Total property valuation	<u><u>\$ 8,176,639,688</u></u>				
Net levy			26,190,731 (a)	25,518,589	672,142
Uncollected taxes at June 30, 2009			<u>981,087 (c)</u>	<u>916,305</u>	<u>64,782</u>
Current year's taxes collected			<u><u>\$ 25,209,644 (b)</u></u>	<u><u>\$ 24,602,284</u></u>	<u><u>\$ 607,360</u></u>
Current levy collection percentage			<u><u>96.25%</u></u>	<u><u>96.41%</u></u>	<u><u>90.36%</u></u>

County of Currituck, North Carolina
Analysis of Current Tax Levy
County - wide Levy
For the Fiscal Year Ended June 30, 2009

Secondary Market Disclosures:

Assessed Valuation:

Assessment Ratio ¹	100 %
Real Property	\$ 7,720,698,414
Personal Property	389,021,489
Public Service Companies ²	66,919,785
Total Assessed Valuation	\$ 8,176,639,688
Tax Rate per \$100	0.32
Levy (includes discoveries, releases and abatements) ³	\$ 26,190,731

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	11,750
Hog Ditch watershed improvement district	1,083
Moyock watershed improvement district	14,491
Northwest watershed improvement district	2,036
Whalehead watershed improvement district	382,804
Moyock Commons sewer district	56,854
Total	\$ 26,659,749

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, 2009

Taxpayer	Type of Business	2009 Assessed Valuation	Percentage of Total Assessed Valuation
Coastland Properties I LLC	Land Development	\$ 56,361,000	0.69 %
Dominion Power	Utility	50,832,933	0.62
Coastland Corporation	Land Development	39,123,784	0.48
Turnpike Properties LLC	Land Development	27,485,411	0.34
Pine Island Holdings LLC	Land Development	21,900,242	0.27
Corolla Bay LLC	Land Development	16,800,500	0.21
Richardson, Ernest	Real Estate Investor	15,117,123	0.18
Carolina Telephone	Utility	11,747,994	0.14
Johnson, James E., Jr.	Real Estate Investor	10,608,449	0.13
Tudor, John B	Real Estate Investor	10,101,929	0.12
Total		<u>\$ 260,079,365</u>	<u>3.18 %</u>

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 county's current levels of outstanding debt and the county's ability to issue additional debt in the future.

Demographic and Economic Information:

These schedules offer demographic and economic indicators to help the reader understand the environment within which the county's financial activities take place 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	2009
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	\$ 68,347,483
Restricted	14,872	3,060	-	-	-	-	-
Unrestricted	34,760,360	41,852,873	51,159,760	62,050,122	62,303,803	62,010,794	54,202,688
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>	<u>\$ 122,550,171</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	\$ 21,244,084
Unrestricted	13,128,435	15,736,338	11,991,335	13,167,320	14,601,498	11,278,840	14,161,517
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>	<u>\$ 35,405,601</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	\$ 94,611,567
Restricted	14,872	3,060	-	-	-	-	-
Unrestricted	47,888,795	57,589,211	63,151,095	75,217,442	76,905,301	73,289,634	63,344,205
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>	<u>\$ 157,955,772</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	2009
Expenses							
Governmental activities:							
General government	3,702,311	3,624,010	4,415,836	4,583,886	5,155,428	3,230,828	7,590,041
Public safety	6,256,770	10,348,741	9,519,057	11,311,450	14,759,626	15,490,648	17,202,362
Transportation	574,238	400,063	295,590	791,450	576,920	1,379,504	751,195
Economic and physical development	2,372,004	3,063,105	3,794,111	3,539,620	3,430,161	6,176,978	5,792,463
Environmental protection	154,180	173,025	295,732	238,502	303,871	385,879	390,630
Human services	3,010,850	3,207,729	3,682,371	4,168,102	4,236,355	4,550,718	4,462,531
Cultural and recreation	980,464	1,272,882	1,536,324	1,232,301	376,240	1,523,197	1,368,558
Education	8,361,774	7,422,207	8,956,381	12,281,089	13,869,357	18,420,509	11,758,442
Interest on long-term debt	654,140	555,056	404,700	354,100	325,600	418,693	492,453
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>	<u>\$ 49,808,675</u>
Business-type activities:							
Solid Waste	2,545,400	3,282,646	3,874,034	4,235,412	4,274,781	3,788,615	3,927,902
Water and Sewer	2,117,515	4,336,850	4,334,864	4,606,566	4,761,213	4,844,089	5,591,471
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>	<u>9,519,373</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>	<u>\$ 59,328,048</u>
Program Revenues							
Governmental activities:							
Charges for services:							
General government	446,262	657,106	670,821	596,957	610,955	523,617	732,634
Public safety	398,375	411,296	1,534,985	1,592,122	1,074,519	1,250,083	1,122,524
Transportation	164,327	111,981	141,666	109,221	282,624	299,781	331,208
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	-	-	-	-	16,314
Cultural and recreation	24,875	28,500	33,382	35,771	48,593	39,457	59,983
Operating grants and contributions:							
General government	31,569	315,380	53,482	11,715	898,407	433,683	9,392
Public safety	1,685,941	581,916	641,533	458,277	399,120	284,580	388,608
Transportation	-	-	-	-	-	262,251	-
Economic and physical development	73,441	346,227	183,018	-	85,302	141,865	40,000
Environmental protection	26,569	17,963	25,094	-	27,965	40,683	16,365
Human services	1,758,469	1,971,389	2,080,364	2,198,370	2,380,359	2,611,369	2,808,773
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	740,232
Economic and physical development	-	-	-	80,000	-	-	-
Environmental protection	-	-	-	112,755	-	-	-
Human services	-	-	-	4,577	-	-	-
Education	795,437	-	-	620,980	-	660,325	756,356
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>	<u>7,022,389</u>

Fiscal Year

	2003	2004	2005	2006	2007	2008	2009
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	2,568,346
Water and Sewer	2,028,159	6,195,098	3,967,236	5,690,977	6,103,389	5,564,520	5,978,335
Operating grants and contributions:							
Solid Waste	1,376,261	1,420,714	1,519,203	1,961,452	1,992,464	139,856	45,481
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	6,493,383	9,807,830	7,694,661	10,749,938	10,927,811	8,215,515	8,592,162
Total primary government program revenues	\$ 14,449,224	\$ 17,510,572	\$ 13,483,185	\$ 17,144,250	\$ 17,671,688	\$ 15,599,812	\$ 15,614,551
Net (Expense)/Revenue							
Governmental activities	\$ (18,110,890)	\$ (22,364,076)	\$ (27,111,578)	\$ (32,106,188)	\$ (36,289,681)	\$ (44,192,657)	\$ (42,786,286)
Business-type activities	1,830,468	2,188,334	(514,237)	1,907,960	1,891,817	(417,189)	(927,211)
Total primary government net expense	\$ (16,280,422)	\$ (20,175,742)	\$ (27,625,815)	\$ (30,198,228)	\$ (34,397,864)	\$ (44,609,846)	\$ (43,713,497)
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	\$ 26,695,743
Intergovernmental	9,269,968	19,968,817	21,117,685	19,734,572	20,677,091	21,148,755	19,731,255
Investment earnings	791,107	460,406	1,147,418	2,459,638	3,475,928	3,795,801	2,141,772
Miscellaneous	55,687	-	395,381	92,859	-	-	-
Loss on disposal/sale of capital assets	-	(14,275)	-	-	-	(22,271)	(87,869)
Transfers	-	(649,718)	(379,513)	(219,040)	(281,367)	(1,742,239)	(1,713,400)
Total governmental activities	29,717,220	36,857,517	40,206,933	45,459,851	47,454,122	49,158,716	46,767,501
Business-type activities:							
Property taxes	-	-	-	-	-	57,943	109,907
Investment earnings	308,646	185,149	262,625	468,355	672,453	746,480	427,232
Miscellaneous	-	6,000	-	-	-	-	-
Loss on disposal/sale of capital assets	-	-	-	-	-	(6,619)	-
Transfers	-	649,718	379,513	219,040	281,367	1,742,239	1,713,400
Total business-type activities	308,646	840,867	642,138	687,395	953,820	2,540,043	2,250,539
Total primary government	\$ 30,025,866	\$ 37,698,384	\$ 40,849,071	\$ 46,147,246	\$ 48,407,942	\$ 51,698,759	\$ 49,018,040
Change in Net Assets							
Governmental activities	\$ 11,606,330	\$ 14,493,441	\$ 13,095,355	\$ 13,353,663	\$ 11,164,441	\$ 4,966,059	\$ 3,981,215
Business-type activities	2,139,114	3,029,201	127,901	2,595,355	2,845,637	2,122,854	1,323,328
Total primary government	\$ 13,745,444	\$ 17,522,642	\$ 13,223,256	\$ 15,949,018	\$ 14,010,078	\$ 7,088,913	\$ 5,304,543

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 3Currituck County, North Carolina
Fund Balances, Governmental Funds
(modified accrual basis of accounting)

	Fiscal Year						
	2003	2004	2005	2006	2007	2008	2009
General Fund							
Reserved	964,081	2,585,457	1,860,239	3,274,084	2,582,266	2,561,068	1,761,527
Unreserved	17,787,660	19,739,626	22,297,036	24,165,647	21,068,742	22,509,248	8,854,501
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>	<u>\$ 10,616,028</u>
All Other Governmental Funds							
Reserved	56,558	53,702	608,390	744,618	769,510	1,220,692	715,021
Unreserved							
Designated							
Special revenue funds	1,248,837	1,457,146	2,057,547	2,365,459	2,195,443	1,770,885	10,006,848
Capital project funds	24,757,080	27,121,787	32,751,680	39,038,133	42,182,550	33,655,022	33,931,204
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>	<u>\$ 44,653,073</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									
	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
Revenues										
Ad valorem taxes	\$ 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	\$ 26,163,466
Other taxes and licenses	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	19,766,673
Unrestricted										
intergovernmental	3,007,387	3,109,522	6,668,179	217,477	147,669	155,552	369,270	380,293	355,499	304,553
Restricted										
intergovernmental	427,103	418,250	227,763	2,569,567	4,678,096	3,611,061	4,139,479	3,903,127	4,681,893	3,855,575
Permits and fees	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	1,246,366
Sales and services	144,978	174,980	194,263	240,456	296,943	416,792	386,698	530,740	648,891	652,366
Investment earnings	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	2,158,155
Miscellaneous	41,510	51,212	34,032	65,904	669,244	313,648	113,654	205,215	102,892	934,262
Total revenues	<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>	<u>55,081,416</u>
Expenditures										
General government	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	5,291,527
Public safety	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	19,217,793
Transportation	338,090	471,376	317,674	770,532	1,799,434	581,917	884,938	1,049,293	1,077,529	4,081,199
Environmental protection	194,073	236,738	196,662	155,943	173,025	295,125	255,142	302,508	373,132	384,871
Economic and physical development	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	6,131,755
Human services	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	4,385,682
Cultural and recreation	507,346	705,316	808,645	1,080,901	1,284,754	3,207,252	1,528,882	1,429,959	2,021,669	3,387,383
Education	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	16,974,635
Capital outlay	1,690,270	4,540,300	6,191,629	20,023	-	-	-	-	-	-
Debt service										
Debt issuance cost					98,891					
Principal	1,754,294	1,428,346	1,664,397	1,702,233	900,000	950,000	950,000	930,000	2,067,425	2,739,907
Interest	923,755	884,354	739,676	654,140	555,056	404,700	354,100	325,600	418,693	492,453
Total expenditures	<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>	<u>63,087,205</u>
Excess of revenues over (under) expenditures	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)	(8,005,789)
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	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	18,415,835
Transfers out	(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)	(20,129,235)
State school bond proceeds	-	-	-	-	-	-	-	-	-	-
Installment purchase proceeds	-	-	-	-	-	-	-	-	8,000,000	3,271,375
Sale of capital assets	1,357	30,202	13,472	-	-	-	-	-	-	-
Total other financing sources (uses)	<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>	<u>\$ 1,557,975</u>
Net change in fund balances	\$ 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)	\$ (6,447,814)
Debt service as a percent of noncapital expenditures	11.32%	9.67%	9.69%	7.32%	3.78%	3.58%	3.11%	2.28%	4.64%	6.38%

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>
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
2009	7,720,698,414	66,919,785	389,021,489	8,176,639,688	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									
	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
County Direct Rates										
General	0.640	0.620	0.620	0.620	0.620	0.620	0.320	0.320	0.320	0.320
<u>Overlapping Rates</u>¹										
Poplar Branch Fire District	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	-	-	-	-
Moyock Fire District	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	-	-	-	-
Guinea Mill Watershed Improvement District	-	0.010	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	0.010
Moyock Watershed Improvement District	-	-	-	0.030	0.030	0.030	0.015	0.015	0.015	0.015
Northwest Watershed Improvement District	-	-	-	-	0.070	0.070	0.020	0.020	0.020	0.020
Whalehead Watershed Improvement District	-	-	-	-	0.070	0.070	0.025	0.010	0.040	0.040
Ocean Sands Water and Sewer District	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	0.245

Source: County of Currituck Budget Ordinance

¹ Overlapping rates are rates that apply specifically to special districts and do not apply to the entire County. Overlapping rates only apply to property located within the special district.

Schedule 7

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

Taxpayer	Type of Business	Fiscal Year 2009			Fiscal Year 2000		
		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	\$ 56,361,000	1	0.69%	\$ 10,130,500	5	0.46%
Dominion Power	Utility	50,832,993	2	0.62%	33,376,602	2	1.53%
Coastland Corporation	Land Development	39,123,784	3	0.48%	11,726,203	4	0.54%
Turnpike Properties	Land Development	27,485,411	4	0.34%	12,349,880	3	0.56%
Pine Island Holdings	Land Development	21,900,282	5	0.27%			
Corolla Bay LLC	Land Development	16,800,500	6	0.21%			
Richardson, Ernest	Real Estate Investor	15,117,123	7	0.18%			
Carolina Telephone	Utility	11,747,994	8	0.14%	8,515,105	6	0.39%
Johnson, James E, Jr.	Real Estate Investor	10,608,449	9	0.13%			
Tudor, John B	Real Estate Investor	10,101,929	10	0.12%			
Currituck Associates Residential Partners	Land Development				34,313,905	1	1.57%
Ocean Hill Properties	Land Development				8,142,350	7	0.37%
Whalehead Properties	Land Development				7,567,494	8	0.35%
Buck Island	Land Development				7,215,339	9	0.33%
Outer Banks Ventures	Land Development				5,525,323	10	0.25%
Total		\$ 260,079,465		3.18%	\$ 138,862,701		6.35%

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		Collections in Subsequent Years	Total Collections to Date	
				Amount	Percentage of Original Levy		Amount	Percentage of Adjusted Levy
2000	14,073,475	22,142	14,095,617	13,530,061	96.14%	555,360	14,085,421	99.93%
2001	14,459,054	29,676	14,488,730	13,882,561	96.01%	595,958	14,478,519	99.93%
2002	15,112,177	29,403	15,141,580	14,638,016	96.86%	495,207	15,133,223	99.94%
2003	15,916,809	7,264	15,924,073	15,411,378	96.82%	496,852	15,908,230	99.90%
2004	16,896,180	19,778	16,915,958	16,388,762	97.00%	505,154	16,893,916	99.87%
2005	17,729,373	52,223	17,781,596	17,253,685	97.32%	498,503	17,752,188	99.83%
2006	24,979,301	(148,227)	24,831,074	24,362,825	97.53%	436,567	24,799,392	99.87%
2007	25,399,676	(96,097)	25,303,579	24,940,030	98.19%	309,855	25,249,885	99.79%
2008	26,009,032	(220,206)	25,788,826	25,322,859	97.36%	299,874	25,622,733	99.36%
2009	26,235,228	(44,497)	26,190,731	25,209,211	96.09%	-	25,209,211	96.25%

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
2000	20,742,729	4,752,750	15,989,979	-	-	-	15,989,979	3.42%	0.73%	\$ 879	\$ 879
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	0.89%	0.09%	\$ 288	\$ 288
2008	28,923,550	21,935,000	6,988,550	12,658,730	5,806,155	6,852,575	13,841,125	1.79%	0.17%	\$ 274	\$ 543
2009	26,190,000	21,170,000	5,020,000	13,115,021	4,830,978	8,284,043	13,304,043	1.72%	0.16%	\$ 197	\$ 522

Notes: Percentages calculated using 2007 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 2000 through 2009

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

	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
Assessed Value of Property	\$ 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	\$ 8,176,639,688
Debt Limit, 8% of Assessed Value (Statutory Limitation)	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	654,131,175
Amount of Debt Applicable to Limit										
General Obligation Bonds	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	7,690,000
Revenue Bonds	-	-	-	-	-	-	-	-	19,000,000	18,500,000
Installment Purchase Agreements	2,789,979	1,968,034	1,127,361	-	9,386,321	8,537,182	7,658,149	6,748,170	12,658,730	13,115,021
Less: General Obligation Bonds paid from Enterprise Funds	(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)	(2,670,000)
Revenue Bonds from Enterprise Funds	-	-	-	-	-	-	-	-	(19,000,000)	(18,500,000)
Total net debt applicable to limit	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	18,135,021
Legal Debt Margin	<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>	<u>\$ 635,996,154</u>
Total net debt applicable to the limit as a percentage of debt limit	0.73%	0.62%	0.52%	0.42%	0.70%	0.61%	0.20%	0.17%	0.24%	0.22%

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	6/30/09
REVENUES			
Water Sales	\$	2,479,589	\$ 2,724,425
Water Impact Fees		<u>193,300</u>	<u>336,500</u>
	\$	<u>2,672,889</u>	\$ <u>3,060,925</u>
Reconnection Fees	\$	26,530	\$ 48,530
Penalties		61,127	72,596
Sale of materials		-	24,595
Investment Earnings		<u>200,131</u>	<u>26,209</u>
	\$	<u>287,788</u>	\$ <u>171,930</u>
TOTAL REVENUES	\$	2,960,677	\$ 3,232,855
EXPENSES			
Personnel	\$	585,721	\$ 627,810
Operations		862,531	805,505
Capital Outlay		<u>121,959</u>	<u>50,677</u>
TOTAL EXPENSES, EXCLUDING DEBT	\$	<u>1,570,211</u>	\$ <u>1,483,992</u>
REVENUES AVAILABLE FOR DEBT	\$	1,390,466	\$ 1,748,863
2004 General Obligation Bond Refunding	\$	260,000	\$ 265,000
Interest: 2004 General Obligation Bond Refunding		131,784	123,985
2008 Water Revenue Bonds		-	500,000
Interest: 2008 Revenue Bonds		-	736,035
TOTAL DEBT	\$	<u>391,784</u>	\$ <u>1,625,020</u>
MINIMUM 1.15 DEBT COVERAGE	\$	450,552	\$ 1,868,773
TOTAL DEBT SERVICE COVERAGE		3.55	1.08

Note: Only two years of data are presented. This is a new schedule that is required 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
2000	18,190	468,081	25,587	3,354	2.50%
2001	18,289	491,334	26,195	3,392	2.43%
2002	19,059	516,392	26,516	3,400	2.00%
2003	19,653	567,165	27,587	3,427	1.80%
2004	20,834	626,832	28,733	3,685	2.40%
2005	22,617	667,122	29,345	3,854	2.90%
2006	23,580	725,136	30,576	4,156	2.40%
2007	23,731	771,753	32,326	4,120	2.80%
2008	25,473	*	*	4,070	3.60%
2009	25,473	*	*	3,961	6.20%

* 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	2009	
	Number of Employees	Industry
Currituck County Board of Education	500-999	Education
County of Currituck	250-499	Public Administration
NC Department of Transportation	250-499	Public Administration
Presidential Airways, Inc.	100-249	Trade, Transportation and Utilities
Food Lion LLC	100-249	Trade, Transportation and Utilities
Sentara Health Care Center	100-249	Health Services
Southland Trade Corp.	50-99	Trade, Transportation and Utilities
Corolla Classic Vacations LLC	50-99	Financial Activities
Twiddy & Co of Duck Inc	50-99	Financial Activities
Hardee's	50-99	Leisure and Hospitality

^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	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
General government	35.93	36.18	37.23	38.22	40.22	44.92	52.50	53.50	56.60	58.00
Public safety	80.38	88.38	106.58	123.22	133.62	146.62	162.42	164.92	181.92	189.92
Transportation	-	-	-	-	1.00	1.00	1.00	2.00	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	18.88	23.72	19.86	21.42	25.42	25.42	28.42	28.42	27.42	25.42
Cultural & recreation	4.25	8.36	9.64	9.79	9.79	10.79	14.15	17.60	12.85	16.85
Human services	39.45	34.00	35.25	35.75	38.75	39.75	43.00	42.75	43.75	42.75
Proprietary operations	11.45	11.45	12.70	12.70	17.70	20.10	20.00	20.00	22.00	22.00
	<u>192.34</u>	<u>204.09</u>	<u>223.26</u>	<u>243.10</u>	<u>268.50</u>	<u>290.60</u>	<u>323.49</u>	<u>331.19</u>	<u>348.54</u>	<u>358.94</u>

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	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
Governmental Activities:										
Public Safety										
Law Enforcement ¹										
Stations	1	1	1	1	1	1	1	1	1	1
Satellite Stations	3	3	3	3	3	3	3	3	3	3
Deputies	37	39	38	44	49	52	59	59	59	63
Emergency Medical Services ²										
Stations	6	6	6	6	6	8	11	11	11	11
Emergency Medical Technicians	18	30	30	43	45	49	55	56	71	71
Human Services ³										
Number of Physicians	7	*	6	6	*	*	3	7	*	*
Population/physician ratio	2,723	*	3,216	3,288	*	*	7,860	3,390	*	*
Education ⁴										
Schools	7	7	7	8	8	8	8	8	8	10
Teachers	233	240	273	273	257	254	346	314	315	295
Student Enrollment	3,354	3,392	3,400	3,729	3,685	3,854	4,156	4,120	4,070	3,961
SAT Scores	962	992	1,024	988	1,003	1,013	1,502 ^a	1,466	1,465	1,459
Enterprise Activities:										
Newtown Road Sewer ⁵										
Miles of sewer lines	*	*	*	*	*	*	*	1	1	1
Residential sewer customers	*	*	*	*	*	*	*	24	28	28
Commercial sewer customers	*	*	*	*	*	*	*	-	1	1
Moyock Commons Sewer ⁵										
Miles of sewer lines	*	*	*	*	*	*	*	1	1	1
Number of residential customers	*	*	*	*	*	*	*	-	-	-
Number of commercial customers	*	*	*	*	*	*	*	23	21	23
Southern Outer Banks Water ⁵										
Miles of water lines	*	*	*	*	*	*	*	27.07	27.07	27.07
Average daily usage (in 1,000 gallons)	*	*	*	*	*	*	*	240	615	333
Number of wells	*	*	*	*	*	*	*	47	47	47
Number of residential customers	*	*	*	*	*	*	*	1,181	1,179	1,179
Number of commercial customers	*	*	*	*	*	*	*	2	2	20
Ocean Sands Water and Sewer ⁵										
Miles of water lines	*	*	*	*	*	*	*	11.09	11.09	11.09
Miles of sewer lines	*	*	*	*	*	*	*	12.40	12.40	12.40
Average daily usage (in 1,000 gallons)	*	*	*	*	*	*	*	160	180	171
Number of residential water customers	*	*	*	*	*	*	*	954	954	955
Number of commercial water customers	*	*	*	*	*	*	*	-	-	8
Number of residential sewer customers	*	*	*	*	*	*	*	953	954	955
Number of commercial sewer customers	*	*	*	*	*	*	*	-	-	8
Mainland Water ⁵										
Miles of water lines	*	*	*	*	*	*	*	300	350	355
Number of wells	*	*	*	*	*	*	*	28	28	31
Residential water customers	*	*	*	*	*	*	*	4,891	4,559	4,594
Commercial water customers	*	*	*	*	*	*	*	-	397	374
Solid Waste ⁶										
Total number of households served	10,494	10,667	11,348	11,460	11,971	12,591	13,217	13,813	14,176	14,192
Total tonnage disposed	28,875	27,619	28,225	34,592	41,298	37,234	34,878	31,374	26,300	26,977
Recycling Program:										
Households served by program	10,494	10,667	11,348	11,460	11,971	12,591	13,217	13,813	14,176	14,192
Tonnage recovered	1,014	1,033	1,012	1,032	728	2,009	1,392	1,516	1,713	1,725
Mulching/composting program										
Households served by program	10,494	10,667	11,348	11,460	11,971	12,591	13,217	10,097	10,462	10,477
Tonnage recovered	795	1,088	1,050	1,065	12,800	1,780	1,323	1,746	1,023	1,055
Total cost of solid waste program	\$ 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	\$ 3,600,877
Cost per household	\$ 218	\$ 216	\$ 190	\$ 198	\$ 242	\$ 297	\$ 304	\$ 275	\$ 250	\$ 254
Cost per ton	\$ 79	\$ 78	\$ 76	\$ 62	\$ 53	\$ 91	\$ 107	\$ 110	\$ 120	\$ 121

¹Currituck County Sheriff's Department

²Currituck County Emergency Medical Services Department

³NC Department of Commerce

⁴Currituck County Schools

⁵Currituck County Utilities Department

⁶Currituck County Public Works Department

^aThe 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, 2009, which collectively comprises the County of Currituck's basic financial statements, and have issued our report thereon dated November 30, 2009. 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 30, 2009.

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 30, 2009



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, 2009. 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, 2009.

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 30, 2009

CURRITUCK COUNTY, NORTH CAROLINA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the Fiscal Year Ended June 30, 2009

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
93.767	NC Health Choice

Dollar threshold used to distinguish between
Type A and Type B Programs

\$478,019

Auditee qualified as low-risk auditee?

yes

no

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, 2009

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, 2009

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	\$ 2,338,575	\$ -	\$ -
Food Stamps Administrative Match	10.561	155,043	-	-
Total Food Stamp Cluster		2,493,618	-	-
Total U.S. Department of Agriculture		2,493,618	-	-
U.S. Department of Transportation				
State aid to airports passed through				
NC Dept of Transportation	20.106	740,232	-	-
Total U.S. Department of Transportation		740,232	-	-
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	102,574	-	-
Work First - Services	93.558	383,128	-	-
Low Income Home Energy Assistance				
Administration	93.568	9,475	-	-
Direct Payments	93.568	53,779	-	-
Crisis Intervention Program	93.568	80,708	-	-
Family Preservation				
Permanency Planning	93.556	522	-	-
SSBG	93.645	6,934	1,782	-
LINKS	93.667	44,170	4,299	-
NC Health Choice	93.674	6,307	283	-
	93.767	18,667	530	-
Foster Care and Adoption				
Title IV-E Foster Care - Administration	93.658	110,991	22,077	-
Foster Care - Direct Benefit Payments	93.658	12,744	1,907	-
Adoption - Administration	93.659	18,265	-	-
Adoption Assistance - Direct Payments	93.659	65,085	12,156	-
Total Foster Care and Adoption Cluster		207,085	36,140	-
Division of Child Development:				
<u>Child Care Development Fund Cluster</u>				
Division of Social Services				
Child Care Development Fund - Administration	93.596	80,000	-	-
Division of Child Development:				
Child Care and Development Block Grant	93.575	289,662	-	-
Child Care and Development Fund - Mandatory	93.596	102,667	-	-
Child Care and Development Fund - Match	93.596	148,273	81,655	-
Total Child Care Development Fund Cluster		620,602	81,655	-

continued

COUNTY OF CURRITUCK
SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS
For the Fiscal Year Ending June 30, 2009

GRANTOR, PASS THROUGH GRANTOR PROGRAM TITLE	CFDA	AMOUNT EXPENDED		COUNTY
		FEDERAL	STATE	
Social Services Block Grant	93.667	12,597		
TANF	93.558	102,340		
Smart Start			18,686	
State Appropriations			125,461	
Total Subsidized Child Care		735,539	225,802	-
Centers for Medicare and Medicaid Services:				
Passed-through NC Department of Health and Human Services, Division of Medical Assistance:				
Direct Benefit Payments	93.778	10,658,972	4,046,734	-
Administration	93.778	341,238	12,949	-
Total U.S. Department of Health and Human Services		12,649,098	4,328,519	-
U.S. Department of Homeland Security				
Passed through NC Department of Crime Control and Public Safety				
Emergency Management	97.042	51,017	-	-
Total U.S. Department of Homeland Security		51,017	-	-
TOTAL FEDERAL AWARDS		15,933,965	4,328,519	-
STATE AWARDS -				
North Carolina Department of Health and Human Services				
Division of Social Services:				
State/County Special Assistance for Adults			111,306	-
State Foster Care Benefits			23,215	-
State Aid to Counties			12,935	-
CWS Adoption Benefit Payments			88,076	-
State Adult Protective Services			18,156	-
TANF Incentive			560	-
Smart Start			11,645	-
Total North Carolina Department of Health and Human Services		-	265,893	-
NC Department of Juvenile Justice and Delinquency Prevention				
Juvenile Crime Prevention Programs			82,620	26,172
Support Our Students			70,578	-
Total North Carolina Department of Health and Human Services		-	153,198	26,172
North Carolina Department of Transportation				
Public Transportation Division:				
ROAP			133,922	-
Total North Carolina Department of Transportation		-	133,922	-
North Carolina Department of Administration				
Veterans Service			2,000	-
Total North Carolina Department of Administration		-	2,000	-

continued

COUNTY OF CURRITUCK
SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS
For the Fiscal Year Ending June 30, 2009

GRANTOR, PASS THROUGH GRANTOR PROGRAM TITLE	CFDA	AMOUNT EXPENDED		COUNTY
		FEDERAL	STATE	
TOTAL STATE AWARDS		-	555,013	26,172
TOTAL FEDERAL AND STATE AWARDS		15,933,965	4,883,532	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	State
		Expenditures	Expenditures
Support Our Students		-	70,578
Partnership of Adolescents and Support Services		-	61,255
Victim Compensation and Juvenile Restitution		-	8,012
Teen Court		-	19,387
JCPC Council Administration		-	13,875
Smart Start		-	9,415
Elderly and Disabled Transportation		-	133,922

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.

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