

COMPREHENSIVE ANNUAL FINANCIAL REPORT
For the Fiscal Year Ended June 30, 2011



County of Currituck, North Carolina

Prepared by the Currituck County Finance Department

County of Currituck, North Carolina
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BOARD OF COMMISSIONERS

O. Vance Aydlett, Jr., Chairman
John D. Rorer, Vice-Chairman
J. Owen Etheridge
Marion Gilbert
Paul Martin
S. Paul O'Neal
H. M. "Butch" Petrey

COUNTY OF CURRITUCK

153 Courthouse Road, Suite 201
Currituck, North Carolina 27929
Telephone (252) 232-2075 / Fax (252) 232-3551

Daniel F. Scanlon II

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

November 30, 2011

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, 2011. 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 23,602; 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 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 stabilizing rental income and other economic benefits to local businesses. Although construction has slowed significantly, development continues throughout the County.

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 23.84 percent from 2002 to 2011.

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 Board of Education and Currituck County Government, followed by air transport, grocery store, health care service, several real estate brokerage firms, a bank and a restaurant.

The ad valorem tax base grew from \$8,222,673,629 to \$8,252,612,186 an average increase of 0.37 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, 2011 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. Construction is in process on a YMCA/Community center in Maple and a multi-use path in Corolla.

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. Although there are no major public school capital projects at this time, the County continues to contribute to reserve funding for future education capital needs as well as maintain the existing schools. For the past two years the primary focus has been on major overhaul and/or replacement of the HVAC systems in several schools. (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.)

The County also had several initiatives in process throughout this year. Phase I of the multi-use path started in the prior fiscal year is reaching completion and plans are beginning for phase II of this project in Corolla; renovations continue at the Rural Life Center on Spot Road; a stormwater drainage project is underway in the Whalehead subdivision; construction is in process for the YMCA/Community Center which is scheduled for completion in December 2011; roads and infrastructure are in process for the Maple Commerce Park; construction is in process for a central sewer system in Moyock; design is in process for an animal shelter and an aviation training and technical center which will be a part of the College of the Albemarle.

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. In addition to tourism, the County is also focusing on Economic Development with the addition of a central sewer in Moyock and a commerce park and aviation and technical training center in Maple.

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 facility for Parks and Recreation in Maple that will be contracted through the YMCA. The County is also expanding the sewer capacity in the Moyock area and infrastructure at the airport. 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 5 years, with an average maturity of 1,361 days for U. S. Treasury obligations and 96 days for commercial paper. The average yield on investments was 0.847% for federal agency funds, 1.359% for certificates of deposit and 0.833% for commercial paper.

Risk management. The County participates in the North Carolina Association of County Commissioners (NCACC) 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 NCACC notified the County in March 2011 that the coverage for health benefits would terminate on June 30, 2011. This coverage was replaced by CIGNA effective July 1, 2011 with no lapse of coverage to employees. The County also maintains flood insurance on structures located in flood prone areas. As of June 30, 2011 the Whalehead Club, the Moyock Library and the Shawboro Elementary School were 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 eleventh 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.

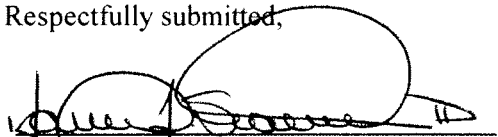
AWARDS AND ACKNOWLEDGEMENTS

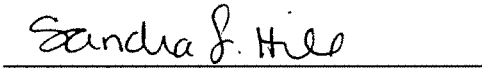
The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the County of Currituck for its comprehensive annual financial report for the fiscal year ended June 30, 2010. In order to be awarded a Certificate 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, 2010

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.

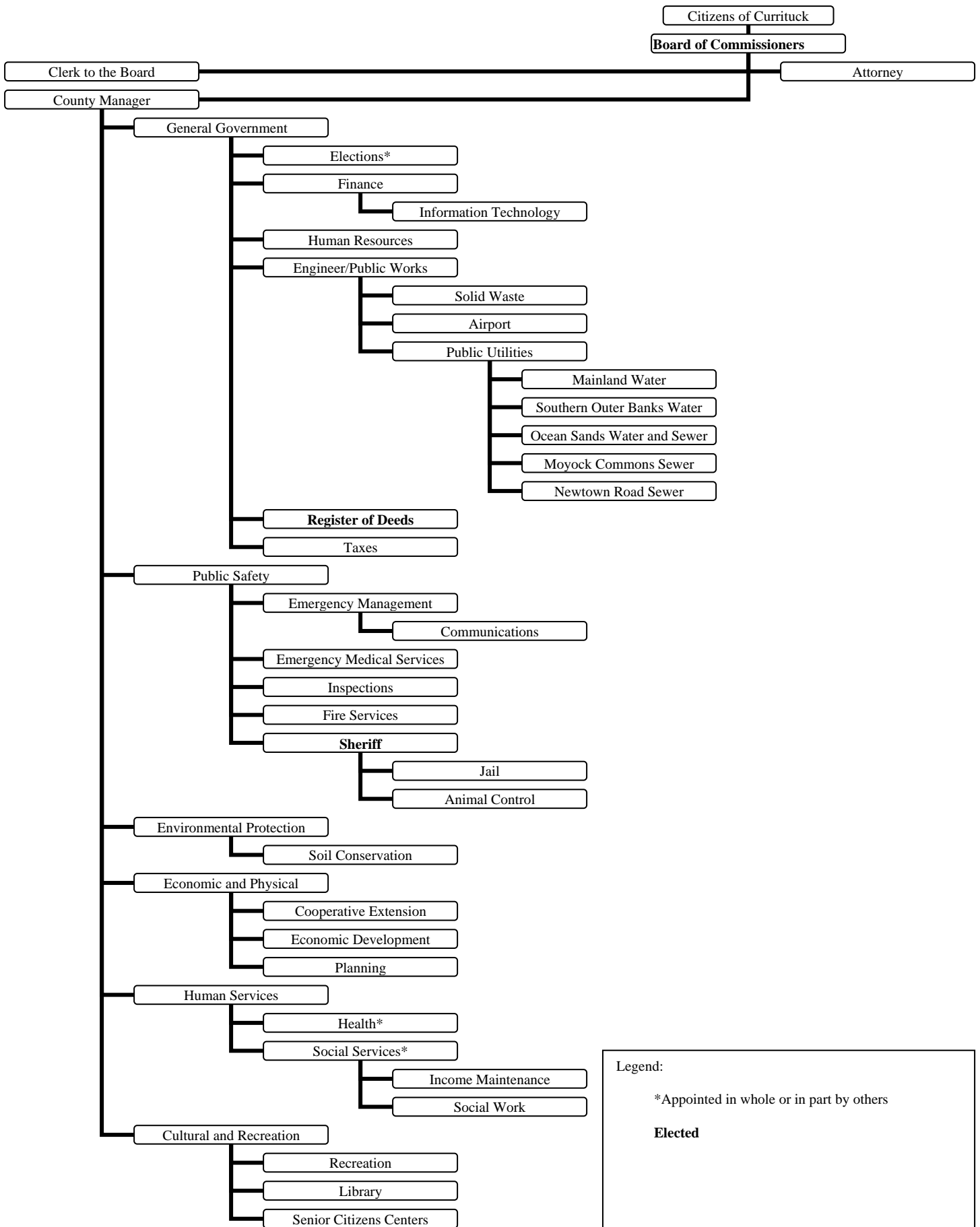


Linda C. Danison

President

Jeffrey R. Eno

Executive Director



Legend:
 *Appointed in whole or in part by others
Elected

CURRITUCK, NORTH CAROLINA

O. Vance Aydlett, Jr. , Chairman

John D. Rorer, Vice-Chairman

James Owen Etheridge

Marion Gilbert

Paul Martin

S. Paul O’Neal

H.M. “Butch” Petrey

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
Airport.....	James Elliott
Cooperative Extension.....	Cameron Lowe
Economic Development	Peter Bishop
Emergency Management	Mary Beth Newns
Emergency Medical Services, Interim.....	Robert Glover
Finance Director	Sandra L. Hill
Human Resources Director.....	Derinda Leary
Information Technology.....	Tina I. Scanlon
Library	Vickie Hagemeister
Planning & Inspections	Ben Woody
Public Utilities.....	Patrick Irwin
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, 2011, 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. 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 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, 2011, 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, 2011 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 fund statements, budgetary schedules, and other schedules, 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. The combining and individual fund statements, budgetary schedules, other schedules and the accompanying schedule of expenditures of federal and State awards 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, 2011

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, 2011. 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

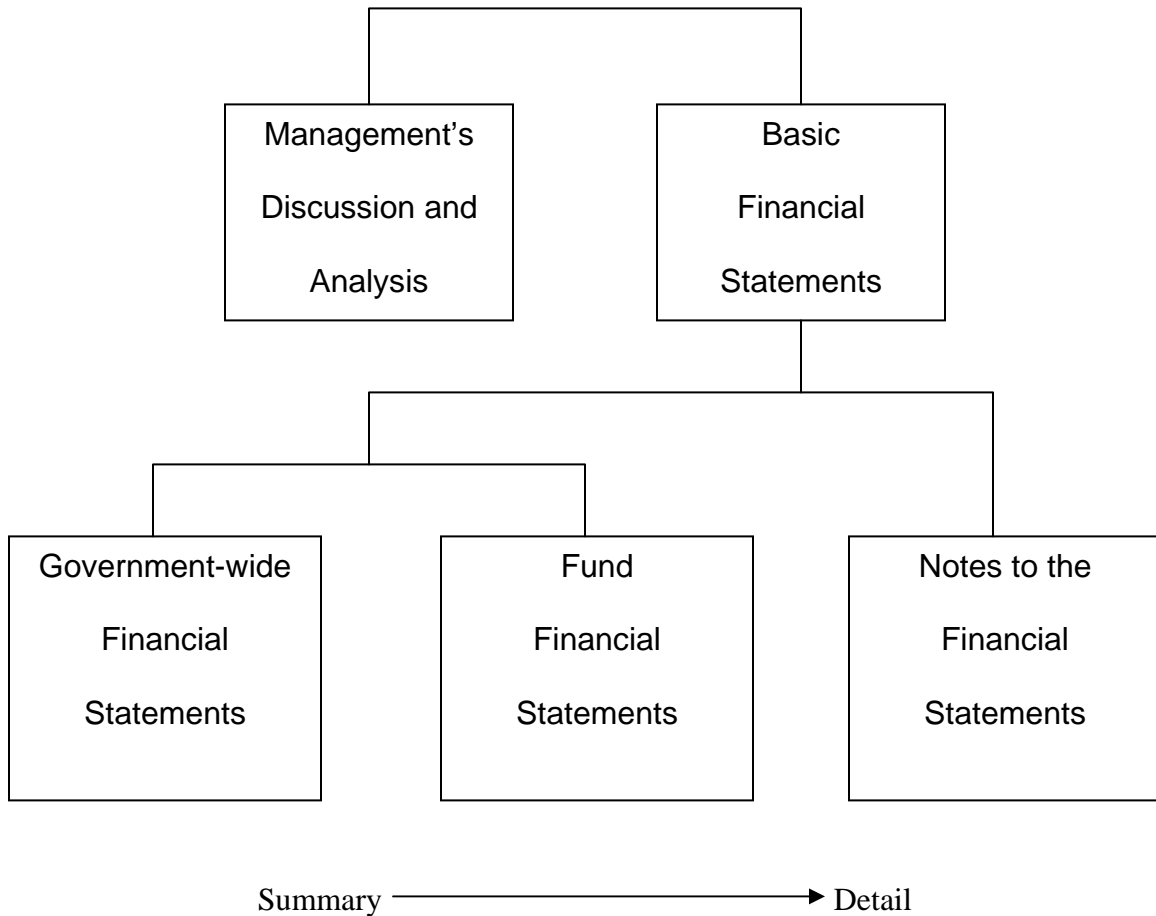
- The assets of Currituck County exceeded its liabilities at the close of the fiscal year by \$162,616,655.
- The government's total net assets increased by \$4,096,294; an increase of \$724,286 in the business-type activities and an increase of \$3,372,008 in the governmental activities.
- As of the close of the current fiscal year, Currituck County's governmental funds reported combined ending fund balances of \$53,313,298, a decrease of \$2,897,629 in comparison with the prior year. Approximately 28.88% of this total amount, or \$15,398,947, is restricted or nonspendable.
- At the end of the current fiscal year, unassigned fund balance for the General Fund was \$1,859,873 or 3.57% of total general fund expenditures for the fiscal year.
- Currituck County's total debt decreased by \$4,754,670 or 12.92% during the current fiscal year. This key factor for this decrease is making scheduled debt payments.

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 \$162,616,655 as of June 30, 2011. The County's net assets increased by \$4,096,294 for the fiscal year ended June 30, 2011. One of the largest portions (64.33%) 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, 2011, long-term debt in governmental activities was for the Currituck County High School, the Shawboro Elementary School, land at the airport, five ambulances and stormwater drainage for the Whalehead subdivision. The Currituck County High School is not a capital asset for the County and therefore is not included in the 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 \$15,397,965 (9.47%) represents resources that are subject to external restrictions on how they may be used. The remaining balance of \$42,612,040 (26.20%) is unrestricted.

Currituck County's Net Assets

Figure 2

CURRITUCK COUNTY'S NET ASSETS

	Governmental Activities		Business-type Activities		Total	
	2011	2010	2011	2010	2011	2010
Current and other assets	\$ 57,601,850	\$ 60,186,590	\$ 14,096,533	\$ 14,520,375	\$ 71,698,383	\$ 74,706,965
Capital assets	87,432,905	81,786,185	46,059,914	46,916,666	133,492,819	128,702,851
Total assets	<u>\$ 145,034,755</u>	<u>\$ 141,972,775</u>	<u>\$ 60,156,447</u>	<u>\$ 61,437,041</u>	<u>\$ 205,191,202</u>	<u>\$ 203,409,816</u>
Long-term liabilities outstanding	\$ 16,295,335	\$ 17,161,056	\$ 22,792,847	\$ 24,527,732	\$ 39,088,182	\$ 41,688,788
Other liabilities	3,075,787	2,520,094	410,578	680,573	3,486,365	3,200,667
Total liabilities	<u>19,371,122</u>	<u>19,681,150</u>	<u>23,203,425</u>	<u>25,208,305</u>	<u>42,574,547</u>	<u>44,889,455</u>
Net assets:						
Invested in capital assets, net of related debt	81,090,434	74,064,100	23,516,216	22,524,024	104,606,650	96,588,124
Restricted	15,397,965	-	-	-	15,397,965	-
Unrestricted	29,175,234	48,227,525	13,436,806	13,704,712	42,612,040	61,932,237
Total net assets	<u>\$ 125,663,633</u>	<u>\$ 122,291,625</u>	<u>\$ 36,953,022</u>	<u>\$ 36,228,736</u>	<u>\$ 162,616,655</u>	<u>\$ 158,520,361</u>

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 Governmental Funds decreased by \$184,751.
- Other taxes increased by \$1,161,616 in the County's Governmental funds; this is primarily due to increases of \$769,784 in Occupancy tax and \$554,445 in local option sales taxes, which were offset by decreases of \$84,804 in transfer tax, \$23,660 in deed stamp excise tax and \$52,555 in cable television franchise tax.
- Charges for services remained level with the prior year with minimal growth of \$5,012.
- Operating grants and contributions decreased in the governmental funds by \$1,098,989.
- Capital grants increased by \$1,241,473 during this year due to capital projects relating to the Airport.
- Investment earnings increased in the governmental funds by \$127,821.
- Continued low cost of debt due to the County's Aa3 and AA- bond ratings from Moody's Investors Service and Standard and Poor's, respectively
- General government expenditures decreased by 1.48% over the prior year.
- Public safety expenditures decreased less than 1%, this decrease is primarily due to reduction in capital costs in the Communications department from the prior year.
- Transportation expenditures increased by \$1,612,563, primarily due to expansion at the airport.
- Environmental protection decreased by \$1,260,263 due to the Whalehead Stormwater drainage project and other smaller drainage projects in the other watershed service districts in the prior year.
- Economic and physical development expenditures increased by \$559,101 due to decreased expenditures in the Tourism Development Authority.
- Cultural and recreation expenditures increased by \$5,089,182 due to construction in process for the YMCA/Community facility in Maple and the Corolla Multi-use greenway project.
- Currituck County's funding for education decreased by \$232,102 over the prior year. The County funds the Currituck County School system's current expense on a funding formula based on average daily membership and capital projects based on requests. There were minor projects during the year.
- The general fund expenditures for interest on debt was increased by \$6,801 due to addition of debt for the Whalehead stormwater project.

Currituck County Changes in Net Assets

Figure 3

	2011	2010	2011	2010	2011	2010
Revenues:						
Program revenues:						
Charges for services	\$ 2,958,035	\$ 2,346,589	\$ 9,079,169	\$ 8,447,544	\$ 12,037,204	\$ 10,794,133
Operating grants and contributions	3,066,366	4,165,355	68,656	57,113	3,135,022	4,222,468
Capital grants and contributions	1,535,628	294,155	540,000	329,144	2,075,628	623,299
General revenues:						
Property taxes	26,690,853	26,954,749	135,889	138,053	26,826,742	27,092,802
Other taxes	20,706,962	19,128,767	-	-	20,706,962	19,128,767
Investment earnings, unrestricted	806,637	678,816	176,875	148,173	983,512	826,989
Total revenues	55,764,481	53,568,431	10,000,589	9,120,027	65,765,070	62,688,458
Expenses:						
General government	8,369,991	8,415,095	-	-	8,369,991	8,415,095
Public safety	17,159,996	17,211,595	-	-	17,159,996	17,211,595
Transportation	1,726,573	783,800	-	-	1,726,573	783,800
Economic and physical development	6,469,555	6,713,211	-	-	6,469,555	6,713,211
Environmental protection	424,447	568,900	-	-	424,447	568,900
Human services	4,156,265	4,155,112	-	-	4,156,265	4,155,112
Cultural and recreation	2,094,488	2,577,198	-	-	2,094,488	2,577,198
Education	10,098,107	10,330,209	-	-	10,098,107	10,330,209
Interest on long-term debt	456,783	449,982	-	-	456,783	449,982
Solid Waste	-	-	4,193,309	4,196,020	4,193,309	4,196,020
Water and sewer	-	-	6,519,262	6,398,328	6,519,262	6,398,328
Total expenses	50,956,205	51,205,102	10,712,571	10,594,348	61,668,776	61,799,450
Increase in net assets before transfers and special items	4,808,276	2,363,329	(711,982)	(1,474,321)	4,096,294	889,008
Special item	-	(324,419)	-	-	-	-
Transfers	(1,436,268)	(2,297,456)	1,436,268	2,297,456	-	-
Increase in net assets	3,372,008	(258,546)	724,286	823,135	4,096,294	889,008
Net assets, July 1	122,291,625	122,550,171	36,228,736	35,405,601	158,520,361	157,955,772
Net assets, June 30	\$ 125,663,633	\$ 122,291,625	\$ 36,953,022	\$ 36,228,736	\$ 162,616,655	\$ 158,844,780

Governmental activities. Governmental activities increased the County's net assets by \$3,372,008. Key elements of this increase are as follows:

- Increases in charges for services
- Increases in grant funds for capital projects at the airport and Maple commerce park
- Increases in Occupancy Tax receipts

Business-type activities: Business-type activities increased Currituck County's net assets by \$724,286, accounting for 17.68% of the total growth in the government's net assets.

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, fund balance available for appropriation can be a useful measure of a government's net resources available for spending at the end of the fiscal year.

The General Fund is the chief operating fund of Currituck County. At the end of the current fiscal year, Currituck County's fund balance available in the General Fund was \$28,869,371, while total fund balance reached \$33,268,987. The County currently has an available fund balance of 55.40% of general fund expenditures, while total fund balance represents 63.84% of that same amount.

Figure 4 below illustrates the changes in fund balances for the County's governmental funds as compared to the prior year. This is the first year of implementation of GASB 54. Total fund balances are represented below due to GASB 54 reclassifications. Also, the County Governmental Facilities fund as well as several funds previously reported in other governmental funds are now reported in the General Fund.

Figure 4
Changes in Fund Balances for Governmental Funds

	2011 Total	2010 Total	Change in Fund Balances
General	\$ 33,268,987	\$ 8,567,150	\$ 24,701,837
Tourism Development Authority	7,625,052	6,254,103	1,370,949
County Governmental Facilities	-	19,678,657	(19,678,657)
Other Governmental	12,419,259	21,711,017	(9,291,758)
	\$ 53,313,298	\$ 56,210,927	\$ (2,897,629)

Fund balances in the Tourism Development Authority Fund are for tourism promotion and tourism related expenditures. The total fund balance for the Tourism Development reflects a \$1,370,949 increased over the prior year due to increase in Occupancy Tax revenue receipts.

At June 30, 2011, the governmental funds of Currituck County reported a combined fund balance of \$53,313,298, a 5.15% decrease over last year. This decrease is primarily due to construction of the YMCA/Community Center in Maple.

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. Highlights of the budgetary variances for the General Fund are shown in Figure 5 below.

**Figure 5
General Fund Budget to Actual Summary**

	Revised Budget	Actual	Variance
Revenues:			
Ad valorem taxes	\$ 25,076,008	26,690,853	1,614,845
Other taxes and licenses	4,939,915	5,189,957	250,042
Restricted intergovernmental	307,000	237,129	(69,871)
Unrestricted intergovernmental	3,003,015	2,960,531	(42,484)
Permits and fees	1,868,818	2,005,998	137,180
Sales and services	766,206	617,213	(148,993)
Investment earnings	400,000	120,120	(279,880)
Miscellaneous	295,311	319,998	24,687
Total revenues	36,656,273	38,141,799	1,485,526
Expenditures:			
General government	6,255,691	5,717,101	538,590
Public safety	16,164,480	15,606,636	557,844
Transportation	762,746	589,091	173,655
Environmental protection	208,968	203,123	5,845
Economic and physical development	1,502,144	1,319,744	182,400
Human services	4,483,062	4,100,337	382,725
Cultural and recreational	2,327,272	2,199,678	127,594
Education	9,785,781	9,785,781	-
Debt service	3,388,555	3,388,552	3
Total expenditures	44,878,699	42,910,043	1,968,656
Revenues over (under) expenditures	(8,222,426)	(4,768,244)	3,454,182
Other financing sources (uses):			
Transfers to other funds	(1,310,625)	(1,310,625)	-
Transfers from other funds	5,631,289	5,577,965	(53,324)
Total other financing sources (uses)	4,320,664	4,267,340	(53,324)
Revenues and other financing sources over expenditures and other financing uses	(3,901,762)	(500,904)	3,400,858
Appropriated fund balance	3,901,762	-	(3,901,762)
Revenues, appropriated fund balance, and other financing sources over expenditures and other financing uses	\$ -	\$ (500,904)	\$ (500,904)

Total amendments to the General Fund increased revenues by \$182,547. Property taxes and other taxes and licenses collect revenues exceeding their budgets; however, most other General Fund revenues were under budget. This can be attributed to an incentive plan for building permits to promote growth and the continued depressed rate of return on investments. The overall actual General fund revenues were \$1,485,526 greater than budget. The final budget for expenditures was \$44,878,699, which was a \$873,320 increase over the original budget. The increase from the original budget is primarily due to the carry-forward of funds from the prior year for projects that were not completed by year end.

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 \$5,922,701,

and those for the Water and Sewer Districts totaled \$31,030,321. The total growth in net assets for the proprietary funds is shown in Figure 6, below.

**Figure 6
Changes in Net Assets for Proprietary Funds**

	June 30 2011	June 30 2010	Change in Net Assets
Solid Waste	\$ 5,922,701	\$ 6,650,122	\$ (727,421)
Ocean Sands Water and Sewer	7,164,235	7,371,506	(207,271)
Mainland Water	10,736,186	11,208,443	(472,257)
Southern Outer Banks Water	9,499,593	8,900,065	599,528
Moyock Central Sewer	2,701,166	1,182,161	1,519,005
Non-Major Proprietary Funds			
Newtown Road Sewer	351,688	372,355	(20,667)
Moyock Commons Sewer	577,453	544,084	33,369
Total	\$ 36,953,022	\$ 36,228,736	\$ 724,286

Capital Asset and Debt Administration

Capital assets. Currituck County's capital assets for its governmental and business – type activities as of June 30, 2011, totals \$133,492,819, 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:

- Continued construction of a multi-use path along Highway 12 in Corolla
- Expansion and renovations at the Rural Life Center
- Construction of distribution lines for the Moyock Central Sewer
- Construction of a YMCA/Community Center at Maple

Figure 7

**CURRITUCK COUNTY'S CAPITAL ASSETS
(net of depreciation)**

	Governmental Activities 2011	Business-type Activities 2011	Total 2011	Total 2010
Land	\$ 18,799,508	\$ 1,917,263	\$ 20,716,771	\$ 19,857,864
Buildings and system	49,332,135	28,515,273	77,847,408	80,449,853
Computer Equipment	2,043,135	315,187	2,358,322	2,321,259
Furniture & Fixtures	6,427,605	3,704	6,431,309	5,774,192
Equipment	3,602,918	13,526,679	17,129,597	14,388,363
Vehicles and motorized equipment	2,006,931	27,462	2,034,393	2,705,300
Construction in progress	5,220,673	1,754,346	6,975,019	3,206,020
Total	\$ 87,432,905	\$ 46,059,914	\$ 133,492,819	\$ 128,702,851

Additional information on the County's capital assets can be found in note III.A. 5, beginning on page 55 of the Basic Financial Statements.

Long-term Debt. As of June 30, 2011, Currituck County had total bonded debt outstanding of \$22,915,000. Of that amount, \$5,390,000 is debt backed by the full faith and credit of the County while the remaining \$17,525,000 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, for stormwater improvements in the Whalehead Subdivision Watershed Service District and for Southern Outer Banks Water System, with outstanding balances of \$3,606,466, \$630,000, \$306,142, \$1,799,863 and \$2,776,422, 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		Total	
	2011	2010	2011	2010	2011	2010
Installment Purchase	\$ 6,342,471	\$ 8,402,094	\$ 2,776,422	\$ 3,821,469	\$ 9,118,893	\$ 12,223,563
Revenue bonds	-	-	17,525,000	18,025,000	17,525,000	18,025,000
General obligation bonds	3,280,000	4,145,000	2,110,000	2,395,000	5,390,000	6,540,000
Total debt	\$ 9,622,471	\$ 12,547,094	\$ 22,411,422	\$ 24,241,469	\$ 32,033,893	\$ 36,788,563

Figure 8

Currituck County's total debt decreased by \$4,754,670 (12.92%) during the past fiscal year. This reduction is due to scheduled payments.

As mentioned in the financial highlights section of this document, Currituck County's bond ratings are Aa3 from Moody's Investor Service and AA- 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 \$647,810,082. The County has no bonds authorized but un-issued at June 30, 2011.

Additional information regarding Currituck County's long-term debt can be found in note III.B.7. beginning on page 68 of this audited financial report.

Economic Factors and Next Year's Budgets and Rates

The following key economic indicators reflect the economy of the County.

- As of June 30, 2011, Currituck County had one of the lowest unemployment rates in the State with a rate of 5.60%.
- Property values held constant with a 0.45% increase over the prior year

Budget Highlights for the Fiscal Year Ending June 30, 2012

Governmental Activities: Currituck County's octennial revaluation became effective for the 2006 fiscal year. Governmental fund revenues are budgeted conservatively with a 6.52% reduction from the actual revenues received for the year ended June 30, 2011, 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 \$45,498,266, approximately 1.38% increase over the prior year.

Business – type Activities: The County evaluated water and sewer rates during the budget process. All water systems will recognize a minimal rate increase during the upcoming year. In addition, the Southern Outer Banks Water System acquired all remaining private systems on the Currituck Outer Banks. These acquisitions increased the customer base for this system. The Solid Waste fund also had an increase in the tipping fee for items taken to the transfer station. The County acquired the Walnut Island Sanitary District on November 1, 2011 and is currently evaluating the operations of that system.

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, Suite 103, Currituck, North Carolina 27929 or e-mail Sandra.Hill@CurrituckCountyNC.gov.

County of Currituck, North Carolina
Statement of Net Assets
June 30, 2011

	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	\$ 52,430,086	\$ 13,293,058	\$ 65,723,144	\$ 759,683	\$ 783,366
Restricted Cash	435,975	-	435,975	-	-
Receivables (net)	950,624	824,689	1,775,313	37,969	-
Internal balances	157,604	(157,604)	-	-	-
Due from other governments	3,249,183	-	3,249,183	-	-
Due from component unit	1,691	-	1,691	-	-
Inventories	982	-	982	73,861	462,201
Prepaid items	-	-	-	30,981	34,930
Deferred charges - issuance costs	29,668	23,394	53,062	-	-
Deferred charges - refunding	158,288	112,996	271,284	-	-
Prepaid pension costs	187,749	-	187,749	-	-
Endowment fund	-	-	-	14,967	-
Capital assets:					
Land, improvements, non- depreciable collections and construction in progress	24,020,181	3,671,609	27,691,790	870,532	425,900
Other capital assets, net of depreciation	63,412,724	42,388,305	105,801,029	118,283	1,537,007
Total capital assets	87,432,905	46,059,914	133,492,819	988,815	1,962,907
Total assets	145,034,755	60,156,447	205,191,202	1,906,276	3,243,404
LIABILITIES					
Accounts payable and accrued expenses	3,032,979	363,078	3,396,057	45,672	504,611
Unearned revenue	42,808	-	42,808	-	-
Customer deposits	-	47,500	47,500	1,000	-
Due to primary government	-	-	-	-	81,671
Long-term liabilities:					
Due within one year	3,513,785	1,953,235	5,467,020	5,424	-
Due in more than one year	12,781,550	20,839,612	33,621,162	9,491	-
Total long-term liabilities	16,295,335	22,792,847	39,088,182	14,915	-
Total liabilities	19,371,122	23,203,425	42,574,547	61,587	586,282
NET ASSETS					
Invested in capital assets, net of related debt	81,090,434	23,516,216	104,606,650	973,900	1,962,907
Restricted for:					
Stabilization by State Statute	4,377,711	-	4,377,711	-	-
Public Safety	848,125	-	848,125	-	-
Education	1,724,261	-	1,724,261	-	-
Working capital	-	-	-	-	90,433
Capital assets	8,447,868	-	8,447,868	434,384	-
Unrestricted (deficit)	29,175,234	13,436,806	42,612,040	436,405	603,782
Total net assets	\$ 125,663,633	\$ 36,953,022	\$ 162,616,655	\$ 1,844,689	\$ 2,657,122

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, 2011

Program Revenues

Functions/Programs	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Primary government:				
Governmental Activities:				
General government	\$ 8,369,991	\$ 960,242	\$ 40,909	\$ -
Public safety	17,159,996	1,392,245	238,506	-
Transportation	1,726,573	400,314	-	1,016,192
Economic and physical development	6,469,555	16,878	-	-
Environmental protection	424,447	-	-	10,650
Human services	4,156,265	-	2,786,951	-
Cultural and recreation	2,094,488	188,356	-	288,824
Education	10,098,107	-	-	219,962
Interest on long-term debt	456,783	-	-	-
Total governmental activities	<u>50,956,205</u>	<u>2,958,035</u>	<u>3,066,366</u>	<u>1,535,628</u>
Business-type activities:				
Solid Waste	4,193,309	2,458,693	67,716	-
Water and Sewer	6,519,262	6,620,476	940	540,000
Total business-type activities	<u>10,712,571</u>	<u>9,079,169</u>	<u>68,656</u>	<u>540,000</u>
	<u>\$ 61,668,776</u>	<u>\$ 12,037,204</u>	<u>\$ 3,135,022</u>	<u>\$ 2,075,628</u>
Component units:				
Whalehead Preservation Trust	\$ 1,272,552	\$ 382,821	\$ 410,076	\$ 236,901
ABC Board	3,274,329	3,317,016	-	-
Total component units	<u>\$ 4,546,881</u>	<u>\$ 3,699,837</u>	<u>\$ 410,076</u>	<u>\$ 236,901</u>

General revenues:

Taxes:

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

- Investment earnings, unrestricted
- Gain (loss) on sale of capital assets

Transfers

Total general revenues and transfers

Change in net assets

Net assets-beginning

Net assets-ending

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

Exhibit 2

Net (Expense) Revenue and Changes in Net Assets					
Primary Government			Component Units		
Governmental Activities	Business-type Activities	Total	Whalehead Preservation Trust and Wildlife Museum	Currituck County ABC Board	
\$ (7,368,840)	\$	\$ (7,368,840)			
(15,529,245)		(15,529,245)			
(310,067)		(310,067)			
(6,452,677)		(6,452,677)			
(413,797)		(413,797)			
(1,369,314)		(1,369,314)			
(1,617,308)		(1,617,308)			
(9,878,145)		(9,878,145)			
(456,783)		(456,783)			
(43,396,176)	-	(43,396,176)			
-	(1,666,900)	(1,666,900)			
-	642,154	642,154			
-	(1,024,746)	(1,024,746)			
(43,396,176)	(1,024,746)	(44,420,922)			
			\$ (242,754)	\$ -	
			-	42,687	
			(242,754)	42,687	
26,690,853	-	26,690,853	-	-	
-	135,889	135,889	-	-	
416,579	-	416,579	-	-	
7,411,735	-	7,411,735	-	-	
2,215,696	-	2,215,696	-	-	
9,442,002	-	9,442,002	-	-	
12,165	-	12,165	-	-	
523,069	-	523,069	-	-	
358,421	-	358,421	-	-	
327,295	-	327,295	-	-	
806,637	176,875	983,512	8,131	4,572	
-	-	-	1,921	-	
(1,436,268)	1,436,268	-	-	-	
46,768,184	1,749,032	48,517,216	10,052	4,572	
3,372,008	724,286	4,096,294	(232,702)	47,259	
122,291,625	36,228,736	158,520,361	2,077,391	2,609,863	
\$ 125,663,633	\$ 36,953,022	\$ 162,616,655	\$ 1,844,689	\$ 2,657,122	

County of Currituck, North Carolina
Balance Sheet
Governmental Funds
June 30, 2011

	Major		Nonmajor	
	General	Tourism Development Authority Fund	Other Governmental Funds	Total Governmental Funds
ASSETS				
Cash and cash equivalents	\$ 33,238,067	\$ 7,686,705	\$ 11,505,314	\$ 52,430,086
Restricted Cash	435,975			435,975
Taxes receivable, net	834,420	-	2,640	837,060
Other receivables, net	113,488	76	-	113,564
Due from other governments	2,319,229	14,872	915,082	3,249,183
Due from component unit	1,691	-	-	1,691
Due from other funds	157,604	-	-	157,604
Inventories	982	-	-	982
Total assets	\$ 37,101,456	\$ 7,701,653	\$ 12,423,036	\$ 57,226,145
LIABILITIES AND FUND BALANCES				
Liabilities:				
Accounts payable and accrued liabilities	\$ 2,955,241	\$ 76,601	\$ 1,137	\$ 3,032,979
Deferred revenue	877,228	-	2,640	879,868
Total liabilities	3,832,469	76,601	3,777	3,912,847
Fund balances:				
Nonspendable:				
Inventories	982	-	-	982
Restricted:				
Stabilization by State Statute	4,360,159	14,949	2,603	4,377,711
Fire Protection	38,475	-	-	38,475
Emergency Telephone System	-	-	809,650	809,650
County Governmental Assets	-	-	8,447,868	8,447,868
School Capital Assets	-	-	1,724,261	1,724,261
Committed:				
Watershed Improvements	-	-	1,437,480	1,437,480
Carova Beach Service District	-	267,519	-	267,519
Fire Protection	666,254	-	-	666,254
Fire Equipment Replacement	180,516	-	-	180,516
County Governmental Assets	16,723,133	-	-	16,723,133
School Capital Assets	5,208,001	-	-	5,208,001
Tax Revaluation	437,032	-	-	437,032
Assigned:				
Subsequent year's expenditures	3,794,562	1,894,695	-	5,689,257
Unassigned:	1,859,873	5,447,889	(2,603)	7,305,159
Total fund balances	33,268,987	7,625,052	12,419,259	53,313,298
Total liabilities and fund balances	\$ 37,101,456	\$ 7,701,653	\$ 12,423,036	

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	187,749
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.	87,432,905
Liabilities for earned but deferred revenues in fund statements.	837,060
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).	(16,107,379)
Net assets of governmental activities	\$ 125,663,633

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, 2011

	Major		Nonmajor	
	General Fund	Tourism Development Authority Fund	Other Governmental Funds	Total Governmental Funds
REVENUES				
Ad valorem taxes	\$ 26,690,853	\$ -	\$ 416,579	\$ 27,107,432
Other taxes and licenses	5,189,957	9,442,002	5,658,424	20,290,383
Unrestricted intergovernmental	237,129	-	-	237,129
Restricted intergovernmental	4,496,159	-	480	4,496,639
Permits and fees	2,005,998	-	-	2,005,998
Sales and services	617,213	-	-	617,213
Investment earnings	498,606	133,103	174,928	806,637
Miscellaneous	319,998	26,798	-	346,796
Total revenues	<u>40,055,913</u>	<u>9,601,903</u>	<u>6,250,411</u>	<u>55,908,227</u>
EXPENDITURES				
Current:				
General government	5,806,881	-	-	5,806,881
Public safety	16,217,633	-	98,963	16,316,596
Transportation	2,236,988	-	-	2,236,988
Environmental protection	203,123	-	395,240	598,363
Economic and physical development	1,505,706	4,765,899	-	6,271,605
Human services	4,100,337	-	-	4,100,337
Cultural and recreational	8,552,159	-	-	8,552,159
Intergovernmental:	-	-	-	-
Education	10,098,107	-	-	10,098,107
Debt service:				
Principal	2,931,769	-	-	2,931,769
Interest	456,783	-	-	456,783
Total expenditures	<u>52,109,486</u>	<u>4,765,899</u>	<u>494,203</u>	<u>57,369,588</u>
Excess (deficiency) of revenues over expenditures	<u>(12,053,573)</u>	<u>4,836,004</u>	<u>5,756,208</u>	<u>(1,461,361)</u>
OTHER FINANCING SOURCES (USES)				
Transfers from other funds	10,949,771	-	-	10,949,771
Transfers to other funds	<u>(2,642,552)</u>	<u>(3,746,455)</u>	<u>(5,997,032)</u>	<u>(12,386,039)</u>
Total other financing sources and uses	<u>8,307,219</u>	<u>(3,746,455)</u>	<u>(5,997,032)</u>	<u>(1,436,268)</u>
Net change in fund balance	(3,746,354)	1,089,549	(240,824)	(2,897,629)
Fund balances-beginning	37,015,341	6,535,503	12,660,083	56,210,927
Fund balances-ending	<u>\$ 33,268,987</u>	<u>\$ 7,625,052</u>	<u>\$ 12,419,259</u>	<u>\$ 53,313,298</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, 2011

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

Net changes in fund balances - total governmental funds	\$ (2,897,629)
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	5,652,219
Cost of capital asset disposed of during the year, not recognized on modified accrual basis	(5,499)
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds	(138,247)
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.	2,931,769
Actuarial decrease in prepaid pension costs that do not use current financial resources and are not reported as revenues in the funds	(41,904)
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>(2,128,701)</u>
Total changes in net assets of governmental activities	<u><u>\$3,372,008</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, 2011

	2011			Variance With Final Positive (Negative)	2010
	Original Budget	Final Budget	Actual		Actual
Revenues:					
Ad valorem taxes	\$ 25,051,800	\$ 25,076,008	\$ 26,690,853	\$ 1,614,845	\$ 26,873,821
Other taxes and licenses	4,922,750	4,939,915	5,189,957	250,042	5,471,464
Unrestricted intergovernmental	307,000	307,000	237,129	(69,871)	237,490
Restricted intergovernmental	3,058,858	3,003,015	2,960,531	(42,484)	3,337,202
Permits and fees	1,868,818	1,868,818	2,005,998	137,180	1,537,842
Sales and services	613,500	766,206	617,213	(148,993)	612,201
Investment earnings	400,000	400,000	120,120	(279,880)	109,960
Miscellaneous	251,000	295,311	319,998	24,687	637,261
Total revenues	<u>36,473,726</u>	<u>36,656,273</u>	<u>38,141,799</u>	<u>1,485,526</u>	<u>38,817,241</u>
Expenditures					
Current:					
General government	6,148,806	6,255,691	5,717,101	538,590	5,621,535
Public safety	15,800,153	16,164,480	15,606,636	557,844	15,940,267
Transportation	607,550	762,746	589,091	173,655	592,162
Environmental protection	208,572	208,968	203,123	5,845	182,274
Economic and physical development	1,260,003	1,502,144	1,319,744	182,400	1,267,369
Human services	4,524,352	4,483,062	4,100,337	382,725	4,108,356
Cultural and recreational	2,281,607	2,327,272	2,199,678	127,594	1,937,287
Intergovernmental:					
Education	9,785,781	9,785,781	9,785,781	-	10,030,554
Debt service	3,388,555	3,388,555	3,388,552	3	3,306,931
Total expenditures	<u>44,005,379</u>	<u>44,878,699</u>	<u>42,910,043</u>	<u>1,968,656</u>	<u>42,986,735</u>
Revenues over (under) expenditures	<u>(7,531,653)</u>	<u>(8,222,426)</u>	<u>(4,768,244)</u>	<u>3,454,182</u>	<u>(4,169,494)</u>
Other financing sources (uses):					
Transfers to other funds	(1,167,275)	(1,310,625)	(1,310,625)	-	(2,164,129)
Transfers from other funds	5,503,384	5,631,289	5,577,965	-	4,284,745
Total other financing sources (uses)	<u>4,336,109</u>	<u>4,320,664</u>	<u>4,267,340</u>	<u>(53,324)</u>	<u>2,120,616</u>
Revenues and other financing sources over expenditures and other financing uses	<u>(3,195,544)</u>	<u>(3,901,762)</u>	<u>(500,904)</u>	<u>3,400,858</u>	<u>(2,048,878)</u>
Appropriated fund balance	<u>3,195,544</u>	<u>3,901,762</u>	<u>-</u>	<u>(3,901,762)</u>	<u>-</u>
Revenues, appropriated fund balance, and other financing sources over expenditures and other financing uses	<u>\$ -</u>	<u>\$ -</u>	<u>(500,904)</u>	<u>\$ (500,904)</u>	<u>(2,048,878)</u>
Fund balances:					
Beginning of year, July 1			8,567,150		10,616,028
End of year, June 30			<u>\$ 8,066,246</u>		<u>\$ 8,567,150</u>

continued on next page

The following legally budgeted funds are consolidated into the General Fund for reporting purposes:

	2011			Variance With Final Positive (Negative)	2010
	Original Budget	Final Budget	Actual		Actual
General Fund ending fund balance, June 30			\$ 8,066,246		\$ 8,567,150
Revaluation Fund					
Investment earnings			5,430		6,501
Transfer-in from General Fund			121,000		121,000
Expenditures			(89,780)		(271,655)
Beginning Fund Balance, Revaluation			400,382		544,536
Fire District Fund					
Prior Year Taxes			-		1,113
Investment earnings			617		550
Transfer-out to General Fund			(10,336)		-
Beginning Fund Balance, Fire District			48,194		46,531
Fire Equipment Replacement Fund					
Investment earnings			2,511		6,052
Transfer-in from General Fund			267,000		267,000
Expenditures			(582,104)		(202,394)
Beginning Fund Balance, Fire Equipment Replacement Fund			493,109		422,451
Multi-year Grants Fund					
Investment earnings			1,086		1,193
Expenditures			-		(177,667)
Beginning Fund Balance, Multi-year Grants Fund			77,787		254,261
Land Banking Fund					
Investment earnings			37,567		40,097
Transfer-out to General Fund			(630,000)		-
Transfer-out to Moyock Central Sewer Fund			(691,591)		-
Transfer-in from Transfer Tax Capital Fund			300,000		300,000
Beginning Fund Balance, Land Banking Fund			3,520,735		3,180,638
County Governmental Construction Fund					
Investment earnings			260,237		218,693
Restricted Intergovernmental Revenues			1,315,666		247,557
Expenditures			(8,215,233)		(1,732,526)
Transfer-in from General Fund			143,350		-
Transfer-in from Tourism Development Authority			690,974		1,815,699
Transfer-in from Capital improvements Fund			651,969		-
Transfer-in from Transfer tax capital fund			2,197,513		339,300
Beginning Fund Balance, County Governmental Construction Fund			19,678,657		18,789,934
School Capital Construction Fund					
Investment earnings			71,038		34,219
Restricted Intergovernmental Revenues			219,962		220,000
Expenditures			(312,326)		(299,655)
Transfer-in from Transfer tax capital fund			1,000,000		1,000,000
Beginning Fund Balance, School Capital Construction Fund			4,229,327		3,274,763
Ending Fund Balance, June 30 (Exhibit 4)			<u>\$ 33,268,987</u>		<u>\$ 37,015,341</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, 2011

	Enterprise Funds						Totals	
	Solid Waste	Ocean Sands Water and Sewer District	Mainland Water Fund	Southern Outer Banks Water System	Moyock Central Sewer Construction	Non-Major Proprietary Funds	June 30, 2011	June 30, 2010
	Fund	Fund	Fund	Fund	Fund	Funds	June 30, 2011	June 30, 2010
ASSETS								
Current assets:								
Cash and cash equivalents	\$ 5,484,021	\$ 5,053,952	\$ 2,250,968	\$ -	\$ 250,137	\$ 253,980	\$ 13,293,058	\$ 13,811,941
Taxes receivable, net	8,773	35	-	-	-	5,801	14,609	14,617
Receivables, net	122,988	141,681	319,611	210,346	7,769	7,685	810,080	805,887
Deferred charges - bond issuance	-	-	23,394	-	-	-	23,394	26,737
Deferred charges - refunding	-	-	112,996	-	-	-	112,996	129,138
Total current assets	<u>5,615,782</u>	<u>5,195,668</u>	<u>2,706,969</u>	<u>210,346</u>	<u>257,906</u>	<u>267,466</u>	<u>14,254,137</u>	<u>14,788,320</u>
Noncurrent assets:								
Capital assets:								
Land, improvements, and construction in progress	62,962	963,012	5,150	42,600	2,443,260	154,625	3,671,609	2,385,028
Other capital assets, net of depreciation	511,837	1,030,533	28,038,472	12,296,474	-	510,989	42,388,305	44,531,638
Total capital assets	<u>574,799</u>	<u>1,993,545</u>	<u>28,043,622</u>	<u>12,339,074</u>	<u>2,443,260</u>	<u>665,614</u>	<u>46,059,914</u>	<u>46,916,666</u>
Total noncurrent assets	<u>574,799</u>	<u>1,993,545</u>	<u>28,043,622</u>	<u>12,339,074</u>	<u>2,443,260</u>	<u>665,614</u>	<u>46,059,914</u>	<u>46,916,666</u>
Total assets	<u>6,190,581</u>	<u>7,189,213</u>	<u>30,750,591</u>	<u>12,549,420</u>	<u>2,701,166</u>	<u>933,080</u>	<u>60,314,051</u>	<u>61,704,986</u>
LIABILITIES								
Current liabilities:								
Accounts payable	267,880	24,478	22,061	14,852	-	3,289	332,560	612,437
Due to operating fund	-	-	-	157,604	-	-	157,604	267,945
Customer deposits	-	500	46,350	-	-	650	47,500	40,950
Accrued salaries	-	-	20,797	9,721	-	-	30,518	27,186
General obligation bonds payable	-	-	285,000	-	-	-	285,000	285,000
Revenue bonds payable	-	-	500,000	-	-	-	500,000	500,000
Notes payable	-	-	-	1,081,838	-	-	1,081,838	942,014
Premium on debt issued	-	-	132,276	-	-	-	132,276	151,173
Total current liabilities	<u>267,880</u>	<u>24,978</u>	<u>1,006,484</u>	<u>1,264,015</u>	<u>-</u>	<u>3,939</u>	<u>2,567,296</u>	<u>2,826,705</u>
Noncurrent liabilities:								
Liabilities payable from restricted assets:								
Accrued vacation	-	-	29,371	12,806	-	-	42,177	41,663
General obligation bonds payable	-	-	1,325,000	-	-	-	1,325,000	2,110,000
Revenue bonds payable	-	-	17,525,000	-	-	-	17,525,000	17,525,000
Notes payable	-	-	-	1,694,584	-	-	1,694,584	2,879,455
Other postemployment benefits	-	-	128,550	78,422	-	-	206,972	93,427
Total noncurrent liabilities	<u>-</u>	<u>-</u>	<u>19,007,921</u>	<u>1,785,812</u>	<u>-</u>	<u>-</u>	<u>20,793,733</u>	<u>22,649,545</u>
Total liabilities	<u>267,880</u>	<u>24,978</u>	<u>20,014,405</u>	<u>3,049,827</u>	<u>-</u>	<u>3,939</u>	<u>23,361,029</u>	<u>25,476,250</u>
NET ASSETS								
Invested in capital assets, net of related debt								
	574,799	1,993,545	8,276,346	9,562,652	2,443,260	665,614	23,516,216	22,524,024
Unrestricted	5,347,902	5,170,690	2,459,840	(63,059)	257,906	263,527	13,436,806	13,704,712
Total net assets	<u>\$ 5,922,701</u>	<u>\$ 7,164,235</u>	<u>\$ 10,736,186</u>	<u>\$ 9,499,593</u>	<u>\$ 2,701,166</u>	<u>\$ 929,141</u>	<u>\$ 36,953,022</u>	<u>\$ 36,228,736</u>

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, 2011

	Enterprise Funds						Totals	
	Solid Waste Fund	Ocean Sands Water and Sewer Fund	Mainland Water Fund	Southern Outer Banks Water System Fund	Moyock Central Sewer Construction Fund	Non-Major Proprietary Funds	June 30, 2011	June 30, 2010
OPERATING REVENUES								
Charges for services	\$ 2,458,693	\$ 907,252	\$ 2,768,690	\$ 2,027,696	\$ -	\$ 74,895	\$ 8,237,226	\$ 7,970,786
Water and sewer taps	-	900	361,916	123,719	324,000	-	810,535	447,400
Miscellaneous	-	3,475	-	26,946	-	987	31,408	29,358
Total operating revenues	<u>2,458,693</u>	<u>911,627</u>	<u>3,130,606</u>	<u>2,178,361</u>	<u>324,000</u>	<u>75,882</u>	<u>9,079,169</u>	<u>8,447,544</u>
OPERATING EXPENSES								
Administration	151,833	42,420	382,986	286,710	-	16,426	880,375	635,929
Water operations	-	492,983	993,706	584,749	-	-	2,071,438	2,029,451
Sewer operations	-	449,216	-	-	38,165	41,398	528,779	543,555
Landfill operations	4,008,281	-	-	-	-	-	4,008,281	4,086,563
Depreciation	33,195	210,722	1,396,518	583,276	-	32,810	2,256,521	2,265,708
Total operating expenses	<u>4,193,309</u>	<u>1,195,341</u>	<u>2,773,210</u>	<u>1,454,735</u>	<u>38,165</u>	<u>90,634</u>	<u>9,745,394</u>	<u>9,561,206</u>
Operating income (loss)	<u>(1,734,616)</u>	<u>(283,714)</u>	<u>357,396</u>	<u>723,626</u>	<u>285,835</u>	<u>(14,752)</u>	<u>(666,225)</u>	<u>(1,113,662)</u>
NONOPERATING REVENUES (EXPENSES)								
Tax revenue	77,369	-	-	-	-	58,520	135,889	138,053
Unrestricted intergovernmental revenues	67,716	-	940	-	-	-	68,656	57,113
Restricted intergovernmental revenues	-	-	-	-	540,000	-	540,000	-
Investment earnings	82,835	76,443	12,253	233	1,579	3,532	176,875	148,173
Interest expenses	-	-	(842,846)	(124,331)	-	-	(967,177)	(1,033,142)
Total nonoperating revenue (expenses)	<u>227,920</u>	<u>76,443</u>	<u>(829,653)</u>	<u>(124,098)</u>	<u>541,579</u>	<u>62,052</u>	<u>(45,757)</u>	<u>(689,803)</u>
Income (loss) before contributions and transfers	(1,506,696)	(207,271)	(472,257)	599,528	827,414	47,300	(711,982)	(1,803,465)
Capital contributions	-	-	-	-	-	-	-	329,144
Transfers from (to) other funds	779,275	-	-	-	691,591	(34,598)	1,436,268	2,297,456
Change in net assets	(727,421)	(207,271)	(472,257)	599,528	1,519,005	12,702	724,286	823,135
Total net assets - beginning	6,650,122	7,371,506	11,208,443	8,900,065	1,182,161	916,439	36,228,736	35,405,601
Total net assets - ending	<u>\$ 5,922,701</u>	<u>\$ 7,164,235</u>	<u>\$ 10,736,186</u>	<u>\$ 9,499,593</u>	<u>\$ 2,701,166</u>	<u>\$ 929,141</u>	<u>\$ 36,953,022</u>	<u>\$ 36,228,736</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, 2011

							Totals	
	Solid Waste Fund	Ocean Sands Water and Sewer Fund	Mainland Water Fund	Southern Outer Banks Water System Fund	Moyock Central Sewer Construction Fund	Non-Major Proprietary Funds	June 30, 2011	June 30, 2010
Cash flows from operating activities:								
Cash received from customers	\$ 2,440,855	\$ 905,434	\$ 3,180,413	\$ 2,114,414	\$ 327,953	\$ 74,497	\$ 9,043,566	\$ 8,617,297
Cash paid for goods and services	(4,161,279)	(1,007,758)	(637,481)	(422,130)	(292,408)	(55,280)	(6,576,336)	(7,261,007)
Cash paid to employees for services	-	-	(660,503)	(414,520)	-	-	(1,075,023)	(1,062,864)
Customer deposits received	-	-	6,650	-	-	150	6,800	16,733
Customer deposits returned	-	(150)	-	(100)	-	-	(250)	(60,352)
Other operating revenue	-	3,476	-	26,946	-	987	31,409	29,358
Net cash provided (used) by operating activities	(1,720,424)	(98,998)	1,889,079	1,304,610	35,545	20,354	1,430,166	279,165
Cash flows from noncapital financing activities:								
Tax revenues	77,370	7	-	-	-	58,520	135,897	135,591
Loan from other funds	-	-	-	(110,341)	-	-	(110,341)	145,747
Transfer from (to) other funds	779,275	-	-	-	691,591	-	1,470,866	1,776,129
Net cash provided by noncapital financing	856,645	7	-	(110,341)	691,591	58,520	1,496,422	2,057,467
Cash flows from capital and related financing activities:								
Acquisition and construction of capital assets	(16,879)	(43,927)	-	(25,124)	(1,286,581)	(27,257)	(1,399,768)	(1,694,789)
Principal paid on bond maturities and installment purchase contracts	-	-	(785,000)	(1,045,047)	-	-	(1,830,047)	(1,759,509)
Interest paid on bond maturities and installment purchase contracts	-	-	(842,258)	(124,331)	-	-	(966,589)	(1,032,554)
Transfer from (to) other funds	-	-	-	-	-	(34,598)	(34,598)	521,327
Grants	67,716	-	-	-	540,000	-	607,716	57,113
Capital contributions	-	-	-	-	-	-	-	329,144
Non-operating revenue	-	-	940	-	-	-	940	-
Net cash used by capital and related financing activities	50,837	(43,927)	(1,626,318)	(1,194,502)	(746,581)	(61,855)	(3,622,346)	(3,579,268)
Cash flows from investing activities:								
Interest on investments	82,835	76,443	12,253	233	1,579	3,532	176,875	148,173
Net increase (decrease) in cash and cash equivalents								
	(730,107)	(66,475)	275,014	-	(17,866)	20,551	(518,883)	(1,094,463)
Cash and cash equivalents, July 1								
	6,214,128	5,120,427	1,975,954	-	268,003	233,429	13,811,941	14,906,404
Cash and cash equivalents, June 30								
	<u>\$ 5,484,021</u>	<u>\$ 5,053,952</u>	<u>\$ 2,250,968</u>	<u>\$ -</u>	<u>\$ 250,137</u>	<u>\$ 253,980</u>	<u>\$ 13,293,058</u>	<u>\$ 13,811,941</u>
Reconciliation of operating income to net cash provided by operating activities:								
Operating income (loss)	\$ (1,734,616)	\$ (283,714)	\$ 357,396	\$ 723,626	\$ 285,835	\$ (14,752)	\$ (666,225)	\$ (1,113,662)
Adjustments to reconcile operating income to net cash provided (used) by operating activities:								
Depreciation	33,195	210,722	1,396,518	583,276	-	32,810	2,256,521	2,265,708
Changes in assets and liabilities:								
(Increase) decrease in accounts receivable	(17,838)	(2,717)	49,807	(37,001)	3,953	(398)	(4,194)	199,111
Increase (decrease) in accounts payable and accrued liabilities	(1,165)	(23,139)	7,052	(7,494)	(254,243)	2,544	(276,445)	(1,129,782)
(Increase) decrease in accrued vacation	-	-	(2,422)	2,936	-	-	514	7,982
Increase in post employment benefits	-	-	74,178	39,367	-	-	113,545	93,427
Increase (decrease) in customer deposits	-	(150)	6,550	(100)	-	150	6,450	(43,619)
Total adjustments	<u>14,192</u>	<u>184,716</u>	<u>1,531,683</u>	<u>580,984</u>	<u>(250,290)</u>	<u>35,106</u>	<u>2,096,391</u>	<u>1,392,827</u>
Net cash provided (used) by operating activities	<u>\$ (1,720,424)</u>	<u>\$ (98,998)</u>	<u>\$ 1,889,079</u>	<u>\$ 1,304,610</u>	<u>\$ 35,545</u>	<u>\$ 20,354</u>	<u>\$ 1,430,166</u>	<u>\$ 279,165</u>

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

County of Currituck, North Carolina
Statement of Fiduciary Net Assets
Fiduciary Funds
June 30, 2011

	Pension Trust Fund	Agency Funds
	<u> </u>	<u> </u>
Assets:		
Cash and cash equivalents	\$ 828,083	\$ 24,913
Due from other governments	-	23,915
Total assets	<u>828,083</u>	<u>48,828</u>
Liabilities:		
Accounts payable	-	19,563
Due to other governments	<u>-</u>	<u>29,265</u>
Total liabilities	<u>-</u>	<u>48,828</u>
Net assets:		
Assets held for pension benefits	<u>\$ 828,083</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, 2011

	Post-employment	Benefits Fund
	June 30	June 30
	2011	2010
Additions:		
Employer contributions		
Law enforcement separation allowance	\$ 41,414	\$ 41,414
Postemployment benefits	162,608	126,668
	<u>204,022</u>	<u>168,082</u>
Investment income:		
Interest	11,340	8,434
Total additions	<u>215,362</u>	<u>176,516</u>
Deductions:		
Benefits		
Law enforcement separation allowance	22,097	29,499
Postemployment benefits	144,020	115,579
Administrative expense	4,472	4,172
Total deductions	<u>170,589</u>	<u>149,250</u>
Change in net assets	44,773	27,266
Net assets:		
Beginning of year, July 1		
Law enforcement separation allowance	356,883	347,622
Postemployment benefits	426,427	408,422
Beginning of year, totals	<u>783,310</u>	<u>756,044</u>
End of year, June 30		
Law enforcement separation allowance	373,769	356,883
Postemployment benefits	454,314	426,427
Net assets - end of year, totals	<u>\$ 828,083</u>	<u>\$ 783,310</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, 2011

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 seven-member Board of Commissioners govern the County.

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 primary government (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. The Revaluation Fund, the Fire District Fund, the Fire Equipment Replacement Fund, the Multi-year Grants fund and, the Land Banking Fund, the School Capital Projects Fund and the County Government Facilities Construction Fund are legally budgeted funds under North Carolina General Statutes; however, for statement presentation in accordance with GASB Statement No. 54 they are consolidated in the General Fund.

Tourism Development Authority Fund. This fund accounts for financial resources to be used for tourism promotion and tourism-related expenses. The Carova Beach Service District Fund is a legally budgeted fund under North Carolina General Statutes; however, for statement presentation in accordance with GASB Statement No. 54 it is consolidated in the Tourism Development Authority Fund.

County Governmental Facilities Fund. This fund is legally budgeted project fund that accounts for the financial resources to be used for the acquisition of construction of governmental facilities; however, for statement presentation in accordance with GASB Statement No. 54 it is consolidated in the General Fund.

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.

Moyock Central Sewer Construction Fund. This fund is used to accumulate resources to be used for construction of a central sewer plant and distribution lines, which will run from the Moyock Welcome Center to the Moyock Commons Sewer Plant.

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; 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; and the Deed of Trust Fee Fund, which accounts for the five dollars of each fee collected by the register of deeds for registering or filing a deed of trust or mortgage and remitted to the State Treasurer on a monthly basis.

Nonmajor Funds. The County maintains ten legally budgeted funds. The Multi-year Grant fund, the Emergency Telephone System fund, the Guinea Mill Watershed Improvement fund, the Hog Bridge Ditch Watershed Improvement fund, the Moyock Watershed Improvement fund, the Northwest Watershed Improvement fund and the Whalehead Watershed Improvement fund are reported as nonmajor special revenue funds. The Capital Improvements fund, the School Capital fund and the Transfer Tax Capital fund are reported as capital projects funds. The Fire District fund, the Fire Equipment Replacement fund, the Land Banking fund and the School Capital Projects fund are consolidated in the General Fund and the Carova Beach Service District fund is consolidated in the Tourism Development Authority fund in accordance with GASB Statement No. 54.

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. Effective with this change in law, Currituck County is responsible for billing and collecting the property taxes on all registered motor vehicles. 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 2010 through February 2011 apply to the fiscal year ended June 30, 2011. Uncollected taxes that were billed during this period are shown as a receivable on these financial statements.

Sales taxes and certain intergovernmental revenues, such as the utilities franchise tax, collected and held by the State at year-end on behalf of the County are recognized as revenue. Intergovernmental revenues and sales and services are not susceptible to accrual because generally they are not measurable

until received in cash. 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 Carova Beach Service District, 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; the Mainland Water Construction fund, which is consolidated with the Mainland Water operating fund for reporting purposes; and the Moyock Central Sewer Construction Fund.

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 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.

2. Cash and Cash Equivalents

The County pools money 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. Restricted Assets

Customer deposits held by the County before any services are supplied are restricted to the service for which the deposit was collected. Money in the Tax Revaluation Fund is also classified as restricted per North Carolina General Statute 153A-150.

4. 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, 2010. 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.

5. 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.

6. 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.

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both government-wide and fund financial statements.

7. 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, which is included in the County's capital assets. 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
Other equipment	5-10
Office furniture and equipment	5
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

8. 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 has no long-term liabilities as of June 30, 2011. The Whalehead Preservation Trust entered into a note payable for the acquisition of computer hardware and software. The note does not carry a stated interest rate and is payable in 36 monthly payments of \$451.97. The beginning balance of the note was \$16,271 and the outstanding balance was \$14,915 as of June 30, 2011.

9. 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 at completion of one year 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, 2011 and 2010 amounted to approximately \$3,003 and \$3,003, respectively, and is all considered current.

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.

10. 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, fund balance is composed of five classifications designed to disclose the hierarchy of constraints placed on how fund balance can be spent.

The governmental fund types classify fund balances as follows:

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

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

Restricted Fund Balance – This classification includes revenue sources that are restricted to specific purposes externally imposed by creditors or imposed by law.

Restricted Stabilization of State Statute – portion of fund balance that is restricted by State Statutes [G.S. 159-8(a)].

Restricted for Register of Deeds – portion of fund balance this is restricted by revenue source to pay for the computer equipment and imaging technology for the Register of Deeds office.

Restricted for Human Services – portion of fund balance that is restricted by revenue source for human services purposes.

Restricted for Fire Protection – portion of fund balance that is restricted by revenue source for fire protection expenditures.

Restricted for School Capital – portion of fund balance that can only be used for School Capital per G.S. 159-18-22.

Restricted for Tourism Promotion – portion of fund balance than can only be used for Tourism promotion.

Restricted for Tourism Related Expenditures – portion of fund balance than can only be used for Tourism related expenditures.

Committed Fund Balance – Portion of fund balance that can only be used for specific purpose imposed by majority vote of the County of Currituck’s governing body. Any changes or removal of specific purposes requires majority action by the governing body.

Committed for Tax Revaluation – portion of fund balance that can only be used for Tax Revaluation.

Assigned Fund Balance – portion of fund balance that the Currituck County governing board has budgeted.

Subsequent year’s expenditures – portion of fund balance that is appropriated in the next year’s budget that is not already classified in restricted or committed. The governing body approves the appropriation; however, the budget ordinance authorizes the manager to modify the appropriations by resource or appropriation within funds up to \$10,000.

Assigned for Governmental Capital Construction – portion of fund balance that has been budgeted by the board for the construction of new governmental facilities.

Assigned School Capital Outlay – portion of fund balance that has been budgeted by the board for future school capital construction.

Unassigned Fund Balance – Portion of fund balance that has not been restricted, committed or assigned to specific purposes or other funds.

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 \$72,350,335 consists of several elements as follows:

Description	Amount
Prepaid pension costs resulting from actuarial study, which are not reported in the funds	\$ 187,749
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)	117,589,883
Less accumulated depreciation	(30,156,978)
Net capital assets	<u>87,432,905</u>
Deferred charges related to advance refunding bond issue	187,956
Liabilities for revenue deferred but earned and therefore reported in the fund statements but not the government-wide	837,060
Bonds, leases, and installment financing	(9,615,325)
Compensated absences	(951,092)
Premium on debt issued	(187,956)
Other postemployment benefits	(5,540,962)
Total adjustment	<u><u>\$ 72,350,335</u></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 off \$6,269,637 as follows:

Description	Amount
Capital outlay expenditures recorded in the fund statements but capitalized as assets in the statement of activities	\$ 9,714,829
Cost of disposed capital asset not recorded on fund statement	(5,499)
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.	(4,062,610)
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	2,931,769
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	(51,523)
Other postemployment benefits	(2,077,178)
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 7/1/10	(975,307)
Recording of tax receipts deferred in the fund statements as of 6/30/11	837,060
Change in prepaid pension cost for law enforcement separation allowance	(41,904)
Total adjustment	<u>\$ 6,269,637</u>

II. 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, 2011, the County's deposits had a carrying amount of \$54,964,824 and a bank balance of \$55,525,375. Of the bank balance, \$750,000 was covered by federal depository insurance and \$54,775,375 in interest bearing deposits were covered by collateral held under the Pooling Method.

At June 30, 2011, the County had \$1,850 and the Whalehead Preservation Trust had \$800 cash on hand.

At June 30, 2011, the carrying amount of deposits for Currituck County ABC Board was \$754,261. 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, 2011, the Whalehead Preservation Trust's deposits had a carrying amount of \$758,883 and a bank balance of \$865,685. The Trust maintains its cash balances at four banks. Of this amount, \$750,000 was covered by federal depository insurance and \$115,685 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, 2011, the County had the following investments and maturities:

Investment Type	Fair Value	Less Than			More Than 5 Years
		6 Months	6-12 Months	1-5 Years	
Commercial Paper	\$ 3,975,496	\$ -	\$ 3,975,496	\$ -	\$ -
Federal agencies	\$ 8,004,149	-	-	8,004,149	-
NC Capital Management Trust:					
Cash Portfolio	\$ 62,006	N/A	N/A	N/A	N/A
Total Investments	\$ 12,041,651	\$ -	\$ 3,975,496	\$ 8,004,149	\$ -

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.

Credit Risk. The County limits investments to the provisions of G.S. 159-30 and restricts the purchase of securities to the highest possible ratings whenever particular types of securities are rated. State law limits investments in commercial paper to the top rating issued by nationally recognized statistical rating organizations (NRSROs); however, the County had no formal policy on managing credit risk. As of June 30, 2011, 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, 2011. 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, 2011, 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 Federal Home Loan Bank, Abby National Commercial Paper, Fannie Mae, and Federal Home Loan Mortgage Corporation. These investments are 41.77%, 33.19%, 16.68%, and 8.36% 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
2008	949,639	311,007	1,260,646
2009	959,532	227,889	1,187,421
2010	958,505	141,379	1,099,884
2011	965,343	55,507	1,020,850
Total	\$ 3,833,019	\$ 735,782	\$ 4,568,801

4. Receivables

Receivables at the government-wide level at June 30, 2011, were as follows:

	Accounts	Taxes and Related Accrued Interest	Due from Other Governments	Total
Governmental Activities:				
General	\$ 113,488	\$ 851,220	\$ 2,319,229	\$ 3,283,937
Tourism Development Authority	76	-	14,872	14,948
Other Governmental	-	2,640	915,082	917,722
Total receivables	113,564	853,860	3,249,183	4,216,607
Allowance for doubtful accounts	-	(16,800)	-	(16,800)
Total-governmental activities	\$ 113,564	\$ 837,060	\$ 3,249,183	\$ 4,199,807
Business-type Activities				
Solid Waste	\$ 122,988	\$ 9,175	\$ -	\$ 132,163
Ocean Sands Water and Sewer	141,681	35	-	141,716
Mainland Water	350,219	-	-	350,219
Southern Outer Banks Water	210,346	-	-	210,346
Moyock Central Sewer	7,769	-	-	7,769
Other Proprietary	7,685	5,801	-	13,486
Total receivables	840,688	15,011	-	855,699
Allowance for doubtful accounts	(30,608)	(402)	-	(31,010)
Total - business-type activities	\$ 810,080	\$ 14,609	\$ -	\$ 824,689

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

Clerk of Court fee revenues	\$ 34,429
Local option sales tax	2,026,765
Cable television franchise taxes	105,192
Medicaid hold harmless funds	68,534
Sales and use tax refund	355,116
NC Div Health & Human Services	275,332
State Aid to Airports	363,375
Currituck County Schools fuel	20,440
Total	<u>\$3,249,183</u>

5. Capital Assets

Capital asset activity for the year ended June 30, 2011, was as follows:

	Beginning Balances	Increases	Decreases	Ending Balances
Governmental activities:				
Capital assets not being depreciated:				
Land	\$ 18,629,515	169,993	-	\$ 18,799,508
Construction in progress	2,049,341	6,678,781	3,507,449	5,220,673
Total capital assets not being depreciated	20,678,856	6,848,774	3,507,449	24,020,181
Capital assets being depreciated:				
Buildings	65,280,107	625,936	-	65,906,043
Computer equipment	3,086,314	428,433	7,297	3,507,450
Furniture and fixtures	9,337,171	1,221,687	-	10,558,858
Equipment	2,495,151	3,177,404	-	5,672,555
Vehicles and motor equipment	7,488,182	920,045	483,430	7,924,797
Total capital assets being depreciated'	87,686,925	6,373,504	490,727	93,569,702
Less accumulated depreciation for:				
Buildings	14,643,904	1,930,003	-	16,573,907
Computer equipment	1,126,861	344,751	7,297	1,464,315
Furniture and fixtures	3,567,505	563,748	-	4,131,253
Equipment	2,401,277	146,291	477,931	2,069,637
Vehicles and motor equipment	4,840,049	1,077,817	-	5,917,866
Total accumulated depreciation	26,579,596	4,062,610	485,228	30,156,978
Total capital assets being depreciated, net	61,107,329			63,412,724
Governmental activity capital assets, net	\$ 81,786,185			\$ 87,432,905

Primary Government

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

General government	\$ 1,490,289
Public safety	1,686,282
Transportation	203,048
Environmental protection	1,286
Economic and physical development	285,808
Human services	61,488
Cultural and recreational	334,409
Total depreciation expense	<u>\$ 4,062,610</u>

Proprietary Funds

	Beginning Balances	Increases	Decreases	Ending Balances
Business-type activities:				
Solid Waste				
Capital assets not being depreciated:				
Land	\$ 62,962	-	-	\$ 62,962
Total capital assets not being depreciated	62,962	-	-	62,962
Capital assets being depreciated:				
Buildings	825,133	-	-	825,133
Equipment	214,078	16,879	-	230,957
Vehicles and motor equipment	12,736	-	-	12,736
Total capital assets being depreciated	1,051,947	16,879	-	1,068,826
Less accumulated depreciation for:				
Buildings	413,430	27,504	-	440,934
Equipment	97,628	5,691	-	103,319
Vehicles and motor equipment	12,736	-	-	12,736
Total accumulated depreciation	523,794	33,195	-	556,989
Total capital assets being depreciated, net	528,153			511,837
Solid Waste capital assets, net	\$ 591,115			\$ 574,799

continued

	Beginning Balances	Increases	Decreases	Ending Balances
Ocean Sands Water and Sewer District				
Capital assets not being depreciated:				
Land	\$ 963,012	-	-	\$ 963,012
Total capital assets not being depreciated	963,012	-	-	963,012
Capital assets being depreciated:				
Plant and distribution systems	3,938,654	19,300	-	3,957,954
Computer equipment	523,178	24,626	-	547,804
Furniture and maintenance equipment	382,745	-	-	382,745
Vehicles and motor equipment	30,153	-	-	30,153
Total capital assets being depreciated	4,874,730	43,926	-	4,918,656
Less accumulated depreciation for:				
Plant and distribution systems	3,103,286	132,629	-	3,235,915
Computer equipment	185,343	71,240	-	256,583
Furniture and maintenance equipment	378,219	822	-	379,041
Vehicles and motor equipment	10,553	6,031	-	16,584
Total accumulated depreciation	3,677,401	210,722	-	3,888,123
Total capital assets being depreciated, net	1,197,329			1,030,533
Ocean Sands Water and Sewer District capital assets, net	\$ 2,160,341			\$ 1,993,545
Mainland Water				
Capital assets not being depreciated:				
Land	\$ 5,150	-	-	\$ 5,150
Construction in process	-	-	-	-
Total capital assets not being depreciated	5,150	-	-	5,150
Capital assets being depreciated:				
Buildings	18,563,594	-	-	18,563,594
Computer equipment	47,154	-	-	47,154
Equipment	20,201,651	-	-	20,201,651
Vehicles	312,915	-	-	312,915
Total capital assets being depreciated	39,125,314	-	-	39,125,314
Less accumulated depreciation for:				
Buildings	2,320,121	668,865	-	2,988,986
Computer equipment	37,910	1,700	-	39,610
Equipment	7,062,347	706,858	-	7,769,205
Vehicles	269,946	19,095	-	289,041
Total accumulated depreciation	9,690,324	1,396,518	-	11,086,842
Total capital assets being depreciated, net	29,434,990			28,038,472
Mainland Water capital assets, net	\$ 29,440,140			\$ 28,043,622
Newtown Road Sewer District				
Capital assets not being depreciated:				
Land	\$ 87,000	-	-	\$ 87,000
Total capital assets not being depreciated	87,000	-	-	87,000
Capital assets being depreciated:				
Equipment	508,622	-	-	508,622
Total capital assets being depreciated	508,622	-	-	508,622
Less accumulated depreciation for:				
Equipment	302,347	16,953	-	319,300
Total accumulated depreciation	302,347	16,953	-	319,300
Total capital assets being depreciated, net	206,275			189,322
Newtown Road Sewer District capital assets, net	\$ 293,275			\$ 276,322

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	<u>67,625</u>	<u>-</u>	<u>-</u>	<u>67,625</u>
Capital assets being depreciated:				
Buildings	\$ 329,267	16,788	-	\$ 346,055
Equipment	27,626	10,469	-	38,095
Total capital assets being depreciated	<u>356,893</u>	<u>10,469</u>	<u>-</u>	<u>384,150</u>
Less accumulated depreciation for:				
Buildings	\$ 30,182	11,535	-	\$ 41,717
Equipment	16,445	4,321	-	20,766
Total accumulated depreciation	<u>46,627</u>	<u>15,856</u>	<u>-</u>	<u>62,483</u>
Total capital assets being depreciated, net	<u>310,266</u>			<u>321,667</u>
Moyock Commons Sewer District capital assets, net	<u>\$ 377,891</u>			<u>\$ 389,292</u>
Southern Outer Banks Water System				
Capital assets not being depreciated:				
Land	\$ 42,600	-	-	\$ 42,600
Total capital assets not being depreciated	<u>42,600</u>	<u>-</u>	<u>-</u>	<u>42,600</u>
Capital assets being depreciated:				
Buildings	14,817,953	-	-	14,817,953
Computer equipment	157,582	5,255	-	162,837
Other equipment	1,652,461	19,870	-	1,672,331
Vehicles	133,135	-	-	133,135
Total capital assets being depreciated	<u>16,761,131</u>	<u>25,125</u>	<u>-</u>	<u>16,786,256</u>
Less accumulated depreciation for:				
Buildings	2,793,932	493,932	-	3,287,864
Computer equipment	142,855	3,560	-	146,415
Other equipment	831,182	81,205	-	912,387
Vehicles	138,537	4,579	-	143,116
Total accumulated depreciation	<u>3,906,506</u>	<u>583,276</u>	<u>-</u>	<u>4,489,782</u>
Total capital assets being depreciated, net	<u>12,854,625</u>			<u>12,296,474</u>
Southern Outer Banks Water capital assets, net	<u>\$ 12,897,225</u>			<u>\$ 12,339,074</u>
Moyock Central Sewer System				
Capital assets not being depreciated:				
Land	\$ -	688,914	-	\$ 688,914
Construction in Process	1,156,679	597,667	-	1,754,346
Total capital assets not being depreciated	<u>1,156,679</u>	<u>1,286,581</u>	<u>-</u>	<u>2,443,260</u>
Moyock Central Sewer System capital assets, net	<u>\$ 1,156,679</u>			<u>\$ 2,443,260</u>
Business-type activities capital assets, net	<u>\$ 46,916,666</u>			<u>\$ 46,059,914</u>

Construction commitments

Currituck County has active construction projects as of June 30, 2011, as listed below. At June 30, 2011, the government’s commitments with contractors are as follows:

Project	Spent-to-date	Remaining Commitment
Corolla multi-use path/pocket park	\$ 656,847	\$ 703,702
YMCA/Community/Sr Center Facility	6,499,374	7,177,892
Whalehead Stormwater Drainage Project	1,501,833	272,643
Moyock Central Sewer Construction	2,161,731	346,415
Sheriff Evidence Vault	18,832	381,168
Maple Commerce Park	251,613	2,057,420
Airport taxiway expansion	1,837,607	366,641
Total	<u>\$ 12,927,837</u>	<u>\$ 11,305,881</u>

Discretely presented component units

Activity for the ABC Board for the year ended June 30, 2011, 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	200,074	1,609	-	201,683
Vehicles	34,827	-	-	34,827
Leasehold improvements	5,631	-	-	5,631
Total capital assets being depreciated	<u>2,082,835</u>	<u>1,609</u>	<u>-</u>	<u>2,084,444</u>
Less accumulated depreciation:				
Total accumulated depreciation	<u>466,149</u>	<u>81,288</u>	<u>-</u>	<u>547,437</u>
ABC capital assets, net	<u>\$ 2,042,586</u>			<u>\$ 1,962,907</u>

Activity for the Whalehead Preservation Trust and Currituck Wildlife Museum as of June 30, 2011, was as follows:

	Beginning Balances	Increases	Decreases	Ending Balances
Capital assets not being depreciated:				
Museum collection	\$ 853,777	\$ 16,755	\$ -	\$ 870,532
Total capital assets not being depreciated	853,777	16,755	-	870,532
Capital assets being depreciated:				
Furniture, fixtures and equipment	217,383	46,288	9,691	253,980
Total capital assets being depreciated	217,383	46,288	9,691	253,980
Less accumulated depreciation for:				
Furniture, fixtures and equipment	126,712	17,948	8,963	135,697
Total accumulated depreciation	126,712	17,948	8,963	135,697
Total capital assets being depreciated, net	90,671			118,283
Whalehead Preservation Trust capital assets, net	\$ 944,448			\$ 988,815

B. Liabilities

1. Payables

Payables at the government-wide level at June 30, 2011, were as follows:

	Vendors	Other	Total
Governmental Activities:			
General	\$ 2,363,336	\$ 591,905	\$ 2,955,241
Tourism Development Authority	76,601	-	76,601
Other Governmental	1,137	-	1,137
Total-governmental activities	\$ 2,441,074	\$ 591,905	\$ 3,032,979
Business-type Activities			
Solid Waste	\$ 267,880	\$ -	\$ 267,880
Ocean Sands Water and Sewer	24,478	-	24,478
Mainland Water	22,061	20,797	42,858
Southern Outer Banks Water	14,852	9,721	24,573
Moyock Central Sewer	-	-	-
Other Proprietary	3,289	-	3,289
Total - business-type activities	\$ 332,560	\$ 30,518	\$ 363,078

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 6.44% and 6.41%, 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, 2011, 2010, and 2009 were \$942,675, \$709,191, and \$679,135, respectively. The ABC Board's contributions to LGERS for the years ended June 30, 2011, 2010, and 2009 were \$16,078, \$11,941, and \$11,850, 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, 2011, the Separation Allowance's membership consisted of:

Retirees receiving benefits	2
Active plan members	63
Total	<u>65</u>

2. Summary of Significant Accounting Policies.

Basis of Accounting. The County has chosen to fund the Separation Allowance by making a deposit to the Post Employment Benefits Fund from the General fund. The amount of this contribution is based on the prior year actuarial study. Pension expenditures are made from the Post Employment Benefits Fund, which is maintained on the modified 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 \$41,414, or 1.38% 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, 2010 actuarial valuation using the projected unit credit actuarial cost method. The actuarial assumptions included (a) 5.00% investment rate of return (net of administrative expenses) and (b) projected salary increases ranging from 4.25% to 7.85% per year. Both (a) and (b) included an inflation component of 3.00%. 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, 2010, was 20 years.

Ten Year Trend Information				
For Year Ended	Annual Pension Cost	Percentage of APC	Net Pension	
June 30	(APC)	Contributed	Obligation	
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)	
2010	46,788	88.51%	(229,653)	
2011	83,318	49.71%	(187,749)	

For more information on the funded status and funding progress of the postemployment defined benefit plan, refer to the Required Supplemental Financial Data beginning on page 77 of this report.

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	\$ 82,506
Interest on net pension obligation	(11,483)
Adjustment to annual required contribution	12,295
Annual pension cost	<u>\$ 83,318</u>
Employer contributions made for fiscal year	<u>41,414</u>
Decrease in net pension obligation	\$ 41,904
Net pension obligation beginning of fiscal year	<u>(229,653)</u>
Net pension obligation end of fiscal year	<u><u>\$ (187,749)</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, 2011, were \$191,506, which consisted of \$147,476 from the County and \$44,030 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. The Supplemental Retirement Income Plan for Non-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 Non-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. The County established a contribution amount equal to 4.97% of each employee's 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, 2011 were \$813,019 which consisted of \$581,622 from the County and \$231,397 from the county employees.

e. Registers of Deeds' Supplemental Pension Fund

Plan Description. Currituck 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, 2011, the County's required and actual contributions were \$3,480.

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	25	2
Active plan members	<u>290</u>	<u>63</u>
Total	315	65

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 15.93% of annual covered payroll. For the current year, the County contributed \$156,116 or 1.13% of annual covered payroll. The County's required contribution for employees not engaged in law enforcement and for law enforcement officers was \$2,340,481 annually, with an accrued liability of \$5,738,202. 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:

a)	Employer Annual Required Contribution (ARC)	\$ 2,340,481
b)	Valuation Discount Rate	4.00%
c)	Interest on Net OPEB Obligation: (b) * (i)	142,288
d)	Amortization Factor	26.1695
e)	Adjustment to ARC: (i)/(d)	135,930
f)	Annual OPEB Cost: (a) + (c) - (e)	<u>2,346,839</u>
g)	Employer Contributions made for current fiscal year	<u>156,116</u>
h)	Increase (decrease) in Net OPEB Obligation: (f) - (g)	2,190,723
i)	Net OPEB Obligation Beginning of Fiscal Year	<u>3,557,211</u>
j)	Net OPEB Obligation Ending of Fiscal Year: (h) + (i)	\$ 5,747,934

The County's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for 2011 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
2010	1,773,795	6.67%	3,557,211
2011	2,346,839	6.65%	5,747,934

Funded Status and Funding Progress: As of December 31, 2010, 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 \$19,318,398. The covered payroll (annual payroll of active employees covered by the plan) was \$14,691,786, and the ratio of the UAAL to the covered payroll was 131.5%.

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, 2010 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 for Pre-Medicare and 8.50 percent to 5 percent annually for Post-Medicare.. Both rates included a 3.0 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, 2010 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)	\$ -	\$ 42,808
Taxes receivable, net (General)	834,420	-
Taxes receivable, net (Special Revenue)	2,640	-
	\$ 837,060	\$ 42,808

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, the Moyock Library 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, 2011, 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, \$1,160,226 2012; \$1,201,663 2013; \$1,244,576 2014; interest at 3.54%.	\$3,606,465
\$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 2012; interest at 0%.	630,000
\$744,287 2009 Installment Purchase Agreement for purchase of five ambulances dated July 15, 2008 with annual principal and interest payments due July 15, \$149,604 2012; \$149,449 2013 interest at 4.63%.	299,053
\$2,100,000 2010 Installment Purchase Agreement for stormwater improvements in the Whalehead Watershed Improvement Service District dated March 18, 2010 with semi-annual principal and interest payments due March 18 and September 18, \$180,756 2012; \$188,298 2013; \$196,155 2014; \$204,340 2015; \$1,030,258 2016 through 2020 interest at 4.13%.	1,799,807
Total serviced by the General Fund	\$6,335,325

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, \$1,081,838 2012; \$1,119,923 2013; \$574,661 2014; interest at 3.49%.

Total Installment Purchase Debt

2,776,422
\$9,111,747

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				
2012	2,113,497	204,166	1,081,838	87,540
2013	1,546,497	148,255	1,119,923	49,454
2014	1,440,732	90,228	574,661	10,028
2015	204,340	48,903	-	-
2016	212,866	40,377	-	-
2017-2021	817,393	68,901	-	-
	\$ 6,335,325	\$ 600,830	\$ 2,776,422	\$ 147,022

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, 2011, 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, \$855,000 2012 and \$850,000 2013; interest at 5%, \$845,000 2014; interest at 4%, \$730,000 2015; interest at 5%.

\$3,280,000

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, \$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%.

	2,110,000
Total General Obligation Bond debt	\$5,390,000

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

Year Ending June 30	Governmental Activities		Business-type Activities	
	Principal	Interest	Principal	Interest
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	730,000	36,500	345,000	46,585
2016	-	-	275,000	29,335
2017-2018	-	-	540,000	29,700
Total	\$ 3,280,000	\$ 375,150	\$ 2,110,000	\$ 331,725

At June 30, 2011, Currituck County had no bonds authorized but un-issued and a legal debt margin of \$647,810,082.

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. On March 20, 2008, \$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%.

	17,525,000
Total Revenue Bond debt	\$17,525,000

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

Year Ending June 30	Business-type Activities	
	Principal	Interest
2012	510,000	716,773
2013	540,000	695,913
2014	560,000	673,828
2015	585,000	650,924
2016	695,000	626,997
2017-2021	4,915,000	2,641,935
2022-2026	6,660,000	1,464,833
2027-2028	3,060,000	188,958
Total	<u>\$ 17,525,000</u>	<u>\$ 7,660,161</u>

d. Long-Term Obligation Activity

The following is a summary of changes in the County's long-term obligations for the fiscal year ended June 30, 2011:

	Balance			Balance June 30, 2011	Current Portion of Balance
	June 30, 2010	Increases	Decreases		
Governmental activities:					
General obligation debt	\$ 4,145,000	\$ -	\$ 865,000	\$ 3,280,000	\$ 855,000
Unamortized premium on General Obligation debt	250,609	-	62,653	187,956	62,653
Installment purchase	8,402,094	-	2,066,769	6,335,325	2,120,586
Compensated absences	899,569	1,012,109	960,586	951,092	475,546
Other postemployment benefits	3,463,784	2,233,294	156,116	5,540,962	-
Total governmental activities	<u>\$ 17,161,056</u>	<u>\$ 3,245,403</u>	<u>\$ 4,111,124</u>	<u>\$ 16,295,335</u>	<u>\$ 3,513,785</u>
Business-type activities:					
General obligation debt	\$ 2,395,000	\$ -	\$ 285,000	\$ 2,110,000	\$ 305,000
Unamortized premium on General Obligation debt	151,173	-	18,897	132,276	18,897
Revenue bonded debt	18,025,000	-	500,000	17,525,000	510,000
Installment purchase	3,821,469	-	1,045,047	2,776,422	1,081,838
Compensated absences	41,663	514	-	42,177	37,500
Other postemployment benefits	93,427	113,545	-	206,972	-
Total business-type activities	<u>\$ 24,527,732</u>	<u>\$ 114,059</u>	<u>\$ 1,848,944</u>	<u>\$ 22,792,847</u>	<u>\$ 1,953,235</u>
Discretely presented component units:					
Compensated absences - Whalehead Pres. Trust	\$ 11,481	\$ 3,919	\$ -	\$ 15,400	\$ 15,400
Computer Loan - Whalehead Pres. Trust	-	16,271	1,356	14,915	5,424
Compensated absences - ABC Board	3,003	-	-	3,003	3,003
Total discretely presented component units long-term liabilities	<u>\$ 14,484</u>	<u>\$ 20,190</u>	<u>\$ 1,356</u>	<u>\$ 33,318</u>	<u>\$ 23,827</u>

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.

C. Inter-fund Balances and Activity

Transfers to/from other funds

Transfers to/from other funds at June 30, 2011, consists of the following:

From the General fund to the Fire Vehicle Replacement Fund to accumulate resources for equipment replacement property	\$ 267,000 121,000
From the General fund to the County Governmental Facilities fund to accumulate resources for the Sheriff's evidence vault	143,350
From the General fund to the Solid Waste fund for operations	779,275
Total transfers from the General fund	<u>\$ 1,310,625</u>

From the Tourism Development Authority to the General fund for Economic Development promotions	154,689
From the Tourism Development Authority to the General fund for Administrative Fee	104,420
From the Tourism Development Authority to the General fund for Sheriff Deputies, ATV & boat replacement	1,056,452
From the Tourism Development Authority to the General fund for Emergency Medical Services Personnel	987,375
From the Tourism Development Authority to the General fund the Currituck Rural Center	749,210
From the Tourism Development Authority to the Genral fund for maintenance of the Carova Beach Park	3,335
From the Tourism Development Authority fund to the County Governmental Facilities fund to accumulate funds for Maple Commerce Park	490,974
From the Tourism Development Authority fund to the County Governmental Facilities fund to accumulate funds for a recreation facility	200,000
Total transfers from the Tourism Development Authority Fund	<u>\$ 3,746,455</u>

From the Whalehead Subdivision Drainage District fund to the General fund for debt service payment	\$ 253,243
From the Fire District fund to the General fund for operations in the volunteer fire departments	10,336
From the Emergency Telephone System fund to the General fund for eligible items paid from operating fund	64,995
From the Capital Improvements fund to the General fund for capital assets purchased in operating fund	539,312
From the Capital Improvements fund to the County Governmental Construction fund for design of new animal shelter	20,000
From the Capital Improvements fund to the County Governmental Construction fund to accumulate funds for a recreation facility	631,969
From the School Capital fund to the General fund for capital purchases for the Currituck County Schools.	990,000
From the Transfer Tax Capital fund to the County Government Facilities fund to accumulate resources for Maple Commerce Park	1,940,863
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 Transfer Tax Capital fund to the County Government Facilities fund to accumulate resources for the Sheriff's evidence vault	256,650
From the Transfer Tax Capital fund to the School Facilities fund to accumulate resources for future school construction	1,000,000
From the Land Banking fund to the operating fund for debt payment on the Lankford property in Maple	630,000
From the Land Banking fund to the Moyock Central Sewer Construction fund to purchase land for the project	691,591
Total transfers from other governmental funds	<u>\$ 7,328,959</u>
From the Moyock Commons Sewer fund to the General fund to repay a portion of funding for sewer plant	34,598
Total transfers from Enterprise funds	<u>\$ 34,598</u>

Balances due to/from other funds

Balances due to/from other funds at June 30, 2011 consists of the following:

Due to the General fund from the Southern Outer Banks Water fund due to expected cash flows.	\$ 157,604
	<u>157,604</u>

IV. Joint Ventures

Albemarle Regional Health Services

The Board of Commissioners vote to join the all ready existing joint venture that operates Albemarle Regional Health Services with the State of North Carolina and four other counties became effective July 1, 1999. The area Boards of Commissioners appoints the fifteen member governing board. The County has an ongoing financial responsibility for Albemarle Regional Health Services because the County is required by State statute to provide public health services either directly or jointly with other counties. The County contributed \$127,000 to Albemarle Regional Health Services during the fiscal year ended June 30, 2011, 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, 2011. Complete financial statements may be obtained from the administrative offices at Albemarle Regional Health Services, Post Office Box 189, Elizabeth City, North Carolina 27909.

East Carolina Behavioral Health Center

The County participates in a joint venture to operate the East Carolina Behavioral Health Center with 19 other local governments. Currituck County appoints one board member to the twenty-four member board of the Center. The County has an ongoing financial responsibility for the joint venture because the Center's continued existence depends on the participating governments' continued funding. None of the participating governments have any equity interest in the Center, so no equity interest has been reflected in the financial statements at June 30, 2011. In accordance with the intergovernmental agreement between the participating governments, the County appropriated \$49,880 to the Center to supplement its activities. Complete financial statements for the Center may be obtained from the Center's offices at 1141 North Road Street, Suite L, Elizabeth City, NC 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 \$109,886 to the Authority during the fiscal year ended June 30, 2011, 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, 2011. 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, 2011, expenditures were \$496,395. 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, 2011. 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 \$15,452 to the Commission during the fiscal year ended June 30, 2011.

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.

	Federal	State
Temporary assistance to needy families	\$ 70,950	\$ -
Medicaid	10,687,480	4,354,045
Food stamp program	3,513,782	-
Energy assistance	87,748	-
Adoption assistance	70,659	15,745
Adult assistance	-	123,380
Title IV-E, foster care	10,228	2,134
CWS Adoption	-	142,824
State foster care	-	24,814
Total	<u>\$ 14,440,847</u>	<u>\$ 4,662,942</u>

VII. Summary Disclosure of Significant Commitments and Contingencies

Federal and State Assisted Programs

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

VIII. Significant Effects of Subsequent Events

July 1, 2011: Rates were increased in the water and sewer system funds to general operating revenues to cover anticipated expenses. Tipping fees were also increased at the County transfer station.

July 18, 2011: The Southern Outer Banks Water System purchased the Corolla Light, Monteray Shores and Currituck Club water systems from Carolina Water to provide quality water to residents and visitors in those developments. This purchase added approximately 1,431 new customers to this system.

August 9, 2011: The Southern Outer Banks Water System purchased the Pine Island water system adding an additional 284 customers to this system.

August 27, 2011: Currituck County was hit by Hurricane Irene. This storm brought unprecedented flooding to the County as well as vegetative and non-vegetative debris. The County has worked with North Carolina Emergency Management and the Federal Emergency Management Agency to protect our citizens and remove the debris. These efforts are still underway.

September 13, 2011: The Local Government Commission approved the County's application to acquire debt in the amount of \$8,500,000 to reimburse the County for the water system purchases and to begin repairs to these systems.

October 20, 2011: The County closed on an installment purchase agreement for \$8,500,000 for the purchase of water systems.

November 1, 2011: The County acquired the assets and assumed operations of the Walnut Island Sanitary District in Grandy, NC.

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)
12/31/2001	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%
12/31/2009	374,287	709,682	335,395	52.74%	3,056,554	10.97%
12/31/2010	384,563	686,085	301,522	56.05%	2,995,935	10.06%

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
2002	16,909	156.78%
2003	26,269	98.84%
2004	28,132	137.67%
2005	30,483	120.12%
2006	34,853	111.56%
2007	41,070	576.12%
2008	39,507	100.00%
2009	41,483	90.79%
2010	49,022	84.48%
2011	76,824	53.91%

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	12/31/2010
Actuarial cost method	Projected unit credit
Amortization method	Level percent of pay closed
Remaining amortization period	20 Years
Asset valuation method	Market value
Actuarial assumptions:	
Investment rate of return*	5.00%
Projected salary increases*	4.25-7.85%
*Includes inflation at	3.00%
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%
12/31/2009	-	13,610,360	13,610,360	0.00%	12,861,869	105.80%
12/31/2010	-	19,318,398	19,318,398	0.00%	14,691,786	131.5%

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

2009	\$	1,900,463	0.91%
2010	\$	1,900,463	6.67%
2011		2,340,481	6.67%

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	12/31/2010
Actuarial cost method	Projected unit credit
Amortization method	Level Percentage of Pay, open
Remaining amortization period	30 years
Asset valuation method	Market Value of Assets
Actuarial assumptions:	
Investment Rate of Return*	4.00%
Medical cost trend rate	
Pre-Medicare trend rate	10.50% - 5.00%
Post-Medicare trend rate	8.50% - 5.00%
Year of Ultimate trend rate	2018
*Includes inflation at	3.00%

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, 2011

	2011			Variance with Final Budget Positive (Negative)	2010
	Budgeted Amounts		Actual		Actual
	Original	Final			
Revenues:					
Ad valorem taxes:					
Taxes	\$ -	\$ -	\$ 26,549,233	\$ -	\$ 26,683,637
Interest	-	-	141,620	-	190,184
Total	<u>25,051,800</u>	<u>25,076,008</u>	<u>26,690,853</u>	<u>1,614,845</u>	<u>26,873,821</u>
Other taxes and licenses:					
Sexually oriented business license	-	-	-	-	2,250
Animal tax	-	-	12,165	-	12,369
Marriage license	-	-	32,580	-	31,720
Franchise tax	-	-	358,421	-	410,976
Deed stamp excise tax	-	-	523,069	-	546,729
Article 39 local option sales tax	-	-	3,926,187	-	3,592,510
Article 44 local option sales tax	-	-	(7,024)	-	403,038
Medicaid hold harmless funds	-	-	344,559	-	471,872
Total	<u>4,922,750</u>	<u>4,939,915</u>	<u>5,189,957</u>	<u>250,042</u>	<u>5,471,464</u>
Unrestricted intergovernmental:					
Gasoline tax refund	-	-	1,687	-	3,746
Payments in lieu of taxes-outside sources	-	-	130,480	-	199,838
Beer and wine tax	-	-	104,962	-	33,906
Total	<u>307,000</u>	<u>307,000</u>	<u>237,129</u>	<u>(69,871)</u>	<u>237,490</u>
Restricted intergovernmental:					
Federal and State grants	-	-	2,766,252	-	3,147,725
Safe roads act	-	-	6,340	-	4,674
Crime control act	-	-	8,634	-	12,194
Court facility fees	-	-	73,676	-	73,577
Jail fees	-	-	33,825	-	27,361
Officer fees	-	-	59,370	-	59,979
ABC bottles taxes	-	-	12,434	-	11,692
Total	<u>3,058,858</u>	<u>3,003,015</u>	<u>2,960,531</u>	<u>(42,484)</u>	<u>3,337,202</u>
Permits and fees:					
Ambulance service fees	-	-	934,546	-	666,123
Administration and filing fees	-	-	544,704	-	338,440
Register of deeds fees	-	-	223,752	-	199,079
Building permit fees	-	-	250,458	-	283,260
Re-inspection fees	-	-	29,850	-	28,250
Planning fees	-	-	11,928	-	15,720
Land disturbance permit	-	-	4,950	-	2,850
Homeowners' recovery fees	-	-	2,370	-	1,920
Animal control fees	-	-	990	-	2,200
Total	<u>1,868,818</u>	<u>1,868,818</u>	<u>2,005,998</u>	<u>137,180</u>	<u>1,537,842</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, 2011

	2011			Variance with Final Budget Positive (Negative)	2010
	Budgeted Amounts		Actual		Actual
	Original	Final			
Sales and services:					
Rents	-	-	125,849	-	167,613
Airport fees	-	-	72,475	-	73,919
Vending sales	-	-	5,938	-	6,374
EMS revenues	-	-	6,578	-	5,961
Jail housing	-	-	7,800	-	19,095
Sale of materials	-	-	2,022	-	3,854
Aviation fuel sales	-	-	327,839	-	226,476
Tax data fees	-	-	-	-	284
Sale of fixed assets	-	-	6,195	-	47,467
Auction proceeds	-	-	10	-	581
Recreation fees	-	-	62,507	-	60,577
Total	<u>613,500</u>	<u>766,206</u>	<u>617,213</u>	<u>(148,993)</u>	<u>612,201</u>
Investment earnings	<u>400,000</u>	<u>400,000</u>	<u>120,120</u>	<u>(279,880)</u>	<u>109,960</u>
Miscellaneous:					
Donations	-	-	20,219	-	20,267
Insurance recoveries	-	-	40,909	-	252,685
ABC Education distribution	-	-	11,422	-	14,777
ABC Law enforcement distribution	-	-	8,158	-	10,555
ABC profits	-	-	191,618	-	244,644
Other	-	-	47,672	-	94,333
Total	<u>251,000</u>	<u>295,311</u>	<u>319,998</u>	<u>24,687</u>	<u>637,261</u>
Total revenues	<u>36,473,726</u>	<u>36,656,273</u>	<u>38,141,799</u>	<u>1,485,526</u>	<u>38,817,241</u>
Expenditures:					
General government:					
Administration:					
Salaries and employee benefits	-	-	377,881	-	347,938
Other operating expenditures	-	-	66,736	-	88,410
Total	<u>491,939</u>	<u>491,939</u>	<u>444,617</u>	<u>47,322</u>	<u>436,348</u>
Legal:					
Salaries and employee benefits	-	-	265,943	-	262,051
Other operating expenditures	-	-	116,482	-	139,486
Total	<u>328,350</u>	<u>461,400</u>	<u>382,425</u>	<u>78,975</u>	<u>401,537</u>
Governing body:					
Salaries and employee benefits	-	-	109,011	-	108,599
Other operating expenditures	-	-	18,995	-	24,327
Total	<u>152,339</u>	<u>131,339</u>	<u>128,006</u>	<u>3,333</u>	<u>132,926</u>
Elections:					
Salaries and employee benefits	-	-	109,581	-	108,698
Other operating expenditures	-	-	38,885	-	47,429
Total	<u>156,938</u>	<u>156,938</u>	<u>148,466</u>	<u>8,472</u>	<u>156,127</u>
Finance					
Salaries and employee benefits	-	-	286,590	-	271,309
Other operating expenditures	-	-	53,393	-	64,397
Total	<u>343,052</u>	<u>344,571</u>	<u>339,983</u>	<u>4,588</u>	<u>335,706</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, 2011

	2011			Variance with Final Budget Positive (Negative)	2010
	Budgeted Amounts		Actual		Actual
	Original	Final			
Information Technology:					
Salaries and employee benefits	-	-	310,225	-	241,216
Other operating expenditures	-	-	190,973	-	187,465
Capital outlay	-	-	77,722	-	169,421
Total	<u>600,723</u>	<u>613,044</u>	<u>578,920</u>	<u>34,124</u>	<u>598,102</u>
Human resources:					
Salaries and employee benefits	-	-	127,256	-	124,168
Other operating expenditures	-	-	6,624	-	37,854
Total	<u>135,810</u>	<u>135,947</u>	<u>133,880</u>	<u>2,067</u>	<u>162,022</u>
Public information:					
Salaries and employee benefits	-	-	56,785	-	112,153
Other operating expenditures	-	-	46,352	-	55,266
Total	<u>113,201</u>	<u>111,657</u>	<u>103,137</u>	<u>8,520</u>	<u>167,419</u>
Taxes:					
Salaries and employee benefits	-	-	400,783	-	387,902
Other operating expenditures	-	-	66,165	-	69,426
Total	<u>481,327</u>	<u>485,440</u>	<u>466,948</u>	<u>18,492</u>	<u>457,328</u>
Public works:					
Salaries and employee benefits	-	-	575,144	-	516,924
Other operating expenditures	-	-	283,010	-	345,240
Capital outlay	-	-	569,130	-	277,424
Total	<u>1,535,666</u>	<u>1,506,769</u>	<u>1,427,284</u>	<u>79,485</u>	<u>1,139,588</u>
Public utilities:					
Salaries and employee benefits	-	-	143,817	-	138,891
Operating expenditures	-	-	10,865	-	19,800
Capital outlay	-	-	27,800	-	-
Total	<u>183,434</u>	<u>183,434</u>	<u>182,482</u>	<u>952</u>	<u>158,691</u>
Register of deeds:					
Salaries and employee benefits	-	-	289,608	-	284,989
Other operating expenditures	-	-	357,427	-	368,751
Capital outlay	-	-	5,475	-	3,341
Total	<u>648,175</u>	<u>671,340</u>	<u>652,510</u>	<u>18,830</u>	<u>657,081</u>
Court facilities:					
Operating expenditures	-	-	165,724	-	185,483
Capital outlay	-	-	4,597	-	-
Total	<u>184,377</u>	<u>231,960</u>	<u>170,321</u>	<u>61,639</u>	<u>185,483</u>
Agency appropriations:					
Operating expenditures	-	-	39,700	-	151,900
Total	<u>38,200</u>	<u>40,700</u>	<u>39,700</u>	<u>1,000</u>	<u>151,900</u>
Central services:					
Operating expenditures	-	-	518,422	-	481,277
Total	<u>755,275</u>	<u>689,213</u>	<u>518,422</u>	<u>170,791</u>	<u>481,277</u>
Total general government	<u>6,148,806</u>	<u>6,255,691</u>	<u>5,717,101</u>	<u>538,590</u>	<u>5,621,535</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, 2011

	2011			Variance with Final Budget Positive (Negative)	2010
	Budgeted Amounts		Actual		Actual
	Original	Final			
Public safety:					
Sheriff:					
Salaries and employee benefits	-	-	4,183,002	-	4,133,335
Other operating expenditures	-	-	775,106	-	799,290
Capital outlay	-	-	298,223	-	317,578
Total	<u>5,173,054</u>	<u>5,375,177</u>	<u>5,256,331</u>	<u>118,846</u>	<u>5,250,203</u>
Jail:					
Salaries and employee benefits	-	-	1,366,126	-	1,331,111
Other operating expenditures	-	-	515,655	-	550,761
Capital outlay	-	-	3,001	-	19,863
Total	<u>1,995,897</u>	<u>1,972,589</u>	<u>1,884,782</u>	<u>87,807</u>	<u>1,901,735</u>
Animal control:					
Salaries and employee benefits	-	-	177,292	-	167,345
Other operating expenditures	-	-	205,007	-	198,160
Capital outlay	-	-	1,802	-	-
Total	<u>398,184</u>	<u>408,585</u>	<u>384,101</u>	<u>24,484</u>	<u>365,505</u>
Jury commission:					
Operating expenditures	-	-	1,800	-	1,970
Total	<u>1,800</u>	<u>1,800</u>	<u>1,800</u>	<u>-</u>	<u>1,970</u>
Emergency medical services:					
Salaries and employee benefits	-	-	4,658,272	-	4,560,843
Other operating expenditures	-	-	474,903	-	531,606
Capital outlay	-	-	2,789	-	40,215
Total	<u>5,199,197</u>	<u>5,255,981</u>	<u>5,135,964</u>	<u>120,017</u>	<u>5,132,664</u>
Emergency management:					
Salaries and employee benefits	-	-	90,895	-	67,888
Other operating expenditures	-	-	41,807	-	53,978
Capital outlay	-	-	9,820	-	23,716
Total	<u>125,546</u>	<u>164,707</u>	<u>142,522</u>	<u>22,185</u>	<u>145,582</u>
Communications:					
Salaries and employee benefits	-	-	649,599	-	637,908
Other operating expenditures	-	-	99,693	-	213,443
Capital outlay	-	-	-	-	61,525
Total	<u>769,516</u>	<u>786,680</u>	<u>749,292</u>	<u>37,388</u>	<u>912,876</u>
Building inspections:					
Salaries and employee benefits	-	-	446,635	-	430,825
Other operating expenditures	-	-	58,420	-	41,609
Total	<u>508,763</u>	<u>534,461</u>	<u>505,055</u>	<u>29,406</u>	<u>472,434</u>
Fire prevention:					
Salaries and employee benefits	-	-	64,143	-	62,031
Other operating expenditures	-	-	27,746	-	27,842
Capital outlay	-	-	17,598	-	15,219
Total	<u>111,822</u>	<u>113,911</u>	<u>109,487</u>	<u>4,424</u>	<u>105,092</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, 2011

	2011			Variance with Final Budget Positive (Negative)	2010
	Budgeted Amounts		Actual		Actual
	Original	Final			
Volunteer fire departments:					
Carova Beach Volunteer Fire Department	-	-	178,312	-	280,370
Corolla Fire & Rescue Squad	-	-	270,764	-	416,430
Crawford Volunteer Fire Department	-	-	286,292	-	258,963
Lower Currituck Volunteer Fire Department	-	-	285,000	-	258,963
Knotts Island Volunteer Fire Department	-	-	179,626	-	172,917
Moyock Volunteer Fire Department	-	-	208,529	-	258,963
Total	<u>1,506,874</u>	<u>1,517,210</u>	<u>1,408,523</u>	<u>108,687</u>	<u>1,646,606</u>
Medical examiner:					
Contracted services	-	-	7,700	-	5,600
Total	<u>9,500</u>	<u>9,500</u>	<u>7,700</u>	<u>1,800</u>	<u>5,600</u>
Total public safety	<u>15,800,153</u>	<u>16,164,480</u>	<u>15,606,636</u>	<u>557,844</u>	<u>15,940,267</u>
Transportation:					
Airport:					
Salaries and employee benefits	-	-	104,744	-	85,894
Other operating expenditures	-	-	327,368	-	324,119
Capital outlay	-	-	-	-	20,110
Total	<u>411,107</u>	<u>564,950</u>	<u>432,112</u>	<u>132,838</u>	<u>430,123</u>
Inter-county transportation:					
Contracted services	-	-	156,979	-	162,039
Total	<u>196,443</u>	<u>197,796</u>	<u>156,979</u>	<u>40,817</u>	<u>162,039</u>
Total transportation	<u>607,550</u>	<u>762,746</u>	<u>589,091</u>	<u>173,655</u>	<u>592,162</u>
Environmental protection:					
Forestry:					
Contracted services	-	-	76,250	-	58,832
Total	<u>76,250</u>	<u>76,250</u>	<u>76,250</u>	<u>-</u>	<u>58,832</u>
Soil and water conservation:					
Salaries and employee benefits	-	-	112,225	-	109,015
Other operating expenditures	-	-	14,648	-	14,427
Total	<u>132,322</u>	<u>132,718</u>	<u>126,873</u>	<u>5,845</u>	<u>123,442</u>
Total environmental protection	<u>208,572</u>	<u>208,968</u>	<u>203,123</u>	<u>5,845</u>	<u>182,274</u>
Economic and physical development:					
Cooperative extension:					
Salaries and employee benefits	-	-	149,557	-	154,233
Other operating expenditures	-	-	248,386	-	86,368
Contracted services	-	-	30,788	-	199,158
Total	<u>452,266</u>	<u>461,667</u>	<u>428,731</u>	<u>32,936</u>	<u>439,759</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, 2011

	2011			Variance with Final Budget Positive (Negative)	2010
	Budgeted Amounts		Actual		Actual
	Original	Final			
Economic development:					
Salaries and employee benefits	-	-	84,847	-	82,815
Other operating expenditures	-	-	46,567	-	27,958
Total	<u>168,014</u>	<u>178,014</u>	<u>131,414</u>	<u>46,600</u>	<u>110,773</u>
Planning and inspections:					
Salaries and employee benefits	-	-	595,805	-	572,510
Other operating expenditures	-	-	163,794	-	144,327
Total	<u>639,723</u>	<u>862,463</u>	<u>759,599</u>	<u>102,864</u>	<u>716,837</u>
Total economic and physical development	<u>1,260,003</u>	<u>1,502,144</u>	<u>1,319,744</u>	<u>182,400</u>	<u>1,267,369</u>
Human services:					
Health:					
Contracted services	-	-	127,000	-	100,000
Total	<u>127,000</u>	<u>127,000</u>	<u>127,000</u>	<u>-</u>	<u>100,000</u>
Mental health:					
Contracted services	-	-	62,750	-	61,572
Total	<u>62,520</u>	<u>62,520</u>	<u>62,750</u>	<u>(230)</u>	<u>61,572</u>
Social services:					
Administration:					
Salaries and employee benefits	-	-	2,098,472	-	2,047,133
Other operating expenditures	-	-	622,423	-	453,182
Capital outlay	-	-	18,200	-	16,952
Total	<u>2,743,379</u>	<u>2,856,301</u>	<u>2,739,095</u>	<u>117,206</u>	<u>2,517,267</u>
Public Assistance:					
Electronic issuance	-	-	4,182	-	3,916
Medical Transportation	-	-	39,657	-	40,094
TANF	-	-	(123)	-	(252)
Medical assistance program	-	-	(18)	-	(2,492)
Special assistance for adults	-	-	123,952	-	110,816
Special adoption assistance	-	-	11,194	-	16,527
State foster care and boarding home payments	-	-	54,767	-	80,081
Title IV-E foster care	-	-	14,983	-	13,306
Special assistance for the blind	-	-	667	-	673
Title IV-E adoption assistance	-	-	17,896	-	33,380
Title IV-B adoption assistance	-	-	52,066	-	42,172
Title IV-B adoption assistance vendor payments	-	-	3,125	-	9,385
Child daycare	-	-	614,374	-	688,471
Smart start child daycare	-	-	25,238	-	107,451
ARRA - daycare	-	-	-	-	84,260
Home care block grant	-	-	54,156	-	59,078
LINKS special assistance	-	-	4,960	-	6,928
Other assistance	-	-	56,857	-	47,388
Total	<u>1,483,996</u>	<u>1,335,078</u>	<u>1,077,933</u>	<u>257,145</u>	<u>1,341,182</u>
Total social services	<u>4,227,375</u>	<u>4,191,379</u>	<u>3,817,028</u>	<u>374,351</u>	<u>3,858,449</u>
Juvenile crime prevention control					
JCPC council	-	-	13,728	-	12,223
Partnership of adolescents and support services	-	-	50,377	-	51,638
Restitution	-	-	9,993	-	5,736
Teen court	-	-	19,461	-	18,738

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, 2011

	2011			Variance with Final Budget Positive (Negative)	2010
	Budgeted Amounts		Actual		Actual
	Original	Final			
Total	107,457	102,163	93,559	8,604	88,335
Total human services	4,524,352	4,483,062	4,100,337	382,725	4,108,356
Cultural and recreational:					
Senior citizens centers:					
Salaries and employee benefits	-	-	163,238	-	160,059
Other operating expenditures	-	-	116,300	-	119,346
Total	307,606	312,170	279,538	32,632	279,405
Libraries:					
Salaries and employee benefits	-	-	399,080	-	371,166
Other operating expenditures	-	-	97,315	-	171,677
Total	516,023	516,023	496,395	19,628	542,843
Recreation:					
Salaries and employee benefits	-	-	391,989	-	385,940
Other operating expenditures	-	-	254,412	-	272,800
Capital outlay	-	-	23,230	-	36,321
Total	675,391	705,200	669,631	35,569	695,061
Rural Center					
Salaries and employee benefits	-	-	108,168	-	100,262
Other operating expenditures	-	-	641,042	-	273,118
Total	778,415	788,287	749,210	39,077	373,380
FIT Communities					
Other operating expenditures	-	-	4,904	-	3,961
Capital outlay	-	-	-	-	42,637
Total	4,172	5,592	4,904	688	46,598
Total cultural and recreational	2,281,607	2,327,272	2,199,678	127,594	1,937,287
Education:					
Public schools - current	-	-	8,720,781	-	8,855,554
Public schools - capital outlay	-	-	990,000	-	1,100,000
Community college	-	-	75,000	-	75,000
Total education	9,785,781	9,785,781	9,785,781	-	10,030,554
Debt service:					
Principal retirement	-	-	2,931,769	-	2,856,949
Interest and other charges	-	-	456,783	-	449,982
Total debt service	3,388,555	3,388,555	3,388,552	3	3,306,931
Total expenditures	44,005,379	44,878,699	42,910,043	1,968,656	42,986,735
Revenues over (under) expenditures	(7,531,653)	(8,222,426)	(4,768,244)	3,454,182	(4,169,494)

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, 2011

	2011			Variance with Final Budget Positive (Negative)	2010
	Budgeted Amounts		Actual		Actual
	Original	Final			
Other financing sources (uses):					
Transfers to other funds:					
Special Revenue Funds	-	-	(388,000)	-	(388,000)
Capital Projects Funds	-	-	(143,350)	-	-
Enterprise Funds	-	-	(779,275)	-	(1,776,129)
Total transfers to other funds	<u>(1,167,275)</u>	<u>(1,310,625)</u>	<u>(1,310,625)</u>	<u>-</u>	<u>(2,164,129)</u>
Transfers from other funds:					
Tourism Development Authority	-	-	3,055,481	-	2,480,925
Special Revenue Funds	-	-	328,574	-	126,622
Capital Projects Funds	-	-	2,159,312	-	1,642,600
Enterprise Funds	-	-	34,598	-	34,598
Total transfers from other funds	<u>5,503,384</u>	<u>5,631,289</u>	<u>5,577,965</u>	<u>53,324</u>	<u>4,284,745</u>
 Total other financing sources (uses)	 <u>4,336,109</u>	 <u>4,320,664</u>	 <u>4,267,340</u>	 <u>(53,324)</u>	 <u>2,120,616</u>
 Revenues and other financing sources over (under) expenditures and other financing uses	 <u>(3,195,544)</u>	 <u>(3,901,762)</u>	 <u>(500,904)</u>	 <u>3,400,858</u>	 <u>(2,048,878)</u>
Appropriated fund balance	<u>3,195,544</u>	<u>3,901,762</u>	<u>-</u>	<u>(3,901,762)</u>	<u>-</u>
 Revenues, other sources, and appropriated fund balance over (under) expenditures	 <u>\$ -</u>	 <u>\$ -</u>	 <u>(500,904)</u>	 <u>\$ (500,904)</u>	 <u>(2,048,878)</u>
 Fund balances:					
Beginning of year, July 1			8,567,150		10,616,028
End of year, June 30			<u>\$ 8,066,246</u>		<u>\$ 8,567,150</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, 2011

	2011			Variance with Final Positive (Negative)	2010
	Budgeted Amounts		Actual		Actual
	Original	Final			
Revenues:					
Investment earnings	\$ 5,000	\$ 5,000	\$ 5,430	\$ 430	\$ 6,501
Expenditures:					
Current:					
General government:					
Contract services	-	-	89,780	-	256,213
Capital outlay	-	-	-	-	15,442
Total expenditures	<u>200,000</u>	<u>200,000</u>	<u>89,780</u>	<u>110,220</u>	<u>271,655</u>
Revenues over (under) expenditures	<u>(195,000)</u>	<u>(195,000)</u>	<u>(84,350)</u>	<u>110,650</u>	<u>(265,154)</u>
Other financing sources:					
Operating transfer in:					
General Fund	<u>121,000</u>	<u>121,000</u>	<u>121,000</u>	<u>-</u>	<u>121,000</u>
Revenues and other sources over (under) expenditures	\$ (74,000)	\$ (74,000)	36,650	\$ 110,650	(144,154)
Appropriated fund balance	<u>74,000</u>	<u>74,000</u>	<u>-</u>	<u>(74,000)</u>	<u>-</u>
Revenues, other sources, and appropriated fund balance over (under) expenditures	<u>\$ -</u>	<u>\$ -</u>	36,650	<u>\$ 36,650</u>	(144,154)
Fund balances:					
Beginning of year, July 1			400,382		544,536
End of year, June 30			<u>\$ 437,032</u>		<u>\$ 400,382</u>

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, 2011

	2011			Variance with Final Positive (Negative)	2010
	Budgeted Amounts		Actual		Actual
	Original	Final			
Revenues:					
Ad valorem taxes:					
Prior years	\$ -	\$ -		\$ -	\$ 733
Interest	-	-		0	380
Total ad valorem taxes	-	-	-	-	1,113
Investment earnings	-	-	617	617	550
Total revenues	-	-	617	617	1,663
Other financing uses:					
Transfers to general fund	-	(10,336)	(10,336)	-	-
Revenues and other financing uses	-	(10,336)	(9,719)	617	1,663
Appropriated fund balance	-	10,336	-	(10,336)	-
Revenues, other financing sources and appropriated fund balance over (under) other uses	\$ -	\$ -	(9,719)	\$ (9,719)	1,663
Fund balances:					
Beginning of year, July 1			48,194		46,531
End of year, June 30			<u>\$ 38,475</u>		<u>\$ 48,194</u>

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, 2011

	2011			Variance with Final Positive (Negative)	2010
	Budgeted Amounts		Actual		Actual
	Original	Final			
Revenues:					
Investment earnings	\$ 2,000	\$ 2,000	\$ 2,511	\$ 511	\$ 6,052
Expenditures:					
Current:					
Public safety	517,000	680,606	582,104	98,502	202,394
Total expenditures	517,000	680,606	582,104	98,502	202,394
Revenues over (under) expenditures	(515,000)	(678,606)	(579,593)	99,013	(196,342)
Other financing sources:					
Transfers from general fund	267,000	267,000	267,000	-	267,000
Revenues and other financing sources over expenditures	(248,000)	(411,606)	(312,593)	99,013	70,658
Appropriated fund balance	248,000	411,606	-	(411,606)	-
Revenues, other finance sources and appropriated fund balance over (under) expenditures	\$ -	\$ -	(312,593)	\$ (312,593)	70,658
Fund balances:					
Beginning of year, July 1			493,109		422,451
End of year, June 30			\$ 180,516		\$ 493,109

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, 2011

	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	125,000	-	125,000	40,000
Investment Earnings	5,000	8,488	1,086	9,574	4,574
Total revenues	<u>490,000</u>	<u>527,837</u>	<u>1,086</u>	<u>528,923</u>	<u>38,923</u>
Expenditures					
Economic and physical development:					
CDBG scattered site project - 2002					
Housing Rehabilitation - County funding	490,448	461,546	-	461,546	28,902
Administration	22,551	22,551	-	22,551	-
Clearance	35,328	34,628	-	34,628	700
Housing Rehabilitation	61,559	60,608	-	60,608	951
Relocation	280,562	276,562	-	276,562	4,000
Total CDBG scattered site project 2002	<u>890,448</u>	<u>855,895</u>	<u>-</u>	<u>855,895</u>	<u>34,553</u>
Total expenditures	<u>890,448</u>	<u>855,895</u>	<u>-</u>	<u>855,895</u>	<u>34,553</u>
Revenues under expenditures	<u>(400,448)</u>	<u>(328,058)</u>	<u>1,086</u>	<u>(326,972)</u>	<u>73,476</u>
Other financing sources:					
Transfers in:					
General Fund	400,448	416,291	-	416,291	15,843
Revenues and other financing sources over (under) expenditures	<u>\$ -</u>	<u>\$ 88,233</u>	<u>1,086</u>	<u>\$ 89,319</u>	<u>\$ 89,319</u>
Fund balance:					
Beginning of year, July 1			<u>77,787</u>		
End of Year, June 30			<u>\$ 78,873</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, 2011

	2011			Variance with Final Positive (Negative)	2010
	Original Budget	Final Budget	Actual		Actual
Revenues:					
Investment earnings	\$ -	\$ -	\$ 37,567	\$ 37,567	\$ 40,097
Total revenues	<u>-</u>	<u>-</u>	<u>37,567</u>	<u>37,567</u>	<u>40,097</u>
Other financing sources (uses):					
Transfers to operating fund	(630,000)	(630,000)	(630,000)	-	-
Transfers to Moyock Central Sewer	-	(691,591)	(691,591)	-	-
Transfers from transfer tax fund	<u>300,000</u>	<u>300,000</u>	<u>300,000</u>	<u>-</u>	<u>300,000</u>
Revenues and other financing sources (uses)	(330,000)	(1,021,591)	(984,024)	37,567	340,097
Appropriated fund balance	<u>330,000</u>	<u>1,021,591</u>	<u>-</u>	<u>(1,021,591)</u>	<u>-</u>
Revenues, other financing sources and appropriated fund balance	<u>\$ -</u>	<u>\$ -</u>	(984,024)	<u>\$ (984,024)</u>	340,097
Fund balances:					
Beginning of year, July 1			<u>3,520,735</u>		<u>3,180,638</u>
End of year, June 30			<u>\$ 2,536,711</u>		<u>\$ 3,520,735</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, 2011

	Project Authorization	Actual		Total to Date	Variance Positive (Negative)
		Prior Years	Current Year		
Revenues					
Intergovernmental revenues:					
State aid to airports	\$ 1,530,199	\$ 330,461	\$ 1,016,192	\$ 1,346,653	\$ (183,546)
NCSU Grant	\$ -	\$ -	\$ 10,650	10,650	10,650
PARTF - Carova park	504,905	497,557	-	497,557	(7,348)
PARTF - Corolla multi-use path	500,000	-	288,824	288,824	(211,176)
Total	2,535,104	828,018	1,315,666	2,143,684	(391,420)
Investment earnings	1,929,468	3,264,236	260,237	3,524,473	1,595,005
Total revenues	4,464,572	4,092,254	1,575,903	5,668,157	1,203,585
Expenditures					
Public safety:					
Animal Shelter	20,000	-	10,061	10,061	9,939
Knotts Island Fire Station	2,206,411	2,145,731	-	2,145,731	60,680
Lower Currituck Station Renovations	325,000	318,181	-	318,181	6,819
Sheriff Evidence Vault	400,000	-	18,832	18,832	381,168
Total public safety	2,951,411	2,463,912	28,893	2,492,805	458,606
Economic and physical development:					
Cooperative extension building	8,400,000	8,336,451	42,319	8,378,770	21,230
Maple commerce park	2,309,033	107,970	143,643	251,613	2,057,420
Total	10,709,033	8,444,421	185,962	8,630,383	2,078,650
Transportation:					
Hangar #3 FY 2006	41,586	1,917	19,820	21,737	19,849
Rehab Taxiway A	179,330	27,660	151,375	179,035	295
Airport - County Funding	199,328	19,104	141,029	160,133	39,195
Taxiway	510,670	-	279,581	279,581	231,089
Parallel taxiway	1,273,334	141,029	1,056,092	1,197,121	76,213
Total transportation	2,204,248	189,710	1,647,897	1,837,607	366,641
Cultural and recreational:					
Community park development	2,449,000	2,423,681	14,198	2,437,879	11,121
Carova Beach park	560,811	495,115	-	495,115	65,696
Corolla multi-use path	1,360,549	514,738	142,109	656,847	703,702
Moyock library	2,517,200	2,505,301	3,598	2,508,899	8,301
Recreation facility - Maple	13,677,266	306,798	6,192,576	6,499,374	7,177,892
Total cultural and recreational	20,564,826	6,245,633	6,352,481	12,598,114	7,966,712
Total expenditures	36,429,518	17,343,676	8,215,233	25,558,909	10,870,609
Revenues under expenditures	(31,964,946)	(13,251,422)	(6,639,330)	(19,890,752)	12,074,194
Other financing sources (uses):					
Transfers (to) from other funds:					
General fund	4,054,017	5,309,079	143,350	5,452,429	1,398,412
Tourism Development Authority	12,621,952	10,446,935	690,974	11,137,909	(1,484,043)
Capital improvements fund	1,821,409	7,301,409	651,969	7,953,378	6,131,969
Transfer tax capital fund	12,967,568	11,516,603	2,197,513	13,714,116	746,548
School construction fund	(2,250,000)	(2,250,000)	-	(2,250,000)	-
Total other financing sources (uses)	29,214,946	32,324,026	3,683,806	36,007,832	6,792,886
Revenues and other sources over (under) expenditures	(2,750,000)	19,072,604	(2,955,524)	16,117,080	18,867,080
Appropriated fund balance	2,750,000	-	-	-	(2,750,000)
Revenues, other sources and appropriated fund balance over (under) expenditures	\$ -	\$ 19,072,604	(2,955,524)	\$ 16,117,080	\$ 16,117,080
Fund balances:					
Beginning of year, July 1			19,678,657		
End of year, June 30			<u>\$ 16,723,133</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, 2011

	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	439,962	423,740	219,962	643,702	203,740
Investment earnings	1,303,286	2,563,604	71,038	2,634,642	1,331,356
Total revenues	<u>2,364,228</u>	<u>4,064,909</u>	<u>291,000</u>	<u>4,355,909</u>	<u>1,991,681</u>
Expenditures					
Intergovernmental - education:					
Jarvisburg Elementary School construction	14,794,000	14,332,196	-	14,332,196	461,804
Knapp Early College Renovations/Bleachers	340,000	317,603	4,991	322,594	17,406
Moyock Elementary School, renovation	1,801,833	1,801,832	-	1,801,832	1
Shawboro Elementary School construction	20,473,208	20,127,643	-	20,127,643	345,565
Knapp Early College - Chiller Replacement	150,000	-	134,371	134,371	15,629
Griggs Elementary Bus Canopy	65,000	-	-	-	65,000
Currituck Middle School - HVAC replacement	120,400	-	120,400	120,400	-
Knotts Island Elementary School - Chiller replacement	38,391	-	38,391	38,391	-
Knotts Island Elementary School - Connector	16,000	-	14,173	14,173	1,827
Currituck County High School - Chiller replacement	50,171	50,171	-	50,171	-
Total expenditures	<u>37,849,003</u>	<u>36,629,445</u>	<u>312,326</u>	<u>36,941,771</u>	<u>907,232</u>
Revenues over (under) expenditures	<u>(35,484,775)</u>	<u>(32,564,536)</u>	<u>(21,326)</u>	<u>(32,585,862)</u>	<u>2,898,913</u>
Other financing sources:					
Issuance of debt	8,000,000	8,000,000	-	8,000,000	-
Transfers from					
General Fund	14,656,058	14,905,353	-	14,905,353	249,295
Governmental Construction Fund	2,250,000	2,250,000	-	2,250,000	-
Transfer Tax Capital Fund	10,578,717	11,578,717	1,000,000	12,578,717	2,000,000
	<u>27,484,775</u>	<u>28,734,070</u>	<u>1,000,000</u>	<u>29,734,070</u>	<u>2,249,295</u>
Total other financing sources	<u>35,484,775</u>	<u>36,734,070</u>	<u>1,000,000</u>	<u>37,734,070</u>	<u>2,249,295</u>
Revenues, other sources over (under) expenditures	<u>\$ -</u>	<u>\$ 4,169,534</u>	<u>978,674</u>	<u>\$ 5,148,208</u>	<u>\$ 5,148,208</u>
Fund balances:					
Beginning of year, July 1			<u>4,229,327</u>		
End of year, June 30			<u>\$ 5,208,001</u>		

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County of Currituck, North Carolina
Combining Balance Sheet
Non-Major Governmental Funds
June 30, 2011

	Emergency Telephone System Fund	Guinea Mill Watershed Improvement Fund	Hog Ditch Watershed Improvement Fund	Moyock Watershed Improvement Fund	Northwest Watershed Improvement Fund	Whalehead Watershed Improvement Fund	Total Non-Major Special Revenue Funds	Capital Improvements Fund	School Capital Fund	Transfer Tax Capital Fund	Total Non-Major Capital Projects Funds	Total Non-Major Governmental Funds
ASSETS												
Cash and cash equivalents	\$ 783,165	\$ 77,967	\$ 811	\$ 21,783	\$ 8,996	\$ 1,326,095	\$ 2,218,817	\$ 4,031,341	\$ 1,289,011	\$ 3,966,145	\$ 9,286,497	\$ 11,505,314
Taxes receivable, net	-	541	-	492	51	1,556	2,640	-	-	-	-	2,640
Due from other governments	26,603	-	-	-	-	2,847	29,450	450,382	435,250	-	885,632	915,082
Total assets	\$ 809,768	\$ 78,508	\$ 811	\$ 22,275	\$ 9,047	\$ 1,330,498	\$ 2,250,907	\$ 4,481,723	\$ 1,724,261	\$ 3,966,145	\$ 10,172,129	\$ 12,423,036
LIABILITIES AND FUND BALANCES												
Liabilities:												
Accounts payable and accrued liabilities	\$ 118	\$ -	\$ 12	\$ -	\$ -	\$ 1,007	\$ 1,137	\$ -	\$ -	\$ -	\$ -	\$ 1,137
Deferred revenue	-	541	-	492	51	1,556	2,640	-	-	-	-	2,640
Total liabilities	118	541	12	492	51	2,563	3,777	-	-	-	-	3,777
Fund balances:												
Restricted:												
Stabilization by State Statute	2,603	-	-	-	-	-	2,603	-	-	-	-	2,603
Watershed Improvements	-	77,967	799	21,783	8,996	1,327,935	1,437,480	-	-	-	-	1,437,480
Capital Assets	-	-	-	-	-	-	-	4,481,723	1,724,261	3,966,145	10,172,129	10,172,129
Unassigned	807,047	-	-	-	-	-	807,047	-	-	-	-	807,047
Total fund balances	809,650	77,967	799	21,783	8,996	1,327,935	2,247,130	4,481,723	1,724,261	3,966,145	10,172,129	12,419,259
Total liabilities and fund balances	\$ 809,768	\$ 78,508	\$ 811	\$ 22,275	\$ 9,047	\$ 1,330,498	\$ 2,250,907	\$ 4,481,723	\$ 1,724,261	\$ 3,966,145	\$ 10,172,129	\$ 12,423,036

County of Currituck, North Carolina
Combining Statement of Revenues, Expenditures, and Changes in Fund Balance
Nonmajor Governmental Funds
For the Year Ended June 30, 2011

	Emergency Telephone System Fund	Guinea Mill Watershed Improvement Fund	Hog Ditch Watershed Improvement Fund	Moyock Watershed Improvement Fund	Northwest Watershed Improvement Fund	Whalehead Watershed Improvement Fund	Total Non-Major Special Revenue Funds	Capital Improvements Fund	School Capital Fund	Transfer Tax Capital Fund	Total Non-major Capital Projects Funds	Total Non-Major Governmental Funds
REVENUES												
Ad valorem taxes	\$ -	\$ 12,004	\$ 1,098	\$ 15,657	\$ 2,327	\$ 385,493	\$ 416,579	\$ -	\$ -	\$ -	\$ -	\$ 416,579
Other taxes and licenses	294,715	-	-	-	-	-	294,715	1,620,627	1,527,386	2,215,696	5,363,709	5,658,424
Restricted intergovernmental	-	-	480	-	-	-	480	-	-	-	-	480
Investment earnings	10,321	1,046	28	302	116	17,566	29,379	54,326	18,159	73,064	145,549	174,928
Total revenues	305,036	13,050	1,606	15,959	2,443	403,059	741,153	1,674,953	1,545,545	2,288,760	5,509,258	6,250,411
EXPENDITURES												
Current:												
Public safety	98,963	-	-	-	-	-	98,963	-	-	-	-	98,963
Environmental protection	-	1,500	2,910	6,400	-	384,430	395,240	-	-	-	-	395,240
Total expenditures	98,963	1,500	2,910	6,400	-	384,430	494,203	-	-	-	-	494,203
Transfers (to) from other funds	(64,995)	-	-	-	-	(253,243)	(318,238)	(1,191,281)	(990,000)	(3,497,513)	(5,678,794)	(5,997,032)
Total other financing sources and uses	(64,995)	-	-	-	-	(253,243)	(318,238)	(1,191,281)	(990,000)	(3,497,513)	(5,678,794)	(5,997,032)
Net change in fund balances	141,078	11,550	(1,304)	9,559	2,443	(234,614)	(71,288)	483,672	555,545	(1,208,753)	(169,536)	(240,824)
Fund balances - beginning	668,572	66,417	2,103	12,224	6,553	1,562,549	2,318,418	3,998,051	1,168,716	5,174,898	10,341,665	12,660,083
Fund balances - ending	\$ 809,650	\$ 77,967	\$ 799	\$ 21,783	\$ 8,996	\$ 1,327,935	\$ 2,247,130	\$ 4,481,723	\$ 1,724,261	\$ 3,966,145	\$ 10,172,129	\$ 12,419,259

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, 2011

	2011			Variance with Final Positive (Negative)	2010
	Budgeted Amounts		Actual		Actual
	Original	Final			
Revenues					
Other taxes and licenses:					
911 system subscriber fees	\$ 247,800	\$ 247,800	\$ 294,715	\$ 46,915	\$ 294,715
Investment earnings	5,000	5,000	10,321	5,321	6,621
Total revenues	252,800	252,800	305,036	52,236	301,336
Expenditures					
Public safety	252,800	233,457	98,963	134,494	190,954
Total expenditures	252,800	233,457	98,963	134,494	190,954
Revenues over (under) expenditures	-	19,343	206,073	186,730	110,382
Other financing uses:					
Transfers to general fund	-	(19,343)	(64,995)	(45,652)	-
Revenues and other financing sources over expenditures	\$ -	\$ -	141,078	\$ 141,078	110,382
Fund balances:					
Beginning of year, July 1			668,572		558,190
End of year, June 30			<u>\$ 809,650</u>		<u>\$ 668,572</u>

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, 2011

	2011			Variance with Final Positive (Negative)	2010
	Budgeted Amounts		Actual		Actual
	Original	Final			
Revenues:					
Ad valorem taxes:					
Current year	\$ 10,588	\$ 10,588	\$ 11,595	\$ 1,007	\$ 11,509
Prior years	-	-	340	340	287
Interest	-	-	69	69	61
Total ad valorem taxes	<u>10,588</u>	<u>10,588</u>	<u>12,004</u>	<u>1,416</u>	<u>11,857</u>
Investment earnings	<u>750</u>	<u>750</u>	<u>1,046</u>	<u>296</u>	<u>780</u>
Total revenues	<u>11,338</u>	<u>11,338</u>	<u>13,050</u>	<u>1,712</u>	<u>12,637</u>
Expenditures:					
Current:					
Environmental protection:	<u>11,338</u>	<u>11,338</u>	<u>1,500</u>	<u>9,838</u>	<u>4,500</u>
Total expenditures	<u>11,338</u>	<u>11,338</u>	<u>1,500</u>	<u>9,838</u>	<u>4,500</u>
Revenues over (under) expenditures	<u>\$ -</u>	<u>\$ -</u>	11,550	<u>\$ 11,550</u>	8,137
Fund balances:					
Beginning of year, July 1			<u>66,417</u>		<u>58,280</u>
End of year, June 30			<u>\$ 77,967</u>		<u>\$ 66,417</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, 2011

	2011			Variance with Final Positive (Negative)	2010
	Budgeted Amounts		Actual		Actual
	Original	Final			
Revenues:					
Ad valorem taxes:					
Current year	\$ 963	\$ 963	\$ 1,096	\$ 133	\$ 1,100
Prior years taxes	-	-	-	-	7
Interest	-	-	2	2	3
Total ad valorem taxes	963	963	1,098	135	1,110
Miscellaneous grants	-	480	480	-	-
Investment earnings	-	-	28	28	50
Total revenues	963	1,443	1,606	163	1,160
Expenditures:					
Current:					
Environmental protection:	963	3,443	2,910	533	3,300
Total expenditures	963	3,443	2,910	533	3,300
Revenues over (under) expenditures	-	(2,000)	(1,304)	696	(2,140)
Appropriated fund balance	-	2,000	-	(2,000)	-
Revenues, other finance sources and appropriated fund balance over (under) expenditures	\$ -	\$ -	(1,304)	\$ (1,304)	(2,140)
Fund balances:					
Beginning of year, July 1			2,103		4,243
End of year, June 30			\$ 799		\$ 2,103

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, 2011

	2011			Variance with Final Positive (Negative)	2010
	Budgeted Amounts		Actual		Actual
	Original	Final			
Revenues:					
Ad valorem taxes:					
Current year	\$ 12,488	\$ 12,488	\$ 15,243	\$ 2,755	\$ 15,211
Prior years taxes	-	-	318	318	248
Interest	-	-	96	96	64
Total ad valorem taxes	<u>12,488</u>	<u>12,488</u>	<u>15,657</u>	<u>3,169</u>	<u>15,523</u>
Investment earnings	<u>250</u>	<u>250</u>	<u>302</u>	<u>52</u>	<u>176</u>
Total revenues	<u>12,738</u>	<u>12,738</u>	<u>15,959</u>	<u>3,221</u>	<u>15,699</u>
Expenditures:					
Current:					
Environmental protection:	<u>12,738</u>	<u>12,738</u>	<u>6,400</u>	<u>6,338</u>	<u>18,940</u>
Total expenditures	<u>12,738</u>	<u>12,738</u>	<u>6,400</u>	<u>6,338</u>	<u>18,940</u>
Revenues over (under) expenditures	<u>\$ -</u>	<u>\$ -</u>	9,559	<u>\$ 9,559</u>	(3,241)
Fund balances:					
Beginning of year, July 1			<u>12,224</u>		<u>15,465</u>
End of year, June 30			<u>\$ 21,783</u>		<u>\$ 12,224</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, 2011

	2011			Variance with Final Positive (Negative)	2010
	Budgeted Amounts		Actual		Actual
	Original	Final			
Revenues:					
Ad valorem taxes:					
Current year	\$ 1,723	\$ 1,723	\$ 2,267	\$ 544	\$ 2,100
Prior years taxes		-	53	53	1
Interest	-	-	7	7	3
Total ad valorem taxes	<u>1,723</u>	<u>1,723</u>	<u>2,327</u>	<u>604</u>	<u>2,104</u>
Investment earnings	-	-	116	116	68
Total revenues	<u>1,723</u>	<u>1,723</u>	<u>2,443</u>	<u>720</u>	<u>2,172</u>
Expenditures:					
Current:					
Environmental protection:	<u>1,723</u>	<u>1,723</u>	-	<u>1,723</u>	-
Total expenditures	<u>1,723</u>	<u>1,723</u>	<u>-</u>	<u>1,723</u>	<u>-</u>
Revenues over (under) expenditures	<u>\$ -</u>	<u>\$ -</u>	2,443	<u>\$ 2,443</u>	2,172
Fund balances:					
Beginning of year, July 1			<u>6,553</u>		<u>4,381</u>
End of year, June 30			<u>\$ 8,996</u>		<u>\$ 6,553</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, 2011

	2011			Variance with Final Positive (Negative)	2010
	Budgeted Amounts		Actual		Actual
	Original	Final			
Revenues:					
Ad valorem taxes:					
Current year	\$ 366,520	\$ 366,520	\$ 384,236	\$ 17,716	\$ 384,463
Prior year taxes	-	-	779	779	1,451
Interest	-	-	478	478	741
Total ad valorem taxes	<u>366,520</u>	<u>366,520</u>	<u>385,493</u>	<u>18,973</u>	<u>386,655</u>
Investment earnings	<u>7,500</u>	<u>7,500</u>	<u>17,566</u>	<u>10,066</u>	<u>12,458</u>
Total revenues	<u>374,020</u>	<u>374,020</u>	<u>403,059</u>	<u>29,039</u>	<u>399,113</u>
Expenditures:					
Current:					
Environmental protection:	<u>120,777</u>	<u>2,163,436</u>	<u>384,430</u>	<u>1,779,006</u>	<u>1,631,012</u>
Total expenditures	<u>120,777</u>	<u>2,163,436</u>	<u>384,430</u>	<u>1,779,006</u>	<u>1,631,012</u>
Revenues over (under) expenditures	<u>253,243</u>	<u>(1,789,416)</u>	<u>18,629</u>	<u>1,808,045</u>	<u>(1,231,899)</u>
Other financing sources (uses):					
Transfers to operating fund	(253,243)	(253,243)	(253,243)	-	(126,622)
Issuance of debt	-	-	-	-	2,100,000
Total other financing sources (uses)	<u>(253,243)</u>	<u>(253,243)</u>	<u>(253,243)</u>	<u>-</u>	<u>1,973,378</u>
Revenues and other financing sources (uses) over (under) expenditures	-	(2,042,659)	(234,614)	1,808,045	741,479
Appropriated fund balance	<u>-</u>	<u>2,042,659</u>	<u>-</u>	<u>(2,042,659)</u>	<u>-</u>
Revenues and appropriated fund balance over (under) expenditures	<u>\$ -</u>	<u>\$ -</u>	<u>(234,614)</u>	<u>\$ (234,614)</u>	<u>741,479</u>
Fund balances:					
Beginning of year, July 1			<u>1,562,549</u>		<u>821,070</u>
End of year, June 30			<u>\$ 1,327,935</u>		<u>\$ 1,562,549</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, 2011

	2011			Variance with Final Positive (Negative)	2010
	Budgeted Amounts		Actual		Actual
	Original	Final			
Revenues:					
Other taxes and licenses:					
Article 40 supplemental sales tax	\$ 807,759	\$ 807,759	\$ 843,317	\$ 35,558	\$ 829,283
Article 42 supplemental sales tax	409,210	409,210	777,310	368,100	482,072
Investment earnings	25,000	25,000	54,326	29,326	47,775
Total revenues	<u>1,241,969</u>	<u>1,241,969</u>	<u>1,674,953</u>	<u>432,984</u>	<u>1,359,130</u>
Other financing uses:					
Transfers to other funds:					
General fund	(610,000)	(610,000)	(539,312)	70,688	(542,600)
Moyock Central Sewer Construction fund	-	-	-	-	(555,925)
County Government Facilities fund	(631,969)	(651,969)	(651,969)	-	-
Total other financing uses	<u>(1,241,969)</u>	<u>(1,261,969)</u>	<u>(1,191,281)</u>	<u>70,688</u>	<u>(1,098,525)</u>
Revenues over (under) other financing uses	\$ -	\$ (20,000)	483,672	503,672	260,605
Appropriated fund balance	<u>-</u>	<u>20,000</u>	<u>-</u>	<u>(20,000)</u>	<u>-</u>
Revenues and other financing uses over appropriated fund balance	<u>\$ -</u>	<u>\$ -</u>	483,672	<u>\$ 483,672</u>	260,605
Fund balances:					
Beginning of year, July 1			<u>3,998,051</u>		<u>3,737,446</u>
End of year, June 30			<u>\$ 4,481,723</u>		<u>\$ 3,998,051</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, 2011

	2011			Variance with Final Positive (Negative)	2010
	Budgeted Amounts		Actual		Actual
	Original	Final			
Revenues:					
Other taxes and licenses:					
Article 40 supplemental sales tax	\$ 346,182	\$ 346,182	\$ 361,421	\$ 15,239	\$ 355,407
Article 42 supplemental sales tax	613,816	613,816	1,165,965	552,149	723,108
Investment earnings	10,002	10,002	18,159	8,157	9,718
Total revenues	<u>970,000</u>	<u>970,000</u>	<u>1,545,545</u>	<u>575,545</u>	<u>1,088,233</u>
Other financing uses:					
Transfers to other funds:					
General fund	(990,000)	(990,000)	(990,000)	-	(1,100,000)
Total other financing uses	<u>(990,000)</u>	<u>(990,000)</u>	<u>(990,000)</u>	<u>-</u>	<u>(1,100,000)</u>
Revenues over (under) other financing uses	(20,000)	(20,000)	555,545	575,545	(11,767)
Appropriated fund balance	20,000	20,000	-	(20,000)	-
Revenues and other financing uses appropriated fund balance over expenditures	<u>\$ -</u>	<u>\$ -</u>	555,545	<u>\$ 555,545</u>	(11,767)
Fund balances:					
Beginning of year, July 1			1,168,716		1,180,483
End of year, June 30			<u>\$ 1,724,261</u>		<u>\$ 1,168,716</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, 2011

	2011			Variance with Final Positive (Negative)	2010
	Budgeted Amounts		Actual		Actual
	Original	Final			
Revenues:					
Other taxes and licenses					
Land transfer tax	\$ 1,600,000	\$ 2,000,000	\$ 2,215,696	\$ 215,696	\$ 2,300,500
Investment earnings	40,000	40,000	73,064	33,064	56,789
Total revenues	<u>1,640,000</u>	<u>2,040,000</u>	<u>2,288,760</u>	<u>248,760</u>	<u>2,357,289</u>
Expenditures:					
Fees Paid to Officials	700	700	-	700	-
Contingency	339,300	-	-	-	-
Total expenditures	<u>340,000</u>	<u>700</u>	<u>-</u>	<u>700</u>	<u>-</u>
Revenues over (under) expenditures	<u>1,300,000</u>	<u>2,039,300</u>	<u>2,288,760</u>	<u>249,460</u>	<u>2,357,289</u>
Other financing uses:					
Transfers to County government facilities	-	(2,197,513)	(2,197,513)	-	(339,300)
Transfers to school facilities fund	(1,000,000)	(1,000,000)	(1,000,000)	-	(1,000,000)
Transfers to land banking fund	(300,000)	(300,000)	(300,000)	-	(300,000)
Total other financing uses	<u>(1,300,000)</u>	<u>(3,497,513)</u>	<u>(3,497,513)</u>	<u>-</u>	<u>(1,639,300)</u>
Revenues and other financing uses over (under) expenditures	-	(1,458,213)	(1,208,753)	249,460	717,989
Appropriated fund balance	-	1,458,213	-	(1,458,213)	-
Revenues and other financing uses over expenditures	<u>\$ -</u>	<u>\$ -</u>	(1,208,753)	<u>\$ (1,208,753)</u>	717,989
Fund balances:					
Beginning of year, July 1			5,174,898		4,456,909
End of year, June 30			<u>\$ 3,966,145</u>		<u>\$ 5,174,898</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, 2011

	2011			Variance with Final Positive (Negative)	2010
	Budgeted Amounts		Actual		Actual
	Original	Final			
Revenues:					
Occupancy Tax	\$ 8,772,600	\$ 8,843,676	\$ 9,442,002	\$ 598,326	\$ 8,672,218
Insurance Recovery	-	3,664	-	(3,664)	-
Co-op Advertising	-	6,700	22,000	15,300	15,325
Penalties and interest	-	-	4,798	4,798	9,269
Investment earnings	100,000	105,546	129,326	23,780	127,116
Total revenues	8,872,600	8,959,586	9,598,126	638,540	8,823,928
Expenditures:					
Tourism Promotion:					
Salaries	-	-	517,159	-	459,733
Operating Expenses	-	-	231,407	-	232,438
Promotions	-	-	2,084,168	-	2,048,436
Capital Outlay	-	-	124,387	-	83,512
Total Tourism Promotions	3,011,254	9,072,611	2,957,121	6,115,490	2,824,119
Tourism Related Expenditures:					
Utilities	-	-	21,294	-	1,940
Repairs and maintenance	-	-	13,021	-	15,195
Signs	-	-	6,558	-	6,846
Outer Banks access ramps	-	-	27,525	-	46,720
Rent	-	-	11,900	-	11,900
Contracted services	-	-	55,823	-	222,575
Lifeguard services	-	-	706,933	-	626,111
Historic preservation	-	-	17,970	-	6,008
Corolla Wild Horse support	-	-	99,994	-	74,998
Insurance and bonds	-	-	4,447	-	4,314
Professional services	-	-	169,895	-	25,000
Whalehead projects	-	-	643,402	-	900,508
Capital outlay	-	-	12,358	-	510,459
Total tourism related expenditures	2,295,904	2,428,515	1,791,120	637,395	2,452,574
Total expenditures	5,307,158	11,501,126	4,748,241	6,752,885	5,276,693
Revenues over (under) expenditures	3,565,442	(2,541,540)	4,849,885	7,391,425	3,547,235
Other financing sources:					
Transfers (to) from other funds:					
General fund	(2,970,141)	(3,068,367)	(3,055,481)	12,886	(2,480,925)
Carova Beach Service District Fund	-	-	-	-	(300,000)
County Governmental Facilities fund	(690,974)	(690,974)	(690,974)	-	(1,815,699)
Total other financing uses	(3,661,115)	(3,759,341)	(3,746,455)	12,886	(4,596,624)
Revenues and other financing sources over (under) expenditures and other financing uses	(95,673)	(6,300,881)	1,103,430	7,404,311	(1,049,389)
Appropriated fund balance	95,673	6,300,881	-	(6,300,881)	-
Revenues, other financing sources, and appropriated fund balance over (under) expenditures	\$ -	\$ -	1,103,430	\$ 1,103,430	(1,049,389)
Fund balances:					
Beginning of year, July 1			6,254,103		7,303,492
Fund balance: Tourism promotion			5,265,888		4,949,722
Fund balance: Tourism related expenditures			2,091,645		1,304,381
End of year, June 30			\$ 7,357,533		\$ 6,254,103
A legally budgeted Carova Beach Service District Fund is consolidated in the Tourism Development Authority Fund for reporting purposes:					
Investment earnings			3,777		-
Transfer-in Tourism Development Authority Fund			-		300,000
Expenditures			(17,658)		(18,600)
Beginning Fund Balance, Carova Beach Service District Fund			281,400		-
Ending Fund Balance Exhibit 4			\$ 7,625,052		\$ 6,535,503

County of Currituck, North Carolina
Carova Beach Service District Fund
Schedule of Revenues, Expenditures, and
Changes in Fund Balances - Budget and Actual
For the Fiscal Year Ended June 30, 2011

	2011			Variance with Final Positive (Negative)	2010
	Budgeted Amounts		Actual		Actual
	Original	Final			
Revenues:					
Investment earnings	\$ -	\$ -	\$ 3,777	\$ 3,777	\$ -
Expenditures:					
Current:					
Environmental protection	278,655	278,655	17,658	260,997	18,600
Total expenditures	<u>278,655</u>	<u>278,655</u>	<u>17,658</u>	<u>260,997</u>	<u>18,600</u>
Revenues over (under) expenditures	(278,655)	(278,655)	(13,881)	264,774	(18,600)
Other financing sources:					
Transfers from tourism development authority	-	-	-	-	300,000
Revenues and other financing sources over expenditures	(278,655)	(278,655)	(13,881)	264,774	281,400
Appropriated fund balance	<u>278,655</u>	<u>278,655</u>	<u>-</u>	<u>(278,655)</u>	<u>-</u>
Revenues, other finance sources and appropriated fund balance over (under) expenditures	<u>\$ -</u>	<u>\$ -</u>	(13,881)	<u>\$ (13,881)</u>	281,400
Fund balances:					
Beginning of year, July 1			281,400		-
End of year, June 30			<u>\$ 267,519</u>		<u>\$ 281,400</u>

**County of Currituck, North Carolina
Combining Statement of Net Assets
Non-Major Proprietary Funds
For the Year Ended June 30, 2011**

	Enterprise Funds		Totals	
	Newtown Road Sewer Fund	Moyock Commons Sewer Fund	June 30, 2011	June 30, 2010
ASSETS				
Current assets:				
Cash and cash equivalents	\$ 75,628	\$ 178,352	\$ 253,980	\$ 233,429
Taxes receivable, net	-	5,801	5,801	5,801
Receivables, net	1,094	6,591	7,685	7,288
Total current assets	<u>76,722</u>	<u>190,744</u>	<u>267,466</u>	<u>246,518</u>
Noncurrent assets:				
Capital assets:				
Land, improvements, and construction in progress	87,000	67,625	154,625	154,625
Other capital assets, net of depreciation	189,322	321,667	510,989	516,541
Total capital assets	<u>276,322</u>	<u>389,292</u>	<u>665,614</u>	<u>671,166</u>
Total assets	<u>353,044</u>	<u>580,036</u>	<u>933,080</u>	<u>917,684</u>
LIABILITIES				
Current liabilities:				
Accounts payable	1,006	2,283	3,289	745
Customer deposits	350	300	650	500
Total liabilities	<u>1,356</u>	<u>2,583</u>	<u>3,939</u>	<u>1,245</u>
NET ASSETS				
Invested in capital assets, net of related debt	276,322	389,292	665,614	671,166
Unrestricted	75,366	188,161	263,527	245,273
Total net assets	<u>\$ 351,688</u>	<u>\$ 577,453</u>	<u>\$ 929,141</u>	<u>\$ 916,439</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, 2011

	Enterprise Funds		Totals	
	Newtown Road Sewer Fund	Moyock Commons Sewer Fund	June 30, 2011	June 30, 2010
OPERATING REVENUES				
Charges for services	\$ 7,803	\$ 67,092	\$ 74,895	\$ 69,158
Miscellaneous	-	987	987	6,076
Total operating revenues	<u>7,803</u>	<u>68,079</u>	<u>75,882</u>	<u>75,234</u>
OPERATING EXPENSES				
Administration	-	16,426	16,426	6,723
Water and sewer district	12,582	28,816	41,398	79,515
Depreciation	16,954	15,856	32,810	31,876
Total operating expenses	<u>29,536</u>	<u>61,098</u>	<u>90,634</u>	<u>118,114</u>
Operating income (loss)	<u>(21,733)</u>	<u>6,981</u>	<u>(14,752)</u>	<u>(42,880)</u>
NONOPERATING REVENUES (EXPENSES)				
Tax revenue	-	58,520	58,520	53,945
Interest and investment revenue	1,066	2,466	3,532	3,772
Total nonoperating revenue (expenses)	<u>1,066</u>	<u>60,986</u>	<u>62,052</u>	<u>57,717</u>
Income (loss) before transfers	(20,667)	67,967	47,300	14,837
Transfer	-	(34,598)	(34,598)	(126,478)
Change in net assets	(20,667)	33,369	12,702	(111,641)
Total net assets - beginning	372,355	544,084	916,439	1,028,080
Total net assets - ending	<u>\$ 351,688</u>	<u>\$ 577,453</u>	<u>\$ 929,141</u>	<u>\$ 916,439</u>

County of Currituck, North Carolina
Combining Statement of Cash Flows
Non-Major Proprietary Fund
For the Year Ended June 30, 2011

	Newtown Road Sewer Fund	Moyock Commons Sewer Fund	Totals	
			June 30, 2011	June 30, 2010
Cash flows from operating activities:				
Cash received from customers	\$ 7,643	\$ 66,854	\$ 74,497	\$ 69,609
Cash paid for goods and services	(11,602)	(43,678)	(55,280)	(87,506)
Customer deposits received	150	-	150	300
Customer deposits returned	-	-	-	(66)
Other operating revenue	-	987	987	6,076
Net cash provided (used) by operating activities	<u>(3,809)</u>	<u>24,163</u>	<u>20,354</u>	<u>(11,587)</u>
Cash flows from noncapital financing activities:				
Tax revenues	-	58,520	58,520	48,702
Cash flows from capital and related financing activities:				
Transfer to operating fund	-	(34,598)	(34,598)	(126,478)
Acquisition of capital assets	-	(27,257)	(27,257)	-
Net cash provided by capital and related financing activities	-	(61,855)	(61,855)	(126,478)
Cash flows from investing activities:				
Interest on investments	<u>1,066</u>	<u>2,466</u>	<u>3,532</u>	<u>3,772</u>
Net increase (decrease) in cash and cash equivalents	(2,743)	23,294	20,551	(85,591)
Cash and cash equivalents, July 1	78,371	155,058	233,429	319,020
Cash and cash equivalents, June 30	<u>\$ 75,628</u>	<u>\$ 178,352</u>	<u>\$ 253,980</u>	<u>\$ 233,429</u>
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:				
Operating income (loss)	<u>\$ (21,733)</u>	<u>\$ 6,981</u>	<u>\$ (14,752)</u>	<u>\$ (42,880)</u>
Adjustments to reconcile operating income to net cash provided by operating activities:				
Depreciation	16,954	15,856	32,810	31,876
Changes in assets and liabilities:				
(Increase) decrease in accounts receivable	(160)	(238)	(398)	451
Increase (decrease) in accounts payable and accrued liabilities	980	1,564	2,544	(1,268)
Increase (decrease) in customer deposits	150	-	150	234
Total adjustments	<u>17,924</u>	<u>17,182</u>	<u>35,106</u>	<u>31,293</u>
Net cash provided (used) by operating activities	<u>\$ (3,809)</u>	<u>\$ 24,163</u>	<u>\$ 20,354</u>	<u>\$ (11,587)</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, 2011

	2011			Variance Positive (Negative)	2010
	Original Budget	Final Budget	Actual		Actual
Revenues:					
Charges for services:					
Sewer charges	\$ -	\$ -	\$ 7,343	\$ -	\$ 7,753
Penalties and interest, sewer	-	-	460	-	449
Total, sewer operating revenues	8,500	8,500	7,803	(697)	8,202
Nonoperating revenues:					
Interest earnings	1,750	1,750	1,066	(684)	1,800
Total revenues	10,250	10,250	8,869	(1,381)	10,002
Appropriated net assets	4,875	4,875	-	(4,875)	-
Total revenues and appropriated net assets	15,125	15,125	8,869	(6,256)	10,002
Expenditures:					
Administration:					
Telephone and postage	-	-	-	-	-
Administrative expenses	-	-	-	-	841
	500	500	-	500	841
Sewer treatment operations:					
Utilities	-	-	528	-	322
Repairs and maintenance	-	-	1,309	-	1,554
Lab tests	-	-	3,420	-	3,420
System supplies	-	-	821	-	2,097
Contracted services	-	-	6,504	-	3,966
Total	14,625	14,625	12,582	2,043	11,359
Capital outlay	-	-	-	-	-
Total expenditures	15,125	15,125	12,582	2,543	12,200
Revenues and appropriated net assets over expenditures	\$ -	\$ -	(3,713)	\$ (3,713)	(2,198)
Other financing uses:					
Transfers to Moyock Central Sewer Construction Fund	-	-	-	-	(91,880)
Revenues and appropriated net assets over (under) expenditures and other financing uses	\$ -	\$ -	(3,713)	\$ (3,713)	(94,078)
Reconciliation from budgetary basis (modified accrual) to full accrual:					
Reconciling items:					
Depreciation			(16,954)		(16,954)
Total reconciling items			(16,954)		(16,954)
Change in net assets			\$ (20,667)		\$ (111,032)

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, 2011

	2011			Variance Positive (Negative)	2010
	Original Budget	Final Budget	Actual		Actual
Revenues:					
Charges for services:					
Sewer charges	\$ -	\$ -	\$ 67,092	\$ -	\$ 60,956
Penalties and interest	-	-	987	-	6,076
Total, sewer operating revenues	<u>68,571</u>	<u>68,571</u>	<u>68,079</u>	<u>(492)</u>	<u>67,032</u>
Nonoperating revenues:					
Tax revenue	-	-	58,520	-	53,945
Interest earnings	-	-	2,466	-	1,972
Total nonoperating revenues	<u>54,591</u>	<u>54,591</u>	<u>60,986</u>	<u>6,395</u>	<u>55,917</u>
Total revenues	<u>123,162</u>	<u>123,162</u>	<u>129,065</u>	<u>5,903</u>	<u>122,949</u>
Appropriated net assets	-	3,500	-	(3,500)	-
Total revenues and other financing sources	<u>123,162</u>	<u>126,662</u>	<u>129,065</u>	<u>2,403</u>	<u>122,949</u>
Expenditures:					
Administration:					
Telephone and postage	-	-	310	-	305
Administration	-	-	6,063	-	2,307
Supplies	-	-	8,440	-	1,907
Credit card fees	-	-	165	-	15
Dues and subscriptions	-	-	1,410	-	1,310
Software license fees	-	-	38	-	38
	<u>8,538</u>	<u>17,653</u>	<u>16,426</u>	<u>(7,888)</u>	<u>5,882</u>
Sewer treatment operations:					
Utilities	-	-	8,446	-	9,093
Repairs and maintenance	-	-	2,872	-	18,316
Lab tests	-	-	6,440	-	5,120
Chemicals	-	-	1,352	-	3,038
Contracted services	-	-	8,945	-	24,608
Professional services	-	-	761	-	7,981
Total	<u>80,026</u>	<u>58,476</u>	<u>28,816</u>	<u>51,210</u>	<u>68,156</u>
Capital outlay	-	15,935	27,257	(11,322)	-
Total expenditures	<u>88,564</u>	<u>92,064</u>	<u>72,499</u>	<u>19,565</u>	<u>74,038</u>
Revenues over expenditures	<u>\$ 34,598</u>	<u>\$ 34,598</u>	<u>\$ 56,566</u>	<u>\$ 21,968</u>	<u>\$ 48,911</u>
Other financing uses:					
Transfers to Operating Fund	<u>(34,598)</u>	<u>(34,598)</u>	<u>(34,598)</u>	<u>-</u>	<u>(34,598)</u>
Revenues and appropriated net assets over (under) expenditures and other financing uses	<u>\$ -</u>	<u>\$ -</u>	<u>21,968</u>	<u>\$ 21,968</u>	<u>14,313</u>
Reconciliation from budgetary basis (modified accrual) to full accrual:					
Capital outlays			27,257		-
Depreciation			(15,856)		(14,922)
Change in net assets			<u>\$ 33,369</u>		<u>\$ (609)</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, 2011

	2011			2010	
	Original Budget	Final Budget	Actual	Variance Positive (Negative)	Actual
Revenues:					
Charges for services:					
Water sales	\$ -	\$ -	\$ 1,585,130	\$ -	\$ 1,347,563
Water tap fees	-	-	123,719	-	59,150
Administration	-	-	442,566	-	364,696
Penalties and interest	-	-	14,115	-	15,017
Other operating revenues	-	-	8,628	-	5,065
Total, water operating revenues	<u>1,977,000</u>	<u>1,981,200</u>	<u>2,174,158</u>	<u>192,958</u>	<u>1,791,491</u>
Nonoperating revenues:					
Insurance recovery	-	-	4,203	-	-
Interest earnings	-	-	233	-	-
Total nonoperating revenues	<u>10,000</u>	<u>14,203</u>	<u>4,436</u>	<u>(9,767)</u>	<u>-</u>
Total revenues	<u>1,987,000</u>	<u>1,995,403</u>	<u>2,178,594</u>	<u>183,191</u>	<u>1,791,491</u>
Other financing sources:					
Transfer from Tourism Development Authority fu	-	5,700,000	-	-	-
	<u>-</u>	<u>5,700,000</u>	<u>-</u>	<u>(5,700,000)</u>	<u>-</u>
Appropriated net assets	<u>64,639</u>	<u>64,639</u>	<u>-</u>	<u>(64,639)</u>	<u>-</u>
Total revenues and other financing sources	<u>2,051,639</u>	<u>7,760,042</u>	<u>2,178,594</u>	<u>(5,581,448)</u>	<u>1,791,491</u>
Expenditures:					
Administration:					
Salaries and benefits	-	-	103,925	-	109,226
Telephone and postage	-	-	10,178	-	11,012
Advertising	-	-	-	-	-
Supplies	-	-	12,576	-	20,317
Dues and subscriptions	-	-	2,000	-	2,635
Other administrative expenditures	-	-	158,031	-	60,122
Total administration expenditures	<u>158,366</u>	<u>190,695</u>	<u>286,710</u>	<u>(96,015)</u>	<u>203,312</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, 2011

	2011			2010	
	Original Budget	Final Budget	Actual	Variance Positive (Negative)	Actual
Water treatment operations:					
Salaries and benefits	-	-	308,838	-	327,678
Utilities	-	-	100,832	-	108,473
Gas, oil, etc	-	-	15,108	-	11,021
Repairs and maintenance	-	-	15,866	-	21,670
Lab tests	-	-	12,840	-	2,795
Chemicals	-	-	73,585	-	73,651
Uniforms	-	-	-	-	1,734
Contracted services	-	-	8,296	-	25,411
Professional services	-	-	7,081	-	-
Total water treatment operations	<u>718,895</u>	<u>692,969</u>	<u>542,446</u>	<u>150,523</u>	<u>572,433</u>
Debt service:					
Interest and other charges	-	-	124,331	-	159,869
Debt principal	-	-	1,045,047	-	1,009,509
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	5,000	5,707,000	25,123	5,681,877	-
Total expenditures	<u>2,051,639</u>	<u>7,760,042</u>	<u>2,023,657</u>	<u>5,736,385</u>	<u>1,945,123</u>
Revenues and other financing sources over (under) expenditures	<u>\$ -</u>	<u>\$ -</u>	154,937	<u>\$ 154,937</u>	(153,632)
Reconciliation from budgetary basis (modified accrual) to full accrual:					
Reconciling items:					
Capital outlays			25,123		-
Debt principal			1,045,047		1,009,509
Postemployment benefits			(39,367)		(39,055)
Change in accrued vacation			(2,936)		-
Depreciation			<u>(583,276)</u>		<u>(651,329)</u>
Total reconciling items			444,591		319,125
Change in net assets			<u>\$ 599,528</u>		<u>\$ 165,493</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, 2011

	2011			2010	
	Original Budget	Final Budget	Actual	Variance Positive (Negative)	Actual
Revenues:					
Operating revenues:					
Charges for services:					
Solid waste disposal charges	\$ -	\$ -	\$ 1,906,130	\$ -	\$ 1,897,147
Recycling	-	-	17,994	-	8,880
Tipping fees	-	-	534,569	-	656,965
Total	<u>2,605,750</u>	<u>2,605,750</u>	<u>2,458,693</u>	<u>(147,057)</u>	<u>2,562,992</u>
Nonoperating revenues:					
Ad valorem taxes	-	-	12,565	-	14,513
White goods tax	-	-	8,362	-	15,039
White goods disposal tax	-	-	64,804	-	68,929
Tire tax	-	-	47,354	-	26,283
Other solid waste grants	-	-	12,000	-	15,791
Investment earnings	-	-	82,835	-	72,551
Total	<u>93,368</u>	<u>93,368</u>	<u>227,920</u>	<u>134,552</u>	<u>213,106</u>
Total revenues	<u>3,663,906</u>	<u>3,663,906</u>	<u>2,686,613</u>	<u>(977,293)</u>	<u>2,776,098</u>
Expenditures:					
Solid waste administration:					
Training & Education	-	-	145	-	-
Telephone and postage	-	-	285	-	336
Other administrative expenditures	-	-	151,403	-	76,449
Total	<u>152,319</u>	<u>152,319</u>	<u>151,833</u>	<u>486</u>	<u>76,785</u>
Solid waste operations:					
Utilities	-	-	4,011	-	4,205
Repair and maintenance	-	-	3,593	-	11,976
Rent	-	-	23,400	-	51,850
Supplies	-	-	12,245	-	4,577
Professional services	-	-	1,380	-	1,678
Contract services, other	-	-	13,107	-	23,263
Contract services, collection	-	-	1,787,623	-	1,718,048
Contract services, disposal	-	-	1,652,471	-	1,766,089
Site work and landscaping	-	-	22,690	-	14,684
White goods disposal	-	-	18,921	-	23,746
White goods disposal tax	-	-	45,024	-	48,781
Tire disposal	-	-	57,582	-	46,116
Monitoring wells	-	-	4,700	-	4,718
Recycling	-	-	361,534	-	366,832
Total	<u>4,227,494</u>	<u>4,227,494</u>	<u>4,008,281</u>	<u>219,213</u>	<u>4,086,563</u>
Capital outlays	<u>63,368</u>	<u>63,368</u>	<u>16,879</u>	<u>46,489</u>	<u>18,269</u>
Total expenditures	<u>4,443,181</u>	<u>4,443,181</u>	<u>4,176,993</u>	<u>266,188</u>	<u>4,181,617</u>
Revenues and appropriated net assets					

County of Currituck, North Carolina
Solid Waste Fund
Schedule of Revenues and Expenditures
Budget and Actual (Non - GAAP)
For the Year Ended June 30, 2011

	2011			2010	
	Original Budget	Final Budget	Actual	Variance Positive (Negative)	Actual
over expenditures	<u>(779,275)</u>	<u>(779,275)</u>	<u>(1,490,380)</u>	<u>(711,105)</u>	<u>(1,405,519)</u>
Other financing sources (uses):					
Transfers from operating fund	<u>779,275</u>	<u>779,275</u>	<u>779,275</u>	<u>-</u>	<u>1,776,129</u>
Revenues and appropriated net assets					
over (under) expenditures and other financing uses	<u>\$ -</u>	<u>\$ -</u>	<u>(711,105)</u>	<u>\$ (711,105)</u>	<u>370,610</u>
 Reconciliation from budgetary basis (modified accrual) to full accrual:					
Reconciling items:					
Capital outlays			16,879		18,269
Depreciation			<u>(33,195)</u>		<u>(32,672)</u>
Total reconciling items			<u>(16,316)</u>		<u>(14,403)</u>
Change in net assets			<u>\$ (727,421)</u>		<u>\$ 356,207</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, 2011

	2011			Variance Positive (Negative)	2010
	Original Budget	Final Budget	Actual		Actual
Revenues:					
Charges for services:					
Water sales	\$ -	\$ -	\$ 583,713	\$ -	\$ 573,783
Water impact fees	-	-	2,000	-	5,000
Water tap fees	-	-	450	-	1,125
Penalties and interest, water	-	-	7,729	-	8,067
Other operating revenues, water	-	-	1,738	-	1,383
Total, water operating revenues	<u>580,900</u>	<u>580,900</u>	<u>595,630</u>	<u>14,730</u>	<u>589,358</u>
Sewer charges	-	-	308,476	-	299,903
Sewer impact fees	-	-	2,000	-	5,000
Sewer tap fees	-	-	450	-	1,125
Penalties and interest, sewer	-	-	3,334	-	4,969
Other operating revenues, sewer	-	-	1,738	-	1,383
Total, sewer operating revenues	<u>305,000</u>	<u>325,000</u>	<u>315,998</u>	<u>(9,003)</u>	<u>312,380</u>
Total operating revenues	<u>885,900</u>	<u>905,900</u>	<u>911,627</u>	<u>5,727</u>	<u>901,738</u>
Nonoperating revenues:					
Tax revenue	-	-	-	-	10
Interest earnings	-	-	76,443	-	159,464
Total nonoperating revenues	<u>100,000</u>	<u>100,000</u>	<u>76,443</u>	<u>(23,557)</u>	<u>159,474</u>
Total revenues	<u>985,900</u>	<u>1,005,900</u>	<u>988,070</u>	<u>(17,830)</u>	<u>1,061,212</u>
Appropriated net assets	<u>9,137</u>	<u>116,157</u>	<u>-</u>	<u>(116,157)</u>	<u>-</u>
Total revenues and appropriated net assets	<u>995,037</u>	<u>1,122,057</u>	<u>988,070</u>	<u>(133,987)</u>	<u>1,061,212</u>
Expenditures:					
Administration:					
Telephone and postage	-	-	5,165	-	4,464
Supplies	-	-	4,238	-	5,021
Dues and subscriptions	-	-	2,180	-	2,180
Software license fees	-	-	640	-	-
Contract services	-	-	30,197	-	10,938
Administration	<u>47,037</u>	<u>46,782</u>	<u>42,420</u>	<u>4,362</u>	<u>22,603</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, 2011

	2011			Variance Positive (Negative)	2010
	Original Budget	Final Budget	Actual		Actual
Water treatment operations:					
Utilities	-	-	7,701	-	9,334
Repairs and maintenance	-	-	15,531	-	25,122
Lab tests	-	-	2,369	-	1,981
System supplies	-	-	13,218	-	15,582
Contracted services	-	-	445,798	-	215,022
Professional services	-	-	8,366	-	5,380
Total	<u>489,000</u>	<u>504,439</u>	<u>492,983</u>	<u>11,456</u>	<u>272,421</u>
Sewer treatment operations:					
Utilities	-	-	52,658	-	48,960
Repairs and maintenance	-	-	99,382	-	150,952
Lab tests	-	-	30,418	-	20,812
System supplies	-	-	11,351	-	6,495
Chemicals	-	-	14,958	-	10,438
Contracted services	-	-	228,798	-	146,711
Professional services	-	-	11,651	-	17,950
Total	<u>459,000</u>	<u>521,498</u>	<u>449,216</u>	<u>72,282</u>	<u>402,318</u>
Capital outlay	-	49,338	43,926	5,412	30,153
Total expenditures	<u>995,037</u>	<u>1,122,057</u>	<u>1,028,545</u>	<u>93,512</u>	<u>727,495</u>
Revenues and appropriated retained earnings over expenditures	<u>\$ -</u>	<u>\$ -</u>	\$ (40,475)	<u>\$ (40,475)</u>	\$ 333,717
Reconciliation from budgetary basis (modified accrual) to full accrual:					
Reconciling items:					
Capital outlays			43,926		30,153
Depreciation			(210,722)		(184,933)
Total reconciling items			<u>(166,796)</u>		<u>(154,780)</u>
Change in net assets			<u>\$ (207,271)</u>		<u>\$ 178,937</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, 2011

	2011			Variance Positive (Negative)	2010
	Original Budget	Final Budget	Actual		Actual
Revenues:					
Charges for services:					
Water sales	\$ -	\$ -	\$ 2,624,282	\$ -	\$ 2,617,547
Water tap fees	-	-	361,916	-	183,500
Reconnection fees	-	-	50,050	-	47,540
Penalties and interest	-	-	79,052	-	76,446
Billing services	-	-	2,240	-	1,540
Sale of materials	-	-	13,066	-	1,144
Total	<u>2,928,667</u>	<u>2,929,016</u>	<u>3,130,606</u>	<u>201,590</u>	<u>2,927,717</u>
Nonoperating revenues:					
Interest earnings	-	-	12,253	-	5,302
Other nonoperating revenues	-	-	940	-	-
Total nonoperating revenues	<u>5,000</u>	<u>5,940</u>	<u>13,193</u>	<u>7,253</u>	<u>5,302</u>
Total revenues	<u>2,933,667</u>	<u>2,934,956</u>	<u>3,143,799</u>	<u>208,843</u>	<u>2,933,019</u>
Appropriated net assets	-	317,881	-	(317,881)	-
Total revenues and appropriated net assets	<u>2,933,667</u>	<u>3,252,837</u>	<u>3,143,799</u>	<u>(109,038)</u>	<u>2,933,019</u>
Expenditures:					
Administration:					
Salaries and benefits	-	-	53,054	-	49,424
Administrative support	-	-	192,354	-	182,547
Credit card fees	-	-	11,173	-	8,644
Telephone and postage	-	-	35,587	-	38,219
Travel	-	-	2,655	-	2,553
Training and education	-	-	2,888	-	2,525
Advertising	-	-	-	-	422
Supplies	-	-	77,448	-	26,377
Dues and subscriptions	-	-	4,880	-	4,830
Software license fees	-	-	2,937	-	2,940
Loss on sale of capital assets	-	-	-	-	3,971
Other administration	-	-	10	-	98
	<u>358,335</u>	<u>375,429</u>	<u>382,986</u>	<u>(7,557)</u>	<u>322,550</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, 2011

	2011			Variance Positive (Negative)	2010
	Original Budget	Final Budget	Actual		Actual
Water treatment operations:					
Salaries and benefits	-	-	612,538	-	561,365
Utilities	-	-	180,058	-	192,036
Repairs and maintenance	-	-	7,290	-	59,186
Fuel	-	-	30,770	-	21,014
Lab tests	-	-	8,563	-	9,606
Chemicals	-	-	33,774	-	67,931
Uniforms	-	-	1,354	-	1,559
Contracted services	-	-	40,254	-	49,075
Professional services	-	-	7,349	-	136
Total	<u>928,074</u>	<u>1,234,598</u>	<u>921,950</u>	<u>312,648</u>	<u>961,908</u>
Debt service:					
Interest and other charges	-	-	842,258	-	872,685
Debt principal	-	-	785,000	-	750,000
Total	<u>1,627,258</u>	<u>1,627,258</u>	<u>1,627,258</u>	<u>-</u>	<u>1,622,685</u>
Capital outlay	<u>20,000</u>	<u>15,552</u>	<u>-</u>	<u>15,552</u>	<u>114,542</u>
Total expenditures	<u>2,933,667</u>	<u>3,252,837</u>	<u>2,932,194</u>	<u>320,643</u>	<u>3,021,685</u>
Revenues and appropriated net assets over (under) expenditures	<u>\$ -</u>	<u>\$ -</u>	211,605	<u>\$ 211,605</u>	(88,666)
Reconciliation from budgetary basis (modified accrual) to full accrual:					
Reconciling items:					
Capital outlays			-		114,542
Debt principal			785,000		750,000
Depreciation			(1,396,518)		(1,349,015)
Amortization of issuance costs, refunding costs and premium			(588)		(588)
Postemployment benefits			(74,178)		(54,372)
Accrued vacation			2,422		(7,008)
Total reconciling items			<u>(683,862)</u>		<u>(546,441)</u>
Change in net assets			<u>\$ (472,257)</u>		<u>\$ (635,107)</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, 2011

	Project Authorization	Actual		Total to Date	Variance Positive (Negative)
		Prior Years	Current Year		
Revenues					
Intergovernmental revenues:					
Investment earnings	\$ 204,720	\$ 203,566	\$ 1,154	\$ 204,720	-
Total revenues	204,720	203,566	1,154	204,720	-
Expenditures					
Wells	1,236,598	1,236,598	-	1,236,598	-
Reverse osmosis water plant	13,355,003	12,692,728	-	12,692,728	662,275
Water tanks	2,582,086	2,582,086	-	2,582,086	-
Distribution system	6,306,486	6,306,486	-	6,306,486	-
Total expenditures	23,480,173	22,817,898	-	22,817,898	662,275
Revenues under expenditures	(23,275,453)	(22,614,332)	1,154	(22,613,178)	662,275
Other financing sources (uses):					
Transfers (to) from other funds:					
Mainland water fund	(724,547)	-	(724,547)	(724,547)	-
Mainland water fund	5,000,000	5,000,000	-	5,000,000	-
Issuance of debt	19,000,000	19,000,000	-	19,000,000	-
Total other financing sources (uses)	23,275,453	24,000,000	(724,547)	23,275,453	-
Revenues and other sources over (under) expenditures	\$ -	\$ 1,385,668	\$ (723,393)	\$ 662,275	\$ 662,275

County of Currituck, North Carolina
Moyock Central Sewer Construction Fund
Schedule of Revenues and Expenditures
Budget and Actual (Non-GAAP)
From Inception and for the Fiscal Year Ended June 30, 2011

	Project Authorization	Actual		Total to Date	Variance Positive (Negative)
		Prior Years	Current Year		
Revenues					
Impact Fees	\$ 528,750	\$ 204,750	\$ 324,000	\$ 528,750	\$ -
Intergovernmental revenues:					
Rural Center Grant - Economic Development	540,000	-	540,000	540,000	-
Rural Center Grant - Newtown Sewer improvement	100,000	-	-	-	(100,000)
Investment earnings	-	462	1,579	2,041	2,041
Total intergovernmental revenues	640,000	462	541,579	542,041	(97,959)
Total revenues	1,168,750	205,212	865,579	1,070,791	(97,959)
Expenditures					
Reimbursable expenditures	38,165	-	38,165	38,165	-
Capital outlay	2,469,981	836,985	1,286,581	2,123,566	346,415
Total expenditures	2,508,146	836,985	1,324,746	2,161,731	346,415
Revenues over (under) expenditures	(1,339,396)	(631,773)	(459,167)	(1,090,940)	248,456
Non-operating Revenues (Expenses)					
Transfers from other funds:					
Capital improvements fund	555,925	555,925	-	555,925	-
Land banking fund	691,591	-	691,591	691,591	-
Newtown Road Sewer fund	91,880	91,880	-	91,880	-
Total transfers from other funds	1,339,396	647,805	691,591	1,339,396	-
Revenues over (under) expenditures and other financing sources	\$ -	\$ 16,032	\$ 232,424	\$ 248,456	\$ 248,456
Reconciling items:					
Capital outlays			1,286,581		
Total reconciling items			1,519,005		
Change in net assets			\$ 1,519,005		

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County of Currituck, North Carolina
Agency Funds
Combining Statement of Changes in Assets and Liabilities
For the Fiscal Year Ended June 30, 2011

	Balance June 30 2010	Additions	Deductions	Balance June 30 2011
Social Services				
Assets:				
Cash and cash equivalents	\$ 68,202	\$ 125,447	\$ 174,086	\$ 19,563
Liabilities:				
Accounts Payable	\$ 68,202	\$ 206,428	\$ 255,067	\$ 19,563
Fines and Forfeitures				
Assets:				
Cash and cash equivalents	\$ 7,350	\$ 349,962	\$ 352,812	\$ 4,500
Due from other governments	22,117	23,915	22,117	23,915
Total assets	\$ 29,467	\$ 373,877	\$ 374,929	\$ 28,415
Liabilities:				
Due to other governments	\$ 29,467	\$ 351,730	\$ 352,782	\$ 28,415
Motor Vehicle Tax				
Assets:				
Cash and cash equivalents	\$ 295	\$ 4,252	\$ 4,207	\$ 340
Liabilities:				
Due to other governments	\$ 295	\$ 4,252	\$ 4,207	\$ 340
Deed of Trust Fee				
Assets:				
Cash and cash equivalents	\$ 570	\$ 21,684	\$ 21,744	\$ 510
Liabilities:				
Due to other governments	\$ 570	\$ 27,934	\$ 27,994	\$ 510
Totals - All Agency Funds				
Assets:				
Cash and cash equivalents	\$ 76,417	\$ 501,345	\$ 552,849	\$ 24,913
Due from other governments	22,117	23,915	22,117	23,915
Total assets	\$ 98,534	\$ 525,260	\$ 574,966	\$ 48,828
Liabilities:				
Accounts payable	68,202	206,428	255,067	19,563
Intergovernmental payable	30,332	383,916	384,983	29,265
Total liabilities	\$ 98,534	\$ 590,344	\$ 640,050	\$ 48,828

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County of Currituck, North Carolina
General Fund
Schedule of Ad Valorem Taxes Receivable
June 30, 2011

Fiscal Year	Uncollected Balance June 30, 2010	Additions	Collections And Credits	Uncollected Balance June 30, 2011
2010-2011	\$ -	\$ 26,427,953 (a)	\$ 25,941,806 (b)	\$ 486,147 (c)
2009-2010	612,560	2,342	449,213	165,689
2008-2009	179,255	2,342	111,131	70,466
2007-2008	66,383	1,081	33,804	33,660
2006-2007	30,323	2,640	11,801	21,162
2005-2006	21,733	-	5,774	15,959
2004-2005	23,688	-	2,299	21,389
2003-2004	19,538	-	1,035	18,503
2002-2003	14,927	-	492	14,435
2001-2002	7,429	-	577	6,852
2000-2001	9,872	-	9,872	-
	985,708	26,436,358	26,567,804 (d)	854,262
Less: allowance for uncollectible accounts:				
				(16,800)
				(402)
Ad valorem taxes receivable - net:				\$ 837,060
<u>Reconciliation with revenues:</u>				
				\$ 26,690,853
				12,565
				26,703,418
Reconciling items:				
				(141,620)
				6,006
				(135,614)
Total collections and credits				\$ 26,567,804 (d)

County of Currituck, North Carolina
Analysis of Current Tax Levy
County - wide Levy
For the Fiscal Year Ended June 30, 2011

	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	\$ 8,194,167,186	0.32	\$ 26,221,335	\$ 25,827,472	\$ 393,863
Motor vehicles taxed at prior year's rate	73,468,750	0.32	235,100	-	235,100
Penalties	-		18,318	18,318	-
Total	<u>8,267,635,936</u>		<u>26,474,753</u>	<u>25,845,790</u>	<u>628,963</u>
Discoveries:					
Current year taxes	3,489,375	0.32	11,166	11,166	-
Penalties	-		1,276	1,276	-
Total	<u>3,489,375</u>		<u>12,442</u>	<u>12,442</u>	<u>-</u>
Abatements	<u>(18,513,125)</u>		<u>(59,242)</u>	<u>(35,480)</u>	<u>(23,762)</u>
Total property valuation	<u><u>\$ 8,252,612,186</u></u>				
Net levy			26,427,953 (a)	25,822,752	605,201
Uncollected taxes at June 30, 2011			486,147 (c)	425,486	60,661
Current year's taxes collected			<u>\$ 25,941,806 (b)</u>	<u>\$ 25,397,266</u>	<u>\$ 544,540</u>
Current levy collection percentage			<u>98.16%</u>	<u>98.35%</u>	<u>89.98%</u>

County of Currituck, North Carolina
Analysis of Current Tax Levy
County - wide Levy
For the Fiscal Year Ended June 30, 2011

Secondary Market Disclosures:

Assessed Valuation:

Assessment Ratio ¹	100 %
Real Property	\$ 7,807,327,356
Personal Property	371,890,780
Public Service Companies ²	73,394,050
Total Assessed Valuation	\$ 8,252,612,186
Tax Rate per \$100	0.32
Levy (includes discoveries, releases and abatements) ³	\$ 26,427,953

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	11,856
Hog Ditch watershed improvement district	1,108
Moyock watershed improvement district	15,539
Northwest watershed improvement district	2,329
Whalehead watershed improvement district	385,358
Moyock Commons sewer district	55,900
Total	\$ 26,900,043

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, 2011

Taxpayer	Type of Business	2011 Assessed Valuation	Percentage of Total Assessed Valuation
Coastland Properties I LLC	Land Development	\$ 56,361,000	0.68 %
Dominion Power	Utility	55,769,440	0.68
Coastland Corporation	Land Development	39,151,900	0.47
Pine Island Properties LLC	Land Development	22,132,000	0.27
Pine Island Holdings LLC	Land Development	21,900,282	0.27
Corolla Bay LLC	Land Development	16,924,554	0.21
Richardson, Ernest	Real Estate Investor	15,134,020	0.18
Carolina Telephone	Utility	11,990,107	0.15
Bank of Currituck	Financial Institution	10,812,457	0.13
Newman, Brian K	Real Estate Investor	9,588,333	0.12
Total		<u>\$ 259,764,093</u>	<u>3.16 %</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	2010	2011
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	\$ 73,367,483	\$ 74,064,100	\$ 81,090,434
Restricted	14,872	3,060	-	-	-	-	-	-	15,397,965
Unrestricted	34,760,360	41,852,873	51,159,760	62,050,122	62,303,803	62,010,794	49,182,688	48,227,525	29,175,234
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>	<u>\$ 122,291,625</u>	<u>\$ 125,663,633</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	\$ 22,524,024	\$ 23,516,216
Unrestricted	13,128,435	15,736,338	11,991,335	13,167,320	14,601,498	11,278,840	14,161,517	13,704,712	13,436,806
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>	<u>\$ 36,228,736</u>	<u>\$ 36,953,022</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	\$ 96,588,124	\$ 104,606,650
Restricted	14,872	3,060	-	-	-	-	-	-	15,397,965
Unrestricted	47,888,795	57,589,211	63,151,095	75,217,442	76,905,301	73,289,634	63,344,205	61,932,237	42,612,040
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>	<u>\$ 158,520,361</u>	<u>\$ 162,616,655</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	2010	2011
Expenses									
Governmental activities:									
General government	3,702,311	3,624,010	4,415,836	4,583,886	5,155,428	3,230,828	7,677,910	8,415,095	8,369,991
Public safety	6,256,770	10,348,741	9,519,057	11,311,450	14,759,626	15,490,648	17,202,362	17,211,595	17,159,996
Transportation	574,238	400,063	295,590	791,450	576,920	1,379,504	751,195	783,800	1,726,573
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	6,713,211	6,469,555
Environmental protection	154,180	173,025	295,732	238,502	303,871	385,879	390,630	568,900	424,447
Human services	3,010,850	3,207,729	3,682,371	4,168,102	4,236,355	4,550,718	4,462,531	4,155,112	4,156,265
Cultural and recreation	980,464	1,272,882	1,536,324	1,232,301	376,240	1,523,197	1,368,558	2,577,198	2,094,488
Education	8,361,774	7,422,207	8,956,381	12,281,089	13,869,357	18,420,509	11,758,442	10,330,209	10,098,107
Interest on long-term debt	654,140	555,056	404,700	354,100	325,600	418,693	492,453	449,982	456,783
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>\$ 49,896,544</u>	<u>\$ 51,205,102</u>	<u>\$ 50,956,205</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	4,196,020	4,193,309
Water and Sewer	2,117,515	4,336,850	4,334,864	4,606,566	4,761,213	4,844,089	5,591,471	6,398,328	6,519,262
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>	<u>10,594,348</u>	<u>10,712,571</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>\$ 59,415,917</u>	<u>\$ 61,799,450</u>	<u>\$ 61,668,776</u>
Program Revenues									
Governmental activities:									
Charges for services:									
General government	446,262	657,106	670,821	596,957	610,955	523,617	732,634	953,864	960,242
Public safety	398,375	411,296	1,534,985	1,592,122	1,074,519	1,250,083	1,122,524	1,013,183	1,392,245
Transportation	164,327	111,981	141,666	109,221	282,624	299,781	331,208	300,395	400,314
Economic and physical development	1,006,830	1,130,911	54,923	95,206	25,450	93,122	-	18,570	16,878
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	60,577	188,356
Operating grants and contributions:									
General government	31,569	315,380	53,482	11,715	898,407	433,683	9,392	854,484	40,909
Public safety	1,685,941	581,916	641,533	458,277	399,120	284,580	388,608	495,545	238,506
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	56,690	-
Human services	1,758,469	1,971,389	2,080,364	2,198,370	2,380,359	2,611,369	2,808,773	2,730,538	2,786,951
Cultural and recreation	-	25,959	-	-	21,826	21,345	-	28,098	-
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	-	1,016,192
Economic and physical development	-	-	-	80,000	-	-	-	-	-
Environmental protection	-	-	-	112,755	-	-	-	-	10,650
Human services	-	-	-	4,577	-	-	-	-	-
Cultural and recreation	-	-	-	-	-	-	-	294,155	288,824
Education	795,437	-	-	620,980	-	660,325	756,356	-	219,962
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>	<u>6,806,099</u>	<u>7,560,029</u>

	Fiscal Year								
	2003	2004	2005	2006	2007	2008	2009	2010	2011
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	2,562,992	2,458,693
Water and Sewer	2,028,159	6,195,098	3,967,236	5,690,977	6,103,389	5,564,520	5,978,335	5,884,552	6,620,476
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	57,113	67,716
Water and Sewer	1,441,507	474,192	389,607	141,663	39,710	1,046	-	-	940
Capital grants and contributions:									
Solid Waste	-	-	-	57,583	-	-	-	-	-
Water and Sewer	42,250	-	-	106,464	-	-	-	329,144	540,000
Total business-type program revenues	<u>6,493,383</u>	<u>9,807,830</u>	<u>7,694,661</u>	<u>10,749,938</u>	<u>10,927,811</u>	<u>8,215,515</u>	<u>8,592,162</u>	<u>8,833,801</u>	<u>9,687,825</u>
Total primary government program revenues	<u>\$ 14,449,224</u>	<u>\$ 17,510,572</u>	<u>\$ 13,483,185</u>	<u>\$ 17,144,250</u>	<u>\$ 17,671,688</u>	<u>\$ 15,599,812</u>	<u>\$ 15,614,551</u>	<u>\$ 15,639,900</u>	<u>\$ 17,247,854</u>
Net (Expense)/Revenue									
Governmental activities	\$ (18,110,890)	\$ (22,364,076)	\$ (27,111,578)	\$ (32,106,188)	\$ (36,289,681)	\$ (44,192,657)	\$ (42,874,155)	\$ (44,399,003)	\$ (43,396,176)
Business-type activities	<u>1,830,468</u>	<u>2,188,334</u>	<u>(514,237)</u>	<u>1,907,960</u>	<u>1,891,817</u>	<u>(417,189)</u>	<u>(927,211)</u>	<u>(1,760,547)</u>	<u>(1,024,746)</u>
Total primary government net expense	<u>\$ (16,280,422)</u>	<u>\$ (20,175,742)</u>	<u>\$ (27,625,815)</u>	<u>\$ (30,198,228)</u>	<u>\$ (34,397,864)</u>	<u>\$ (44,609,846)</u>	<u>\$ (43,801,366)</u>	<u>\$ (46,159,550)</u>	<u>\$ (44,420,922)</u>
General Revenues and Other Changes in Net Assets									
Governmental activities:									
Property taxes	\$ 19,600,458	\$ 17,092,287	\$ 17,925,962	\$ 23,391,822	\$ 23,582,470	\$ 25,978,670	\$ 26,695,743	\$ 26,954,749	\$ 27,107,432
Intergovernmental	9,269,968	19,968,817	21,117,685	19,734,572	20,677,091	21,148,755	19,731,255	19,128,767	20,290,383
Investment earnings	791,107	460,406	1,147,418	2,459,638	3,475,928	3,795,801	2,141,772	678,816	806,637
Miscellaneous	55,687	-	395,381	92,859	-	-	-	-	-
Loss on disposal/sale of capital assets	-	(14,275)	-	-	-	(22,271)	-	-	-
Special item	-	-	-	-	-	-	-	(324,419)	-
Transfers	-	(649,718)	(379,513)	(219,040)	(281,367)	(1,742,239)	(1,713,400)	(2,297,456)	(1,436,268)
Total governmental activities	<u>29,717,220</u>	<u>36,857,517</u>	<u>40,206,933</u>	<u>45,459,851</u>	<u>47,454,122</u>	<u>49,158,716</u>	<u>46,855,370</u>	<u>44,140,457</u>	<u>46,768,184</u>
Business-type activities:									
Property taxes	-	-	-	-	-	57,943	109,907	138,053	135,889
Investment earnings	308,646	185,149	262,625	468,355	672,453	746,480	427,232	148,173	176,875
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	2,297,456	1,436,268
Total business-type activities	<u>308,646</u>	<u>840,867</u>	<u>642,138</u>	<u>687,395</u>	<u>953,820</u>	<u>2,540,043</u>	<u>2,250,539</u>	<u>2,583,682</u>	<u>1,749,032</u>
Total primary government	<u>\$ 30,025,866</u>	<u>\$ 37,698,384</u>	<u>\$ 40,849,071</u>	<u>\$ 46,147,246</u>	<u>\$ 48,407,942</u>	<u>\$ 51,698,759</u>	<u>\$ 49,105,909</u>	<u>\$ 46,724,139</u>	<u>\$ 48,517,216</u>
Change in Net Assets									
Governmental activities	\$ 11,606,330	\$ 14,493,441	\$ 13,095,355	\$ 13,353,663	\$ 11,164,441	\$ 4,966,059	\$ 3,981,215	\$ (258,546)	\$ 3,372,008
Business-type activities	<u>2,139,114</u>	<u>3,029,201</u>	<u>127,901</u>	<u>2,595,355</u>	<u>2,845,637</u>	<u>2,122,854</u>	<u>1,323,328</u>	<u>823,135</u>	<u>724,286</u>
Total primary government	<u>\$ 13,745,444</u>	<u>\$ 17,522,642</u>	<u>\$ 13,223,256</u>	<u>\$ 15,949,018</u>	<u>\$ 14,010,078</u>	<u>\$ 7,088,913</u>	<u>\$ 5,304,543</u>	<u>\$ 564,589</u>	<u>\$ 4,096,294</u>

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

Schedule 3

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

	Fiscal Year								
	2003	2004	2005	2006	2007	2008	2009	2010	2011
General Fund									
Reserved	964,081	2,585,457	1,860,239	3,274,084	2,582,266	2,561,068	1,761,527	2,148,111	-
Unreserved	17,787,660	19,739,626	22,297,036	24,165,647	21,068,742	22,509,248	8,854,501	6,419,039	-
Nonspendable	-	-	-	-	-	-	-	-	982
Restricted	-	-	-	-	-	-	-	-	4,398,634
Committed	-	-	-	-	-	-	-	-	23,214,936
Assigned	-	-	-	-	-	-	-	-	3,794,562
Unassigned	-	-	-	-	-	-	-	-	1,859,873
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>	<u>\$ 8,567,150</u>	<u>\$ 33,268,987</u>
All Other Governmental Funds									
Reserved	56,558	53,702	608,390	744,618	769,510	1,220,692	715,021	941,130	-
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	9,768,088	-
Capital project funds	24,757,080	27,121,787	32,751,680	39,038,133	42,182,550	33,655,022	33,931,204	36,934,559	-
Restricted	-	-	-	-	-	-	-	-	10,999,331
Committed	-	-	-	-	-	-	-	-	1,704,999
Assigned	-	-	-	-	-	-	-	-	1,894,695
Unassigned	-	-	-	-	-	-	-	-	5,445,286
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>	<u>\$ 47,643,777</u>	<u>\$ 20,044,311</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. Classification of fund balance terminology changed with GASB 54. GASB 54 was implemented with the reporting period ended June 30, 2011.

Schedule 4

Currituck County, North Carolina

Changes in Fund Balances, Governmental Funds

(modified accrual basis of accounting)

	Fiscal Year									
	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
Revenues										
Ad valorem taxes	\$ 15,135,412	\$ 16,011,134	\$ 17,193,047	\$ 18,059,472	\$ 23,402,553	\$ 23,611,381	\$ 25,939,378	\$ 26,163,466	\$ 27,292,183	\$ 27,107,432
Other taxes and licenses	12,427,393	15,624,113	19,821,148	21,063,030	19,369,494	20,677,091	21,148,755	19,766,673	19,128,767	20,290,383
Unrestricted										
intergovernmental	6,668,179	217,477	147,669	155,552	369,270	380,293	355,499	304,553	237,490	237,129
Restricted										
intergovernmental	227,763	2,569,567	4,678,096	3,611,061	4,139,479	3,903,127	4,681,893	3,855,575	3,804,759	4,496,639
Permits and fees	1,432,312	1,800,213	2,065,709	1,959,085	1,953,439	1,790,528	1,595,122	1,246,366	1,537,842	2,005,998
Sales and services	194,263	240,456	296,943	416,792	386,698	530,740	648,891	652,366	612,201	617,213
Investment earnings	1,619,659	1,049,079	460,406	1,147,418	2,459,527	3,475,928	3,795,801	2,158,155	678,816	806,637
Miscellaneous	34,032	65,904	669,244	313,648	113,654	205,215	102,892	934,262	661,855	346,796
Total revenues	<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>	<u>53,953,913</u>	<u>55,908,227</u>
Expenditures										
General government	2,972,758	4,298,172	8,302,780	5,039,224	5,290,398	5,215,589	5,385,330	5,291,527	5,893,190	5,806,881
Public safety	6,674,795	9,750,951	11,541,352	10,416,287	12,608,149	15,829,185	16,135,119	19,217,793	16,399,211	16,316,596
Transportation	317,674	770,532	1,799,434	581,917	884,938	1,049,293	1,077,529	4,081,199	624,425	2,236,988
Environmental protection	196,662	155,943	173,025	295,125	255,142	302,508	373,132	384,871	1,858,626	598,363
Economic and physical development	1,826,188	2,432,324	3,150,728	4,282,719	3,758,124	11,942,884	8,783,920	6,131,755	6,830,706	6,271,605
Human services	2,752,164	2,961,950	3,279,706	3,684,564	4,051,203	4,187,991	4,503,615	4,385,682	4,108,356	4,100,337
Cultural and recreation	808,645	1,080,901	1,284,754	3,207,252	1,528,882	1,429,959	2,021,669	3,387,383	3,462,977	8,552,159
Education	6,847,235	8,361,774	7,422,207	8,956,381	12,281,089	13,869,357	30,841,156	16,974,635	10,330,209	10,098,107
Capital outlay	6,191,629	20,023	-	-	-	-	-	-	-	-
Debt service										
Debt issuance cost	-	-	98,891	-	-	-	-	-	-	-
Principal	1,664,397	1,702,233	900,000	950,000	950,000	930,000	2,067,425	2,739,907	2,856,949	2,931,769
Interest	739,676	654,140	555,056	404,700	354,100	325,600	418,693	492,453	449,982	456,783
Total expenditures	<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>	<u>52,814,631</u>	<u>57,369,588</u>
Excess of revenues over (under) expenditures	6,747,190	5,389,000	6,824,329	8,907,889	10,232,089	(508,063)	(13,339,357)	(8,005,789)	1,139,282	(1,461,361)
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	4,913,809	4,746,373	5,407,382	8,074,095	17,388,303	14,868,931	9,736,807	18,415,835	8,427,744	10,949,771
Transfers out	(8,017,457)	(4,746,373)	(6,057,100)	(8,453,608)	(17,607,343)	(4,628,944)	(11,479,046)	(20,129,235)	(10,725,200)	(12,386,039)
State school bond proceeds	-	-	-	-	-	-	-	-	-	-
Installment purchase proceeds	-	-	-	-	-	-	8,000,000	3,271,375	2,100,000	-
Sale of capital assets	13,472	-	-	-	-	-	-	-	-	-
Total other financing sources (uses)	<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>	<u>\$ (197,456)</u>	<u>\$ (1,436,268)</u>
Net change in fund balances	\$ 3,657,014	\$ 5,389,000	\$ 6,143,502	\$ 8,528,376	\$ 10,013,049	\$ 9,731,924	\$ (7,081,596)	\$ (6,447,814)	\$ 941,826	\$ (2,897,629)
Debt service as a percent of noncapital expenditures	9.69%	7.32%	3.78%	3.58%	3.11%	2.28%	4.64%	6.93%	6.88%	7.11%

Schedule 5

Currituck County, North Carolina

Assessed Value and Estimated Actual Value of Taxable Property

Last Ten Years

Fiscal Year Ended 30-Jun	Real Property		Personal Property		Less: Tax Exempt Real Property	Total Taxable Assessed Value	Total Direct Tax Rate	Estimated Actual Taxable Value	Assessed Value ¹ as a Percentage of Actual Value
	Residential Property	Other	Motor Vehicles	Other					
2002	\$ 1,949,665,059	\$ 101,726,671	\$ 149,092,903	\$ 98,924,686	\$ 6,624,821	\$ 2,292,784,498	\$ 0.62	\$ 2,431,621,612	94.29%
2003	2,042,912,920	110,569,358	159,221,290	108,068,935	8,015,445	2,412,757,058	0.62	2,560,600,483	94.23%
2004	2,162,700,341	105,925,104	175,413,064	120,905,026	8,644,348	2,556,299,187	0.62	2,709,746,613	94.34%
2005	2,310,860,353	79,897,713	186,272,020	120,316,713	13,463,722	2,683,883,077	0.62	2,847,455,323	94.26%
2006	5,324,828,115	1,830,395,901	227,537,047	146,887,271	11,593,386	7,518,054,948	0.32	7,714,703,609	97.45%
2007	5,573,495,713	1,800,024,666	231,711,563	153,363,256	13,701,974	7,744,893,224	0.32	7,903,781,250	97.99%
2008	5,752,757,371	1,742,428,352	237,046,250	167,481,922	13,614,832	7,886,099,063	0.32	8,052,933,751	97.93%
2009	5,840,230,099	1,773,215,441	220,186,251	168,836,102	14,565,509	7,987,902,384	0.32	8,176,639,688	97.69%
2010	5,902,568,741	1,793,244,633	199,934,713	175,941,576	17,655,061	8,054,034,602	0.32	8,222,673,629	97.95%
2011	5,972,323,154	1,765,141,892	196,550,493	175,340,287	19,135,253	8,090,220,573	0.32	8,252,612,186	98.03%

Source: Currituck County Tax Department

Note: Property is the county is reassessed every 8 years. Tax rates are per \$100 of assessed value. The last revaluation was effective July 1, 2005.

¹ Includes tax-exempt property.

Schedule 6

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

	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
County Direct Rates										
General	0.620	0.620	0.620	0.620	0.320	0.320	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	-	-	-	-	-	-
Fruitville Fire District	0.080	0.080	0.080	0.080	-	-	-	-	-	-
Moyock Fire District	0.065	0.065	0.065	0.065	-	-	-	-	-	-
Crawford Fire District	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	0.010
Hog Ditch Watershed Improvement District	-	-	-	-	0.010	0.010	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	0.015	0.015
Northwest Watershed Improvement District	-	-	0.070	0.070	0.020	0.020	0.020	0.020	0.020	0.020
Whalehead Watershed Improvement District	-	-	0.070	0.070	0.025	0.010	0.040	0.040	0.040	0.040
Ocean Sands Water and Sewer District	0.230	0.200	0.200	0.150	0.015	-	-	-	-	-
Moyock Commons Sewer District	0.500	0.500	0.500	0.500	0.245	0.245	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 2011			Fiscal Year 2002		
		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	0.68%	\$ 9,524,500	4	0.39%
Dominion Power	Utility	55,769,440	2	0.68%	34,942,430	1	1.44%
Coastland Corporation	Land Development	39,151,900	3	0.47%	8,671,920	6	0.36%
Pine Island Properties LLC	Land Development	22,132,000	4	0.27%			
Pine Island Holdings	Land Development	21,900,282	5	0.27%			
Corolla Bay LLC	Land Development	16,924,554	6	0.21%			
Richardson, Ernest	Real Estate Investor	15,134,020	7	0.18%			
Carolina Telephone	Utility	11,990,107	8	0.15%	7,582,378	7	0.31%
Bank of Currituck	Financial Institution	10,812,457	9	0.13%			
Newman,m Brian K	Real Estate Investor	9,588,333	10	0.12%			
Currituck Associates Residential Partners	Land Development				20,869,925	2	0.86%
Turnpike Properties	Land Development				11,124,634	3	0.46%
Beach Mar IV LLC	Land Development				9,098,081	5	0.37%
Whalehead Properties	Land Development				6,470,284	8	0.27%
Ocean Hill Properties	Land Development				6,076,982	9	0.25%
DeGabrielle, Robert R	Land Development				5,218,876	10	0.21%
Total		\$ 259,764,093		3.16%	\$ 119,580,010		4.92%

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
2002	15,112,177	13,621	15,125,798	14,638,016	96.86%	480,932	15,118,948	99.95%
2003	15,916,809	(18,234)	15,898,575	15,411,378	96.82%	472,792	15,884,170	99.91%
2004	16,896,180	(88,691)	16,807,489	16,388,762	97.00%	400,223	16,788,985	99.89%
2005	17,729,373	41,765	17,771,138	17,253,685	97.32%	496,063	17,749,748	99.88%
2006	24,979,301	(149,932)	24,829,369	24,362,825	97.53%	450,596	24,813,421	99.94%
2007	25,399,676	(102,269)	25,297,407	24,934,696	98.17%	340,058	25,274,754	99.91%
2008	26,009,032	(212,216)	25,796,816	25,322,859	97.36%	440,298	25,763,157	99.87%
2009	26,235,228	(45,886)	26,189,342	25,209,211	96.09%	909,979	26,119,190	99.73%
2010	26,378,391	(37,861)	26,340,530	25,734,726	97.56%	443,535	26,178,261	99.38%
2011	26,474,753	(46,800)	26,427,953	25,941,806	97.99%	-	25,941,806	98.16%

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 by Type
Last Ten Fiscal Years

Fiscal Year	Governmental Activities		Business-Type Activities			Total Primary Government	Percentage of Personal Income ^a	Percentage of Actual Value ^b of Taxable Property	Bonded Debt Per Capita ^a	Total Debt Per Capita ^a
	General Obligation Bonds	Installment Purchase Contracts	General Obligation Bonds	Revenue Bonds	Installment Purchase Contracts					
2002	12,727,361	-	4,283,750	-	-	17,011,111	3.00%	0.74%	\$ 866	\$ 866
2003	10,700,000	-	4,141,750	-	-	14,841,750	2.37%	0.62%	\$ 712	\$ 712
2004	9,670,000	-	3,920,000	-	9,386,321	22,976,321	3.25%	0.90%	\$ 601	\$ 1,016
2005	8,720,000	-	3,690,000	-	8,537,182	20,947,182	2.77%	0.78%	\$ 526	\$ 888
2006	7,770,000	-	3,445,000	-	7,658,149	18,873,149	2.31%	0.25%	\$ 473	\$ 795
2007	6,840,000	-	3,195,000	-	6,748,170	16,783,170	1.99%	0.22%	\$ 422	\$ 706
2008	5,920,000	6,852,575	2,935,000	19,000,000	5,806,155	40,513,730	4.80%	0.51%	\$ 1,101	\$ 1,601
2009	5,020,000	8,284,043	2,670,000	18,500,000	4,830,977	39,305,020	4.66%	0.49%	\$ 1,112	\$ 1,669
2010	4,145,000	8,402,094	2,395,000	18,025,000	3,821,469	36,788,563	4.36%	0.46%	\$ 1,041	\$ 1,559
2011	3,280,000	6,342,471	2,110,000	17,525,000	2,776,422	32,033,893	3.79%	0.40%	\$ 971	\$ 1,357

Notes: Details regarding the County's outstanding debt can be found in the notes to the financial statements.

^aSee Schedule 12 for personal income and population data.

^bSee Schedule 5 for property values.

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

	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
Assessed Value of Property	\$ 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	\$ 8,222,673,629	\$ 8,252,612,186
Debt Limit, 8% of Assessed Value (Statutory Limitation)	194,529,729	204,848,039	216,779,729	227,796,426	617,176,289	632,302,500	644,234,700	654,131,175	657,813,890	660,208,975
Amount of Debt Applicable to Limit										
General Obligation Bonds	15,883,750	14,841,750	13,590,000	12,410,000	11,215,000	10,035,000	9,923,550	7,690,000	6,540,000	5,390,000
Revenue Bonds	-	-	-	-	-	-	19,000,000	18,500,000	18,025,000	17,525,000
Installment Purchase Agreements	1,127,361	-	9,386,321	8,537,182	7,658,149	6,748,170	12,658,730	13,115,021	12,230,653	9,118,893
Less: General Obligation Bonds paid from Enterprise Funds	(4,283,750)	(4,141,750)	(3,920,000)	(3,690,000)	(3,445,000)	(3,195,000)	(2,935,000)	(2,670,000)	(2,395,000)	(2,110,000)
Revenue Bonds from Enterprise Funds	-	-	-	-	-	-	(19,000,000)	(18,500,000)	(18,025,000)	(17,525,000)
Total net debt applicable to limit	12,727,361	10,700,000	19,056,321	17,257,182	15,428,149	13,588,170	19,647,280	18,135,021	16,375,653	12,398,893
Legal Debt Margin	<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>	<u>\$ 641,438,237</u>	<u>\$ 647,810,082</u>
Total net debt applicable to the limit as a percentage of debt limit	0.52%	0.42%	0.70%	0.61%	0.20%	0.17%	0.24%	0.22%	0.20%	0.15%

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	6/30/10	6/30/11
REVENUES					
Water Sales	\$	2,479,589	\$ 2,724,425	\$ 2,617,547	\$ 2,624,282
Water Impact Fees		193,300	336,500	183,500	361,916
	\$	<u>2,672,889</u>	<u>\$ 3,060,925</u>	<u>\$ 2,801,047</u>	<u>\$ 2,986,198</u>
Reconnection Fees	\$	26,530	\$ 48,530	\$ 47,540	\$ 50,050
Penalties		61,127	72,596	76,446	79,052
Sale of materials		-	24,595	2,684	16,246
Investment Earnings		200,131	26,209	5,302	12,253
	\$	<u>287,788</u>	<u>\$ 171,930</u>	<u>\$ 131,972</u>	<u>\$ 157,601</u>
TOTAL REVENUES	\$	2,960,677	\$ 3,232,855	\$ 2,933,019	\$ 3,143,799
EXPENSES					
Personnel	\$	585,721	\$ 627,810	\$ 610,789	\$ 665,592
Operations		862,531	805,505	673,669	639,345
Capital Outlay		121,959	50,677	114,542	-
TOTAL EXPENSES, EXCLUDING DEBT	\$	<u>1,570,211</u>	<u>\$ 1,483,992</u>	<u>\$ 1,399,000</u>	<u>\$ 1,304,937</u>
REVENUES AVAILABLE FOR DEBT	\$	1,390,466	\$ 1,748,863	\$ 1,534,019	\$ 1,838,863
2008 Water Revenue Bonds		-	500,000	475,000	500,000
Interest: 2008 Revenue Bonds		-	736,035	756,650	737,223
TOTAL SENIOR DEBT	\$	<u>-</u>	<u>\$ 1,236,035</u>	<u>\$ 1,231,650</u>	<u>\$ 1,237,223</u>
2004 General Obligation Bond Refunding	\$	260,000	\$ 265,000	\$ 275,000	\$ 285,000
Interest: 2004 General Obligation Bond Refunding		131,784	123,985	116,035	105,035
TOTAL SUBORDINATE DEBT	\$	<u>391,784</u>	<u>\$ 388,985</u>	<u>\$ 391,035</u>	<u>\$ 390,035</u>
MINIMUM 1.15 SENIOR DEBT COVERAGE	\$	-	\$ 1,421,440	\$ 1,416,398	\$ 1,422,806
MINIMUM 1.00 SUBORDINATE DEBT COVERAGE	\$	391,784	\$ 388,985	\$ 391,035	\$ 390,035
SENIOR DEBT SERVICE COVERAGE		N/A	1.41	1.25	1.49
SUBORDINATE DEBT SERVICE COVERAGE		3.55	1.32	0.77	1.54
TOTAL DEBT SERVICE COVERAGE		3.55	1.08	0.95	1.13

Note: Only three 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 (thousands of dollars) ^d	Per Capita Personal Income ^d	Public School Enrollment ^b	Unemployment Rate ^c
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	707,359	30,947	3,854	2.90%
2006	23,580	757,409	32,284	4,156	2.40%
2007	23,731	815,543	34,167	4,120	2.80%
2008	23,773	844,131	34,939	4,070	3.60%
2009	25,305	861,341	35,569	3,961	6.20%
2010	23,547	*	22,467**	3,913	4.90%
2011	23,602	*	*	4,175	5.60%

* Information not yet available

** Projected

Sources:

^a North Carolina Department of Commerce

^b Currituck County Board of Education

^c North Carolina Employment Security Commission

^d Bureau of Economic Analysis

Schedule 13

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

Function	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
General government	37.23	38.22	40.22	44.92	52.50	53.50	56.60	58.00	58.00	59.00
Public safety	106.58	123.22	133.62	146.62	162.42	164.92	181.92	189.92	189.92	189.92
Transportation	-	-	1.00	1.00	1.00	2.00	2.00	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	19.86	21.42	25.42	25.42	28.42	28.42	27.42	25.42	24.00	24.00
Cultural & recreation	9.64	9.79	9.79	10.79	14.15	17.60	12.85	16.85	19.10	19.10
Human services	35.25	35.75	38.75	39.75	43.00	42.75	43.75	42.75	42.75	42.75
Proprietary operations	12.70	12.70	17.70	20.10	20.00	20.00	22.00	22.00	23.00	23.00
	223.26	243.10	268.50	290.60	323.49	331.19	348.54	358.94	360.77	361.77

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
Principal Employers
Current Year and Nine Years Ago

<u>Employer</u>	<u>2011</u>			<u>2002</u>		
	<u>Employees^a</u>	<u>Rank</u>	<u>Percentage of Total County Employment^b</u>	<u>Employees^a</u>	<u>Rank</u>	<u>Percentage of Total County Employment^b</u>
Currituck County Board of Education	500-999	1	17.47%	500-999	1	15.43%
County of Currituck	406	2	9.47%	100-249	3	3.59%
AAR Airlift Group	250-499	3	8.73%	----	----	----
Food Lion LLC	100-249	4	4.07%	100-249	4	3.59%
Sentara Health Center	100-249	5	4.07%	100-249	6	3.59%
Southland Trade Corp.	50-99	6	1.74%	50-99	7	1.53%
Wells Fargo Insurance Inc.	50-99	7	1.74%	----	----	----
Twiddy & Co. of Duck Inc.	50-99	8	1.74%	50-99	10	1.53%
Bank of Hampton Roads	50-99	9	1.74%	----	----	----
Corolla Classic Vacations	50-99	10	1.74%	----	----	----
Resort Quest Outer Banks	----	----	----	250-499	2	7.71%
Griggs Lumber & Produce Co. Inc.	----	----	----	100-249	5	3.59%
NC Dept. of Transportation	----	----	----	50-99	8	1.53%
OSC-Central Payroll	----	----	----	50-99	9	1.53%
Total	<u>1606-2897</u>		<u>52.51%</u>	<u>1350-2890</u>		<u>43.62%</u>

^a Due to proprietary confidentiality, employment data is available in ranges from the Employment Security Commission of North Carolina.

^b Percentage of total employment is based upon means of ranges.

Schedule 15

Currituck County, North Carolina
Operating Indicators by Function

Function	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
Governmental Activities:										
Public Safety										
Law Enforcement ¹										
Deputies	38	44	49	52	59	59	59	63	63	63
Emergency Medical Services ²										
Emergency Medical Technicians	30	43	45	49	55	56	71	71	72	72
Human Services ³										
Number of Physicians	6	6	*	*	3	7	6	*	*	*
Population/physician ratio	3,216	3,288	*	*	7,910	3,396	4,218	*	*	*
Education ⁴										
Schools	7	8	8	8	8	8	8	10	10	10
Teachers	273	273	257	254	346	314	315	295	264	264
Student Enrollment	3,400	3,729	3,685	3,854	4,156	4,120	4,070	3,961	3,913	4,175
SAT Scores	1,024	988	1,003	1,013	1,502 ^a	1,466	1,465	1,459	1,414	1,471
Enterprise Activities:										
Newtown Road Sewer ⁵										
Treatment capacity (MGD)	*	*	*	*	*	0.025	0.025	0.025	0.025	0.025
Annual engineering maximum plant capacity (millions of gallons)	*	*	*	*	*	0.025	0.025	0.025	0.025	0.025
Amount treated annually (millions of gallons)	*	*	*	*	*	*	*	*	3.898	3.898
Unused capacity (millions of gallons)	*	*	*	*	*	*	*	*	0.014	0.014
Percentage of capacity utilized	*	*	*	*	*	*	*	*	42.72%	42.72%
Residential sewer customers	*	*	*	*	*	24	28	28	27	27
Commercial sewer customers	*	*	*	*	*	-	1	1	1	1
Moyock Commons Sewer ⁵										
Treatment capacity (MGD)	*	*	*	*	*	0.040	0.040	0.040	0.040	0.040
Annual engineering maximum plant capacity (millions of gallons)	*	*	*	*	*	0.040	0.040	0.040	0.040	0.040
Amount treated annually (millions of gallons)	*	*	*	*	*	*	*	*	2.720	4.560
Unused capacity (millions of gallons)	*	*	*	*	*	*	*	*	0.033	0.025
Percentage of capacity utilized	*	*	*	*	*	*	*	*	18.68%	37.50%
Number of residential customers	*	*	*	*	*	-	-	-	-	-
Number of commercial customers	*	*	*	*	*	23	21	23	23	33
Southern Outer Banks Water ⁵										

Average daily usage (in 1,000 gallons)	*	*	*	*	*	240	615	333	437	555
Water storage capacity (MGD)									1,500	1,500
Number of water pumping stations									1	1
Number of residential customers	*	*	*	*	*	1,181	1,179	1,179	1,183	1,217
Number of commercial customers	*	*	*	*	*	2	2	20	22	23
Ocean Sands Water and Sewer ⁵										
Average daily water usage (in 1,000 gallons)	*	*	*	*	*	160	180	171	190	189
Water storage capacity (MGD)	*	*	*	*	*	0.150	0.150	0.150	0.150	0.150
Sewer treatment capacity (MGD)	*	*	*	*	*	0.600	0.600	0.600	0.600	0.600
Annual engineering maximum sewer plant capacity (millions of gallons)	*	*	*	*	*	0.600	0.600	0.600	0.600	0.600
Amount sewer treated annually (millions of gallons)	*	*	*	*	*	*	*	*	57	59
Unused sewer capacity (millions of gallons)	*	*	*	*	*	*	*	*	0.100	0.100
Percentage of sewer capacity utilized	*	*	*	*	*	*	*	*	83.33%	83.33%
Number of residential water customers	*	*	*	*	*	954	954	955	954	957
Number of commercial water customers	*	*	*	*	*	-	-	8	8	8
Number of residential sewer customers	*	*	*	*	*	953	954	955	954	957
Number of commercial sewer customers	*	*	*	*	*	-	-	8	8	8
Mainland Water ⁵										
Water storage capacity (MGD)	*	*	*	*	*	*	*	*	3,600	3,600
Residential water customers	*	*	*	*	*	4,891	4,559	4,594	4,686	5,150
Commercial water customers	*	*	*	*	*	*	397	374	385	411
Solid Waste ⁶										
Total number of households served	11,348	11,460	11,971	12,591	13,217	13,813	14,176	14,192	14,192	14,362
Total tonnage disposed	28,225	34,592	41,298	37,234	34,878	31,374	26,300	26,977	24,602	22,536
Recycling Program:										
Households served by program	11,348	11,460	11,971	12,591	13,217	13,813	14,176	14,192	14,192	14,362
Tonnage recovered	1,012	1,032	728	2,009	1,392	1,516	1,713	1,725	1,849	2,186
Mulching/composting program										
Households served by program	11,348	11,460	11,971	12,591	13,217	10,097	10,462	10,477	10,477	14,362
Tonnage recovered	1,050	1,065	12,800	1,780	1,323	1,746	1,023	1,055	1,335	1,405
Total cost of solid waste program	\$ 2,154,794	\$ 2,264,910	\$ 2,901,485	\$ 3,747,674	\$ 4,015,956	\$ 3,804,292	\$ 3,521,710	\$ 3,600,877	\$ 3,960,588	\$ 3,742,527
Cost per household	\$ 190	\$ 198	\$ 242	\$ 297	\$ 304	\$ 275	\$ 250	\$ 254	\$ 280	\$ 261
Cost per ton	\$ 76	\$ 62	\$ 53	\$ 91	\$ 107	\$ 110	\$ 120	\$ 121	\$ 143	\$ 143

Sources:

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

Schedule 16

Currituck County, North Carolina
Capital Asset Statistics by Function

Function	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
Governmental Activities:										
General Government										
Buildings ³	33	44	52	53	54	54	57	58	61	61
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
Emergency Medical Services ²										
Stations	6	6	6	8	11	11	11	11	11	11
Cultural and Recreation										
Libraries	2	2	2	2	2	2	2	2	3	3
Parks	1	1	1	2	2	2	2	3	3	3
Enterprise Activities:										
Newtown Road Sewer ⁴										
Miles of sewer lines	*	*	*	*	*	1	1	1	1	1
Number of treatment plants	*	*	*	*	*	1	1	1	1	1
Moyock Commons Sewer ⁴										
Miles of sewer lines	*	*	*	*	*	1	1	1	1	4
Number of treatment plants						1	1	1	1	1
Southern Outer Banks Water ⁴										
Miles of water lines	*	*	*	*	*	27.07	27.07	27.07	27.57	27.57
Number of water wells	*	*	*	*	*	47	47	47	47	47
Ocean Sands Water and Sewer ⁴										
Miles of water lines	*	*	*	*	*	11.09	11.09	11.09	11.09	11.09
Miles of sewer lines	*	*	*	*	*	12.40	12.40	12.40	12.40	12.40
Number of sewer treatment plants	*	*	*	*	*	1	1	1	1	1
Mainland Water ⁴										
Miles of water lines	*	*	*	*	*	300	350	355	355	355
Number of water wells	*	*	*	*	*	28	28	31	31	31
Number of water pumping stations									7	7

Sources:

¹Currituck County Sheriff's Department

²Currituck County Emergency Medical Services Department

³Currituck County Public Works Department

⁴Currituck County Utilities Department

*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, 2011, which collectively comprises the County of Currituck's basic financial statements, and have issued our report thereon dated November 30, 2011. 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.

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 deficiency in internal control 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 and correct misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the County's financial statements will not be prevented or detected and corrected on a timely basis.

Our consideration of the internal control over financial reporting was for limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, 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, 2011.

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, 2011



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 County of Currituck, North Carolina, compliance with the types of compliance requirements described in 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, 2011. 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, 2011.

Internal Control Over Compliance

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 internal control over compliance with requirements that could have a direct and material effect on a major federal program to determine the auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133, 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 deficiency in 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 and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A material weakness in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be deficiencies, 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 management, others within the County, 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, 2011

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CURRITUCK COUNTY, NORTH CAROLINA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the Fiscal Year Ended June 30, 2011

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
93.778	Medical Assistance Program
93.558	Temporary Assistance for Needy Families
20.106	Airport Grant
93.558 93.596 93.575 93.667	Child Care Cluster
Dollar threshold used to distinguish between Type A and Type B Programs	
	\$419,842
Auditee qualified as low-risk auditee?	
	<input checked="" type="checkbox"/> yes <input type="checkbox"/> 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, 2011

In the prior year, the County did not meet the Revenue Bond debt coverage. The County has reviewed this a found that subordinate debt, which is required to have 100% coverage was calculate with primary debt, which requires 115% coverage. This calculation has been revised and the County is monitoring this coverage closely. The County is in compliance for the current fiscal year with the Revenue Bond debt coverage.

COUNTY OF CURRITUCK
SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS
For the Fiscal Year Ending June 30, 2011

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 Stamps Administrative Match for the Supplemental Nutrition Assistance Program	10.561	168,474	-	-
Rural Utilities Service Direct program; Water and Wastewater Disposal Systems for Rural Communities	10.760	307,576		
Total U.S. Department of Agriculture		476,050	-	-
U.S. Department of Justice				
Passed through NC Department of Crime Control and Public Safety				
Bryne JAG	16.803	7,290	-	-
Total U.S. Department of Justice		7,290	-	-
U.S. Department of Transportation				
State aid to airports passed through NC Dept of Transportation				
Airport Grant	20.106	855,060	161,132	-
Total U.S. Department of Transportation		855,060	161,132	-
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	70,950	-	-
Work First - Services	93.558	329,335	-	-
Low Income Home Energy Assistance				
Administration	93.568	10,893	-	-
Direct Payments	93.568	87,748	-	-
Crisis Intervention Program	93.568	91,940	-	-
Family Violence				
Family Preservation	93.671	1,859	-	-
Family Preservation	93.556	1,059	-	-
Permanency Planning	93.645	6,497	-	-
SSBG	93.667	43,065	4,321	-
LINKS	93.674	12,797	865	-
NC Health Choice	93.767	14,490	638	-
Title IV-D	93.563	138,441	-	-
Foster Care and Adoption				
Title IV-E Foster Care - Administration	93.658	100,026	18,545	-
Foster Care - Direct Benefit Payments	93.658	10,228	2,134	-
Adoption - Administration	93.659	20,677	-	-
Adoption Assistance - Direct Payments	93.659	70,659	15,745	-
Total Foster Care and Adoption Cluster		201,590	36,424	-
Division of Child Development: <u>Child Care Development Fund Cluster</u>				
Division of Social Services				
Child Care Development Fund - Administration	93.596	79,906	-	-
Division of Child Development:				
Child Care and Development Block Grant	93.575	241,688	-	-
Child Care and Development Fund - Mandatory	93.596	105,188	-	-
Child Care and Development Fund - Match	93.596	15,051	8,074	-
Total Child Care Development Fund Cluster		441,833	8,074	-

continued

COUNTY OF CURRITUCK
SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS
For the Fiscal Year Ending June 30, 2011

GRANTOR, PASS THROUGH GRANTOR PROGRAM TITLE	CFDA	AMOUNT EXPENDED		COUNTY
		FEDERAL	STATE	
Social Services Block Grant	93.667	7,150	-	-
TANF	93.558	78,514	-	-
ARRA Emergency Contingency Fund for TANF	93.714	42,566	-	-
Smart Start		-	20,779	-
State Appropriations		-	122,422	-
Total Subsidized Child Care		570,063	151,275	-
Centers for Medicare and Medicaid Services:				
Passed-through NC Department of Health and Human Services, Division of Medical Assistance:				
Direct Benefit Payments	93.778	10,687,480	4,212,593	6,448
Administration	93.778	323,414	8,902	-
Total U.S. Department of Health and Human Services		12,591,621	4,415,018	6,448
U.S. Department of Homeland Security				
Passed through NC Department of Crime Control and Public Safety				
Emergency Management	97.042	35,455	-	-
Homeland Security	97.073	1,059	-	-
Homeland Security	97.067	2,119	-	-
Public Assistance Grant for Infrastructure (FEMA)	97.036	26,090	-	-
Total U.S. Department of Homeland Security		64,723	-	-
TOTAL FEDERAL AWARDS		13,994,744	4,576,150	6,448
STATE AWARDS -				
North Carolina Department of Health and Human Services				
Division of Social Services:				
State/County Special Assistance for Adults		-	123,380	-
State Foster Care Benefits		-	24,814	-
CWS Adoption Benefit Payments		-	142,824	-
State Adult Protective Services		-	17,743	-
TANF Incentive		-	2,435	-
Smart Start		-	-	-
Total North Carolina Department of Health and Human Services		-	311,196	-
NC Department of Juvenile Justice and Delinquency Prevention				
Juvenile Crime Prevention Programs		-	81,830	-
Total North Carolina Department of Juvenile Justice		-	81,830	-
North Carolina Department of Transportation				
Public Transportation Division:				
ROAP		-	142,052	-
Total North Carolina Department of Transportation		-	142,052	-
North Carolina Division of Parks and Recreation				
Parks and Recreation Trust Fund		-	288,824	288,824
Total North Carolina Department of Administration		-	288,824	288,824

continued

COUNTY OF CURRITUCK
SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS
For the Fiscal Year Ending June 30, 2011

GRANTOR, PASS THROUGH GRANTOR PROGRAM TITLE	CFDA	AMOUNT EXPENDED		COUNTY
		FEDERAL	STATE	
North Carolina Department of Environment and Natural Resources				
Lottery Fund		-	219,962	
		-	219,962	-
TOTAL STATE AWARDS		-	1,043,864	-
TOTAL FEDERAL AND STATE AWARDS		13,994,744	5,620,014	6,448

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

1

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

2

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

Program Title	CFDA	Federal Expenditures	State Expenditures
Partnership of Adolescents and Support Services		-	50,376
Victim Compensation and Juvenile Restitution		-	9,993
Teen Court		-	19,461
JCPC Council Administration		-	13,728
Elderly and Disabled Transportation		-	142,052

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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