

COMPREHENSIVE ANNUAL FINANCIAL REPORT

For the Fiscal Year Ended June 30, 2013



County of Currituck, North Carolina

Prepared by the Currituck County Finance Department

County of Currituck, North Carolina
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COUNTY OF CURRITUCK

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

BOARD OF COMMISSIONERS

S. Paul O'Neal, Chairman
Paul R. Martin, Vice-Chairman
O. Vance Aydlett, Jr.
Marion Gilbert
David L. Griggs
Kevin McCord
H. M. "Butch" Petrey

Daniel F. Scanlon II
County Manager
Donald Ike McRee
County Attorney
Mary S. Gilbert, CMC
Clerk to the Board

December 9, 2013

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, 2013. The financial statements and supplemental schedules contained herein have been audited by the independent, certified public accounting firm of Carr, Riggs & Ingram, LLC, 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 23,644; although, the strong tourism industry produces a large seasonal population that results in an average daily population from mid-April 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 13.49 percent from 2004 to 2013.

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.

During the past year, the ad valorem tax base grew from \$8,311,802,189 to \$8,364,320,626 an average increase of 0.63 percent. The octennial revaluation as required by the North Carolina General Statutes became effective on January 1, 2013. Market values of both commercial and residential property throughout the county decreased in values. The county-wide tax rate for the fiscal year ending June 30, 2013 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 for athletic fields at the Maple Commerce Park.

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. The primary focus has been on maintenance to the existing facilities, which included replacing the HVAC systems and adding bus canopies to several facilities. Redesigning the entrance, road connections and parking to Central Elementary School and upgrades to the tennis courts at the High School were also in process throughout the year. Relocating the bus garage is also in the preliminary stage and continues to move forward. (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 III of a stormwater drainage project is under construction phase for the Whalehead subdivision; design is in process for an animal shelter and construction of athletic fields at the Maple Commerce Park complex ; roads and infrastructure are in process for the Maple Commerce Park; construction for a central sewer in Moyock is near completion; expansion of the Southern Outer Banks Water System is also in process.

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), Tourism Development Authority Fund, Capital Projects (except the County Governmental Facilities Fund and the School Facilities Fund) and Enterprise Operating Funds. Multi-year project budgets are adopted for the Multi-Year Grant Fund, the County Governmental Facilities Fund, the School Facilities Fund, the Southern Outer Banks Water Construction Fund, and the Moyock Central Sewer 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 an Aviation Technical and Training Facility in cooperation with the College of the Albemarle. 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 throughout the year. The maturities range from 1 month to 1 year, 323 days for commercial paper. The average yield on investments was 0.960% for commercial paper.

Risk management. The County participates in the North Carolina Association of County Commissioners (NCACC) property and general liability, worker's compensation. The pools provide coverage for property, general liability, vehicle, crime, professional liability, environmental impairment, and worker's compensation benefits. The County contracts with CIGNA to provide health insurance benefits to full-time employees. The County also maintains flood insurance on structures located in flood prone areas. As of June 30, 2013 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, Carr, Riggs and Ingram, LLC., 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 thirteenth 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, 2012. 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



Government Finance Officers Association

**Certificate of
Achievement
for Excellence
in Financial
Reporting**

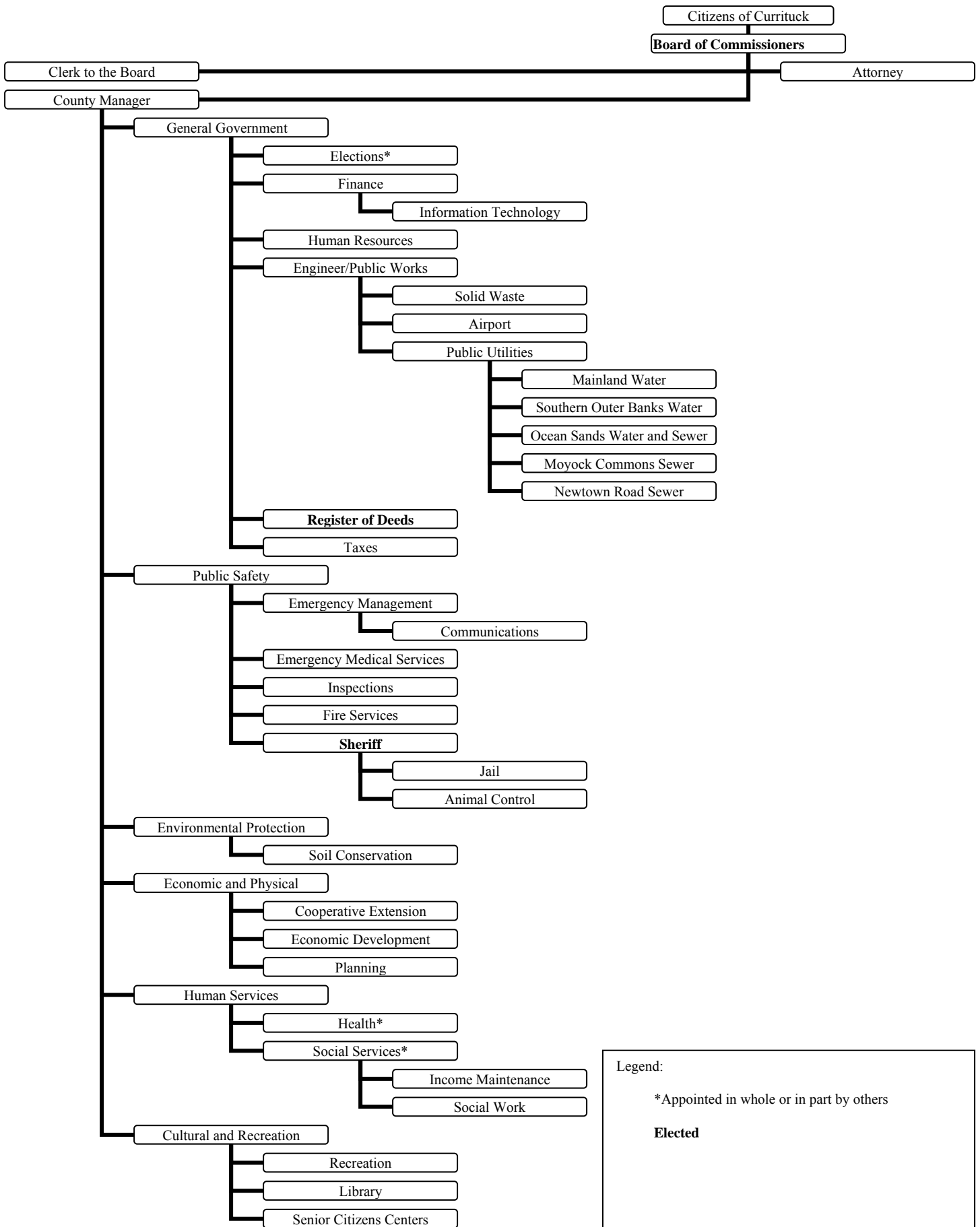
Presented to

**County of Currituck
North Carolina**

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

June 30, 2012

Executive Director/CEO



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

CURRITUCK, NORTH CAROLINA

S. Paul O’Neal, Chairman

Paul R. Martin, Vice-Chairman

O. Vance Aydlett, Jr.

Marion Gilbert

David Griggs

Kevin McCord

H.M. “Butch” Petrey

OFFICIALS

County Manager	Daniel F. Scanlon, II
County Attorney	Donald “Ike” McRee
Clerk to the Board	Mary S. Gilbert
Board of Elections	Mary Etheridge
Sheriff	Susan Johnson
Register of Deeds	Denise Hall
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



Carr, Riggs & Ingram, LLC
3105 Trent Road
New Bern, North Carolina 28563

Mailing Address:
P.O. Box 1547
New Bern, North Carolina 28563-1547

(252) 633-5821
(252) 633-0199 (fax)
www.cricpa.com

Independent Auditor's Report

To the Board of County Commissioners
Currituck County, North Carolina

Report on the Financial Statements

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 then ended June 30, 2013, and the related notes to the financial statements, which collectively comprise Currituck County's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of the Whalehead Preservation Trust and Currituck Wildlife Museum or the Currituck County ABC Board. Those statements were audited by other auditors whose reports 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 solely on the report 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 from material misstatement. The financial statements of Currituck County ABC Board were not audited in accordance with Governmental Auditing Standards.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation

of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, based on our audit and the report of the other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, 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, 2013, and the respective changes in financial position and cash flows, where applicable, thereof and the respective budgetary comparison for the General Fund and the Currituck County Tourism Development Authority for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis and the Law Enforcement Officers' Special Separation Allowance and the other Postemployment Benefits' Schedules of Funding Progress and Employer Contributions on pages 83 through 87, respectively, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We and other auditors have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary and Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements of Currituck County, North Carolina. The combining and individual fund statements, budgetary schedules, other schedules as well as the accompanying Schedule of Expenditures of Federal and State Awards, as required by 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 financial statements, budgetary schedules, other schedules and the Schedule of Expenditures of Federal and State Awards are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements.

Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America by us and other auditors. In our opinion, based on our audit, the procedures performed as described above, and the report of the other auditors, the combining and individual fund financial statements, budgetary schedules, other schedules, and the Schedule of Expenditures of Federal and State Awards are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated December 9, 2013 on our consideration of Currituck County's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose 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 internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Currituck County's internal control over financial reporting and compliance.

Carr, Riggs & Ingram LLC

New Bern, NC
December 9, 2013

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, 2013. 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.

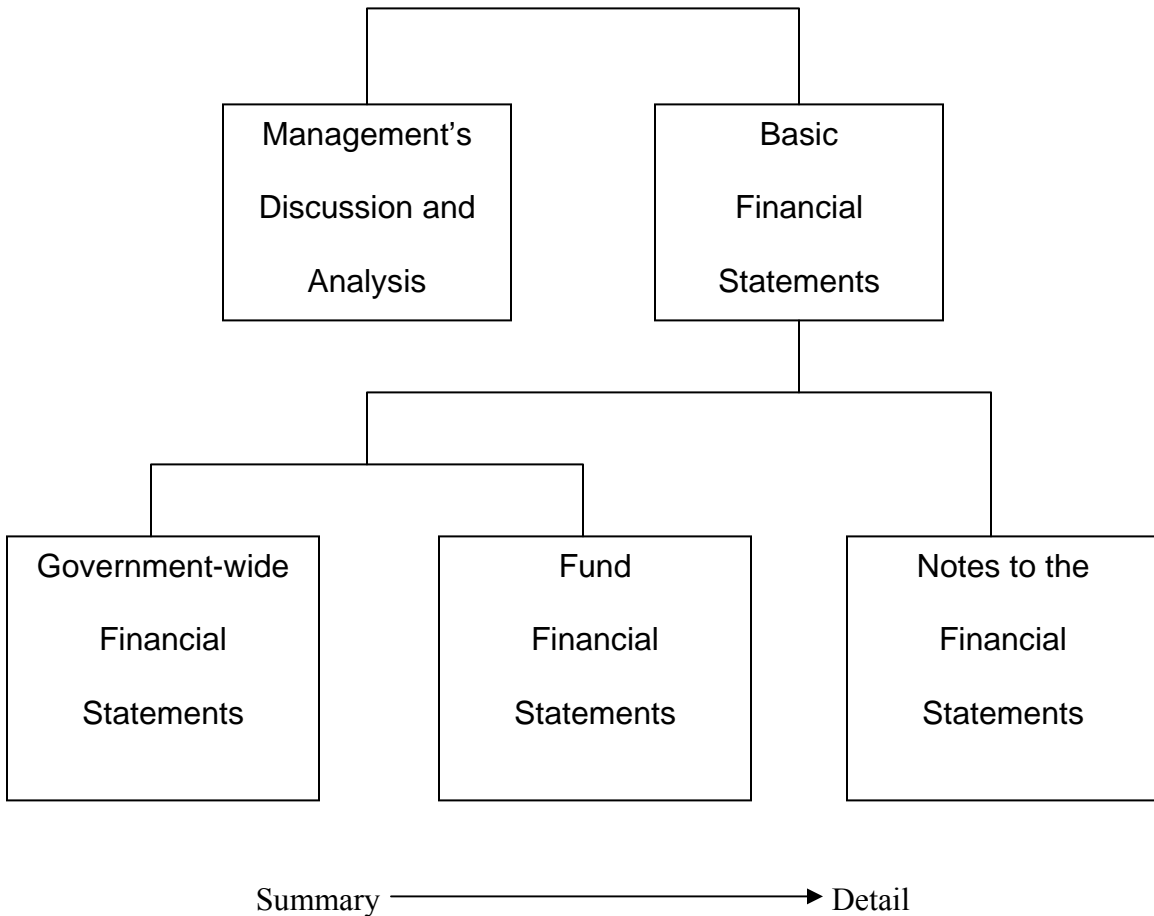
Financial Highlights

- The assets of Currituck County exceeded its liabilities and deferred inflows of resources at the close of the fiscal year by \$178,947,622 (*net position*).
- The government's total net position increased by \$6,088,207; an increase of \$463,706 in the business-type activities and an increase of \$5,624,501 in the governmental activities.
- As of the close of the current fiscal year, Currituck County's governmental funds reported combined ending fund balances of \$46,290,881, a decrease of \$4,889,974 in comparison with the prior year. Approximately 53.72% of this total amount, or \$24,866,316, is restricted or nonspendable.
- At the end of the current fiscal year, unassigned fund balance for the General Fund was \$2,184,656 or 4.91% of total general fund expenditures for the fiscal year.
- Currituck County's total debt decreased by \$1,522,646 or 41.01% during the current fiscal year. New debt of \$3,800,000 was issued for Whalehead stormwater drainage and reductions were for scheduled debt payments.

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 position and how they have changed. Net position is the difference between the County's total assets and deferred outflows of resources and total liabilities and deferred inflows of resources. Measuring net position 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 Position 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 Position 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 84 of this report.

Government-Wide Financial Analysis

As noted earlier, net position may serve over time as one useful indicator of a government's financial condition. The County's assets exceeded liabilities and deferred inflows of resources by \$178,947,622 as of June 30, 2013. The County's net position increased by \$6,088,207 for the fiscal year ended June 30, 2013. One of the largest portions \$130,830,928 (73.11%) reflects the County's net investment in capital assets (e.g. land, buildings, machinery, and equipment). As of June 30, 2013, long-term debt in governmental activities was for the Currituck County High School, the Shawboro Elementary School, the College of the Albemarle Technical and Training Facility 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 position \$16,509,722 (9.23%) represents resources that are subject to external restrictions on how they may be used. The remaining balance of \$31,606,972 (17.66%) is unrestricted.

Currituck County's Net Position

Figure 2

	Governmental Activities		Business-type Activities		Total	
	2013	2012	2013	2012	2013	2012
Current and other assets	\$ 53,084,993	\$ 56,234,184	\$ 15,073,353	\$ 18,087,011	\$ 68,158,346	\$ 74,321,195
Capital assets	113,787,396	100,480,574	57,062,060	55,810,856	170,849,456	156,291,430
Total assets	\$ 166,872,389	\$ 156,714,758	\$ 72,135,413	\$ 73,897,867	\$ 239,007,802	\$ 230,612,625
Long-term liabilities outstanding	\$ 24,900,542	\$ 22,355,804	\$ 28,167,787	\$ 29,595,000	\$ 53,068,329	\$ 51,950,804
Other liabilities	5,898,599	3,937,986	1,065,473	1,864,420	6,964,072	5,802,406
Total liabilities	30,799,141	26,293,790	29,233,260	31,459,420	60,032,401	57,753,210
Total deferred inflows of resources	27,779	-	-	-	27,779	-
Net position:						
Net investment in capital assets	101,478,868	96,265,950	29,352,060	28,802,477	130,830,928	125,068,427
Restricted	16,509,722	12,362,081	-	-	16,509,722	12,362,081
Unrestricted	18,056,879	21,792,937	13,550,093	13,635,970	31,606,972	35,428,907
Total net position	\$ 136,045,469	\$ 130,420,968	\$ 42,902,153	\$ 42,438,447	\$ 178,947,622	\$ 172,859,415

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

- Continued diligence in the collection of property taxes by maintaining a collection percentage of 98.44%, higher than the statewide average of 97.05%.
- Permits and fees increased by \$396,434, which reflects growth in building permits and inspections.
- Continued low cost of debt due to the County's high bond rating.

Currituck County Changes in Net Position
Figure 3

	Governmental Activities		Business-type Activities		Total	Total
	2013	2012	2013	2012	2013	2012
Revenues:						
Program revenues:						
Charges for services	\$ 4,675,873	\$ 3,382,475	\$ 11,537,028	\$ 10,689,055	\$ 16,212,901	\$ 14,071,530
Operating grants and contributions	2,499,496	3,512,498	168,867	75,477	2,668,363	3,587,975
Capital grants and contributions	1,431,408	872,912	206,491	-	1,637,899	872,912
General revenues:						
Property taxes	27,912,650	26,716,751	116,393	131,174	28,029,043	26,847,925
Other taxes	21,808,029	22,090,499	-	-	21,808,029	22,090,499
Investment earnings, unrestricted	327,131	537,109	115,260	133,045	442,391	670,154
Total revenues	58,654,587	57,112,244	12,144,039	11,028,751	70,798,626	68,140,995
Expenses:						
General government	7,999,138	6,351,749	-	-	7,999,138	6,351,749
Public safety	19,305,733	18,160,689	-	-	19,305,733	18,160,689
Transportation	1,079,075	1,222,468	-	-	1,079,075	1,222,468
Economic and physical development	3,531,181	9,094,719	-	-	3,531,181	9,094,719
Environmental protection	3,174,699	385,902	-	-	3,174,699	385,902
Human services	4,492,638	4,351,492	-	-	4,492,638	4,351,492
Cultural and recreation	1,982,118	1,939,442	-	-	1,982,118	1,939,442
Education	10,100,754	9,810,904	-	-	10,100,754	9,810,904
Interest on long-term debt	364,671	359,601	-	-	364,671	359,601
Solid Waste	-	-	4,274,049	4,252,922	4,274,049	4,252,922
Water and sewer	-	-	8,295,709	7,466,805	8,295,709	7,466,805
Total expenses	52,030,007	51,676,966	12,569,758	11,719,727	64,599,765	63,396,693
Increase in net position before transfers, special item and capital contributions	6,624,580	5,435,278	(425,719)	(690,976)	6,198,861	4,744,302
Loss on sale of capital assets	(99,618)	-	(11,036)	-	(110,654)	-
Capital contributions	-	-	-	5,498,458	-	-
Transfers	(900,461)	(677,943)	900,461	677,943	-	-
Increase in net position	5,624,501	4,757,335	463,706	5,485,425	6,088,207	4,744,302
Net position, July 1	130,420,968	125,663,633	42,438,447	36,953,022	172,859,415	162,616,655
Net position, June 30	\$ 136,045,469	\$ 130,420,968	\$ 42,902,153	\$ 42,438,447	\$ 178,947,622	\$ 167,360,957

Governmental activities. Governmental activities increased the County's net position by \$5,624,501. Key elements of this increase are as follows:

- Increases in charges for services
- Increases in Occupancy Tax receipts
- Completion of capital projects
- Decrease in operating expenses

Business-type activities: Business-type activities increased Currituck County’s net position by \$463,706, accounting for 7.61% of the total growth in the government’s net position. Key elements of this increase are as follows:

- Increase in capital assets from construction of the Moyock central wastewater system and the Southern Outer Banks Water system.
- Increase in customers from acquisition of water systems in the Outer Banks.

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 \$5,641,872, while total fund balance reached \$10,095,098. The County currently has an available fund balance of 12.68% of general fund expenditures, while total fund balance represents 22.84% 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 second year of GASB 54 implementation.

Figure 4
Changes in Fund Balances for Governmental Funds

	2013 Total	2012 Total	Change in Fund Balances
General	\$ 10,095,098	\$ 10,028,251	\$ 66,847
County Governmental Facilities	8,984,201	10,905,119	(1,920,918)
School Facilities	5,507,828	11,396,470	(5,888,642)
Tourism Development Authority	9,292,689	8,612,445	680,244
Other Governmental	12,411,065	10,238,570	2,172,495
	<u>\$ 46,290,881</u>	<u>\$ 51,180,855</u>	<u>\$ (4,889,974)</u>

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 \$680,244 increase over the prior year due to increase in Occupancy Tax revenue receipts.

At June 30, 2013, the governmental funds of Currituck County reported a combined fund balance of \$46,290,881, a 9.55% decrease over last year. This decrease is primarily due to construction of the the College of the Albemarle Training and Technical Facility, Whalehead stormwater drainage project and athletic fields and roadways for the Maple Commerce Park/Recreation complex.

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	\$ 25,874,152	26,943,147	1,068,995
Other taxes and licenses	5,255,681	5,567,834	312,153
Restricted intergovernmental	256,500	138,398	(118,102)
Unrestricted intergovernmental	2,889,080	2,932,397	43,317
Permits and fees	2,167,377	2,393,320	225,943
Sales and services	754,859	773,340	18,481
Investment earnings	120,000	62,700	(57,300)
Miscellaneous	471,417	617,053	145,636
Total revenues	<u>37,789,066</u>	<u>39,428,189</u>	<u>1,639,123</u>
Expenditures:			
General government	6,022,417	5,552,530	469,887
Public safety	17,443,180	16,713,279	729,901
Transportation	640,968	569,809	71,159
Environmental protection	213,788	195,678	18,110
Economic and physical development	1,539,693	1,418,678	121,015
Human services	4,603,308	4,236,116	367,192
Cultural and recreational	2,152,705	1,683,185	469,520
Education	10,100,754	10,100,754	-
Debt service	3,737,831	3,727,876	9,955
Total expenditures	<u>46,454,644</u>	<u>44,197,905</u>	<u>2,256,739</u>
Revenues over (under) expenditures	(8,665,578)	(4,769,716)	3,895,862
Other financing sources (uses):			
Transfers to other funds	(1,638,879)	(1,588,879)	50,000
Transfers from other funds	6,600,810	6,296,592	(304,218)
Total other financing sources (uses)	<u>4,961,931</u>	<u>4,707,713</u>	<u>(254,218)</u>
Revenues and other financing sources over expenditures and other financing uses	(3,703,647)	(62,003)	3,641,644
Appropriated fund balance	<u>3,703,647</u>	<u>-</u>	<u>(3,703,647)</u>
Revenues, appropriated fund balance, and other financing sources over expenditures and other financing uses	<u>\$ -</u>	<u>\$ (62,003)</u>	<u>\$ (62,003)</u>

Total amendments to the General Fund increased revenues by \$722,476. Property taxes, other taxes and licenses, permits and fees, and sales and services collected revenues exceeding their budgets; however, both restricted and unrestricted governmental revenues due to reductions in payment in lieu of taxes, outstanding Public Assistance through FEMA and reduction of various Human Services grant funds. The overall actual General

fund revenues were \$1,639,123 greater than budget. The final budget for expenditures was \$6,454,644, which was a \$969,399 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 position of the Solid Waste Fund at the end of the fiscal year amounted to \$4,656,021, and those for the Water and Sewer Districts totaled \$8,894,072. The total growth in net position for the proprietary funds is shown in Figure 6, below.

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

	June 30 2013	June 30 2012	Change in Net Position
Solid Waste	\$ 5,160,105	\$ 5,679,803	\$ (519,698)
Ocean Sands Water and Sewer	7,218,354	7,161,675	56,679
Mainland Water	8,855,270	9,636,046	(780,776)
Southern Outer Banks Water	12,642,223	10,830,638	1,811,585
Moyock Central Sewer	2,648,086	2,743,045	(94,959)
Non-Major Proprietary Funds			
Newtown Road Sewer	308,524	332,881	(24,357)
Maple Commerce Park Sewer	1,889,762	1,923,869	(34,107)
Moyock Commons Sewer	609,071	556,894	52,177
Walnut Island Sewer	3,570,758	3,573,596	(2,838)
Total	<u>\$ 42,902,153</u>	<u>\$ 42,438,447</u>	<u>\$ 463,706</u>

Capital Asset and Debt Administration

Capital assets. Currituck County’s capital assets for its governmental and business – type activities as of June 30, 2013, totals \$170,849,456, 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:

- Completion of a multi-use path along Highway 12 in Corolla
- Continued construction of distribution lines for the Moyock Central Sewer
- Completion of the College of the Albemarle Technical and Training Facility at Maple
- Construction of roadways for the Maple Commerce Park site

Figure 7

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

	Governmental		Business-type		Total	
	Activities		Activities		Total	
	2013		2013		2012	
Land	\$	19,568,704	\$	1,970,953	\$	21,539,657
Buildings and system		66,351,329		41,052,227		107,403,556
Computer Equipment		967,821		274,253		1,242,074
Furniture & Fixtures		15,361,324		49,235		15,410,559
Equipment		2,382,420		12,712,837		15,095,257
Vehicles and motorized equipment		2,151,359		151,339		2,302,698
Construction in progress		7,004,439		851,217		7,855,656
Total	\$	113,787,396	\$	57,062,061	\$	170,849,457
						\$ 156,291,430

Additional information on the County's capital assets can be found in note III.A. 5, beginning on page 61 of the Basic Financial Statements.

Long-term Debt. As of June 30, 2013, Currituck County had total bonded debt outstanding of \$19,540,000. Of that amount, \$3,065,000 is debt backed by the full faith and credit of the County while the remaining \$16,475,000 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, for stormwater improvements in the Whalehead Subdivision Watershed Service District, College of the Albemarle Technical and Training Facility, Moyock Sewer System and for Southern Outer Banks Water System, with outstanding balances of \$1,244,303, \$5,235,653, \$5,828,572, \$2,520,000 and \$7,225,000, respectively. These debt instruments are backed by their respective assets.

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

	Governmental		Business-type		Total	
	Activities		Activities		Total	
	2013	2012	2013	2012	2013	2012
Installment Purchase	\$ 12,308,528	\$ 11,014,624	\$ 9,745,000	\$ 10,775,000	\$ 22,053,528	\$ 21,789,624
Revenue bonds	-	-	16,750,000	17,015,000	16,750,000	17,015,000
General obligation bonds	1,575,000	2,550,303	1,490,000	1,918,379	3,065,000	4,468,682
Total debt	\$ 13,883,528	\$ 13,564,927	\$ 27,985,000	\$ 29,708,379	\$ 41,868,528	\$ 43,273,306

Figure 8

Currituck County's total debt decreased by \$1,404,778 (3.25%) 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 \$631,454,803. The County has no bonds authorized but un-issued at June 30, 2013.

Additional information regarding Currituck County's long-term debt can be found in note III.B.7. beginning on page 74 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, 2013, Currituck County had the lowest unemployment rate in the State with a rate of 5.8%.
- Property values held constant with a 0.63% increase over the prior year

Budget Highlights for the Fiscal Year Ending June 30, 2014

Governmental Activities: Currituck County's octennial revaluation became effective for the 2006 fiscal year. Governmental fund revenues are budgeted conservatively with a 2.36% reduction from the actual revenues received for the year ended June 30, 2013, while the business fund revenues are projected to increase by 2.35% over the prior year which is attributed to the reinstatement of the property tax in the Ocean Sands Water and Sewer District.

Budgeted expenditures in the General Fund are anticipated to be \$48,526,716 before transfers to other funds, approximately 1.40% increase over the prior year.

Business – type Activities: For the upcoming fiscal year, the County will evaluate the operations of all business-type activities. Expansion of the Southern Outer Banks Water system is still under construction and design of replacement for the Ocean Sands Sewer system is in process. The Moyock Central Sewer construction should be completed during the upcoming fiscal year and once that system is complete, the County will begin the process of merging that system with the Newtown Road and Moyock Commons Sewer systems. The budgets for all business-type activities have remained level for operations for the upcoming year.

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.

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County of Currituck, North Carolina
Statement of Net Position
June 30, 2013

	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	\$ 42,302,830	\$ 18,229,314	\$ 60,532,144	\$ 644,154	\$ 571,256
Restricted Cash	2,096,085	15,804	2,111,889	-	-
Receivables (net)	755,714	5,957	761,671	22,322	150
Other receivables (net)	150,705	1,259,581	1,410,286	-	-
Due from other governments	3,130,625	-	3,130,625	-	-
Due from component unit	98,454	-	98,454	-	-
Due from other funds	4,437,303	(4,437,303)	-	-	-
Inventories	1,257	-	1,257	75,979	381,065
Prepaid items	-	-	-	56,772	2,764
Prepaid pension costs	112,020	-	112,020	-	-
Endowment fund	-	-	-	15,956	-
Capital assets:					
Land, improvements, non-depreciable collections and construction in progress	26,573,143	2,822,170	29,395,313	884,697	692,991
Other capital assets, net of depreciation	87,214,253	54,239,890	141,454,143	140,840	1,384,984
Total capital assets	113,787,396	57,062,060	170,849,456	1,025,537	2,077,975
Total assets	166,872,389	72,135,413	239,007,802	1,840,720	3,033,210
LIABILITIES					
Accounts payable and accrued expenses	5,367,413	929,315	6,296,728	60,895	165,424
Customer deposits	-	73,082	73,082	-	-
Deposits held in trust	531,186	-	531,186	-	-
Due to primary government	-	-	-	-	98,454
Long-term liabilities:					
Due within one year	4,207,005	1,957,500	6,164,505	3,847	-
Due in more than one year	20,693,537	26,273,363	46,966,900	-	-
Total long-term liabilities	24,900,542	28,230,863	53,131,405	3,847	-
Total liabilities	30,799,141	29,233,260	60,032,401	64,742	263,878
DEFERRED INFLOWS OF RESOURCES					
Prepaid taxes	27,779	-	27,779	-	-
Total deferred inflows of resources	27,779	-	27,779	-	-
NET POSITION					
Net investment in capital assets	101,478,868	29,352,060	130,830,928	1,021,690	2,077,975
Restricted for:					
Stabilization by State Statute	8,037,159	-	8,037,159	-	-
Public Safety	305,844	-	305,844	-	-
Education	1,724,261	-	1,724,261	-	-
Working capital	-	-	-	-	202,643
Capital assets	6,442,458	-	6,442,458	336,849	-
Unrestricted (deficit)	18,056,879	13,550,093	31,606,972	417,439	488,714
Total net position	\$ 136,045,469	\$ 42,902,153	\$ 178,947,622	\$ 1,775,978	\$ 2,769,332

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, 2013

Functions/Programs	Program Revenues			
Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	
Primary government:				
Governmental Activities:				
General government	\$ 7,999,138	\$ 2,007,829	\$ -	\$ -
Public safety	19,305,733	1,906,102	187,756	2,520
Transportation	1,079,075	487,746	-	476,612
Economic and physical development	3,531,181	99,060	33,904	500,696
Environmental protection	3,174,699	80,039	-	-
Human services	4,492,638	-	2,277,836	-
Cultural and recreation	1,982,118	95,097	-	53,020
Education	10,100,754	-	-	398,560
Interest on long-term debt	364,671	-	-	-
Total governmental activities	52,030,007	4,675,873	2,499,496	1,431,408
Business-type activities:				
Solid Waste	4,274,049	2,690,617	55,392	-
Water and Sewer	8,295,709	8,846,411	113,475	206,491
Total business-type activities	12,569,758	11,537,028	168,867	206,491
	\$ 64,599,765	\$ 16,212,901	\$ 2,668,363	\$ 1,637,899
Component units:				
Whalehead Preservation Trust	\$ 1,413,278	\$ 498,024	\$ 800,000	\$ -
ABC Board	3,315,655	3,372,071	-	-
Total component units	\$ 4,728,933	\$ 3,870,095	\$ 800,000	\$ -

General revenues:

Taxes:

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

Investment earnings, unrestricted

Gain (loss) on sale of capital assets

Gain (loss) on endowment fund investments

Transfers

Total general revenues and transfers

Change in net position

Net position, beginning, previously reported

Net position-ending

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

Exhibit 2

Net (Expense) Revenue and Changes in Net Position					
Primary Government			Component Units		
Governmental Activities	Business-type Activities	Total	Whalehead Preservation Trust and Wildlife Museum	Currituck County ABC Board	
\$ (5,991,309)		\$ (5,991,309)			
(17,209,355)		(17,209,355)			
(114,717)		(114,717)			
(2,897,521)		(2,897,521)			
(3,094,660)		(3,094,660)			
(2,214,802)		(2,214,802)			
(1,834,001)		(1,834,001)			
(9,702,194)		(9,702,194)			
(364,671)		(364,671)			
<u>(43,423,230)</u>	<u>-</u>	<u>(43,423,230)</u>			
-	(1,528,040)	(1,528,040)			
-	870,668	870,668			
-	<u>(657,372)</u>	<u>(657,372)</u>			
<u>(43,423,230)</u>	<u>(657,372)</u>	<u>(44,080,602)</u>			
			\$ (115,254)	\$ -	
			-	56,416	
			<u>(115,254)</u>	<u>56,416</u>	
26,866,756	-	26,866,756	-	-	
-	116,393	116,393	-	-	
1,045,894	-	1,045,894	-	-	
8,067,265	-	8,067,265	-	-	
2,803,239	-	2,803,239	-	-	
10,046,807	-	10,046,807	-	-	
12,290	-	12,290	-	-	
611,557	-	611,557	-	-	
266,871	-	266,871	-	-	
327,131	115,260	442,391	2,762	662	
(99,618)	(11,036)	(110,654)	(465)	-	
-	-	-	1,112	-	
<u>(900,461)</u>	<u>900,461</u>	<u>-</u>	<u>-</u>	<u>-</u>	
<u>49,047,731</u>	<u>1,121,078</u>	<u>50,168,809</u>	<u>3,409</u>	<u>662</u>	
5,624,501	463,706	6,088,207	(111,845)	57,078	
130,420,968	42,438,447	172,859,415	1,887,823	2,712,254	
<u>\$ 136,045,469</u>	<u>\$ 42,902,153</u>	<u>\$ 178,947,622</u>	<u>\$ 1,775,978</u>	<u>\$ 2,769,332</u>	

County of Currituck, North Carolina
Balance Sheet
Governmental Funds
June 30, 2013

	Major				Nonmajor	
	General	County Governmental Facilities Fund	School Facilities Fund	Tourism Development Authority Fund	Other Governmental Funds	Total Governmental Funds
ASSETS						
Cash and cash equivalents	\$ 8,463,552	\$ 11,426,572	\$ 5,267,077	\$ 4,946,802	\$ 12,198,827	\$ 42,302,830
Restricted Cash	1,819,361	-	276,724	-	-	2,096,085
Taxes receivable, net	749,769	-	-	-	5,945	755,714
Other receivables, net	150,701	-	-	4	-	150,705
Due from other governments	1,842,141	132,428	99,574	10,309	1,046,173	3,130,625
Due from component unit	98,454	-	-	-	-	98,454
Due from other funds	-	-	-	4,437,303	-	4,437,303
Inventories	1,257	-	-	-	-	1,257
Total assets	\$ 13,125,235	\$ 11,559,000	\$ 5,643,375	\$ 9,394,418	\$ 13,250,945	\$ 52,972,973
LIABILITIES AND FUND BALANCES						
Liabilities:						
Accounts payable and accrued liabilities	\$ 2,235,385	\$ 2,574,799	\$ 135,547	\$ 101,729	\$ 833,935	\$ 5,881,395
Total liabilities	2,235,385	2,574,799	135,547	101,729	833,935	5,881,395
DEFERRED INFLOWS OF RESOURCES						
Property taxes receivable	766,973	-	-	-	5,945	\$ 772,918
Prepaid taxes	27,779	-	-	-	-	27,779
Total deferred inflows of resources	794,752	-	-	-	5,945	800,697
Fund balances:						
Nonspendable:						
Inventories	1,257	-	-	-	-	1,257
Restricted:						
Stabilization by State Statute	2,074,092	132,428	235,121	4,549,345	1,046,173	8,037,159
Emergency Telephone System	-	-	-	-	305,844	305,844
County Governmental Assets	-	-	-	-	6,442,458	6,442,458
School Capital Assets	-	-	276,724	-	1,233,673	1,510,397
Tourism	-	-	-	4,378,820	-	4,378,820
Watershed Improvements	1,819,361	-	-	-	2,270,516	4,089,877
Whalehead Beach Solid Waste	-	-	-	-	100,504	100,504
Committed:						
Carova Beach Service District	-	-	-	120,628	-	120,628
Fire Protection	414,622	-	-	-	-	414,622
Fire Equipment Replacement	-	-	-	-	118,180	118,180
County Governmental Assets	-	8,851,773	-	-	-	8,851,773
School Capital Assets	-	-	4,995,983	-	-	4,995,983
Enterprise Internal Loan	-	-	-	-	-	-
Tax Revaluation	143,894	-	-	-	-	143,894
Assigned:						
Subsequent year's expenditures	3,457,216	-	-	243,896	864,051	4,565,163
CDBG project	-	-	-	-	29,666	29,666
Unassigned:	2,184,656	-	-	-	-	2,184,656
Total fund balances	10,095,098	8,984,201	5,507,828	9,292,689	12,411,065	46,290,881
Total liabilities, deferred inflows of resources, and fund balances	\$ 13,125,235	\$ 11,559,000	\$ 5,643,375	\$ 9,394,418	\$ 13,250,945	

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

Prepaid pension costs related to Law Enforcement Officer's Separation Allowance	112,020
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.	113,787,396
Liabilities for earned but deferred revenues in fund statements.	
Other long-term assets are not available to pay for current-period expenditures and therefore are unavailable in the funds.	755,714
Deferred inflows of resources for taxes and special assessments receivable	
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).	(24,900,542)
Net position of governmental activities	\$ 136,045,469

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, 2013

	Major				Nonmajor	
	General Fund	County	School	Tourism	Other	Total
		Governmental	Facilities Fund	Development		
				Authority	Funds	Funds
REVENUES						
Ad valorem taxes	\$ 26,943,147	\$ -	\$ -	\$ -	\$ 1,045,894	\$ 27,989,041
Other taxes and licenses	5,567,834	-	-	10,046,807	6,413,069	22,027,710
Unrestricted intergovernmental	138,398	-	-	-	-	138,398
Restricted intergovernmental	2,932,397	1,034,957	398,560	-	32,455	4,398,369
Permits and fees	2,393,320	-	-	35,150	-	2,428,470
Sales and services	773,340	-	-	8,653	-	781,993
Investment earnings	79,918	88,369	40,695	43,728	74,421	327,131
Miscellaneous	617,053	-	-	22,813	-	639,866
Total revenues	<u>39,445,407</u>	<u>1,123,326</u>	<u>439,255</u>	<u>10,157,151</u>	<u>7,565,839</u>	<u>58,730,978</u>
EXPENDITURES						
Current:						
General government	5,861,898	-	-	-	100,541	5,962,439
Public safety	16,713,279	3,471,310	-	-	758,330	20,942,919
Transportation	569,809	470,829	-	-	-	1,040,638
Environmental protection	195,678	-	-	-	2,955,054	3,150,732
Economic and physical development	1,418,678	1,635,400	-	5,120,632	32,388	8,207,098
Human services	4,236,116	-	-	-	-	4,236,116
Cultural and recreational	1,683,185	1,710,418	-	-	-	3,393,603
Intergovernmental:						
Education	10,100,754	3,981	5,754,335	-	-	15,859,070
Debt service:						
Principal	3,363,205	-	-	-	-	3,363,205
Interest	364,671	-	-	-	-	364,671
Total expenditures	<u>44,507,273</u>	<u>7,291,938</u>	<u>5,754,335</u>	<u>5,120,632</u>	<u>3,846,313</u>	<u>66,520,491</u>
Excess (deficiency) of revenues over expenditures	<u>(5,061,866)</u>	<u>(6,168,612)</u>	<u>(5,315,080)</u>	<u>5,036,519</u>	<u>3,719,526</u>	<u>(7,789,513)</u>
OTHER FINANCING SOURCES (USES)						
Issuance of debt	-	-	-	-	3,800,000	3,800,000
Transfers from other funds	6,717,592	4,247,694	-	71,445	267,000	11,303,731
Transfers to other funds	(1,588,879)	-	(573,562)	(4,427,720)	(5,614,031)	(12,204,192)
Total other financing sources and uses	<u>5,128,713</u>	<u>4,247,694</u>	<u>(573,562)</u>	<u>(4,356,275)</u>	<u>(1,547,031)</u>	<u>2,899,539</u>
Net change in fund balance	66,847	(1,920,918)	(5,888,642)	680,244	2,172,495	(4,889,974)
Fund balances-beginning	10,028,251	10,905,119	11,396,470	8,612,445	10,238,570	51,180,855
Fund balances-ending	<u>\$ 10,095,098</u>	<u>\$ 8,984,201</u>	<u>\$ 5,507,828</u>	<u>\$ 9,292,689</u>	<u>\$ 12,411,065</u>	<u>\$ 46,290,881</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, 2013

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

Net changes in fund balances - total governmental funds	\$ (4,889,974)
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	13,406,440
Cost of capital asset disposed of during the year, not recognized on modified accrual basis	(99,618)
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds	(76,391)
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 position. This amount is the net effect of these differences in the treatment of long-term debt and related items.	(443,904)
Actuarial decrease in prepaid pension costs that do not use current financial resources and are not reported as revenues in the funds	(45,915)
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>(2,226,137)</u>
Total changes in net position of governmental activities	<u><u>\$5,624,501</u></u>

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

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County of Currituck, North Carolina
General Fund and Annually Budgeted Major Special Revenue Fund
Statement of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
For the Fiscal Year Ended June 30, 2013

	General Fund				
	2013			Variance With Final Positive (Negative)	2012
	Original Budget	Final Budget	Actual		Actual
Revenues:					
Ad valorem taxes	\$ 25,812,000	\$ 25,874,152	\$ 26,943,147	\$ 1,068,995	\$ 26,721,706
Other taxes and licenses	5,215,700	5,255,681	5,567,834	312,153	5,510,829
Unrestricted intergovernmental	256,500	256,500	138,398	(118,102)	148,006
Restricted intergovernmental	2,460,904	2,889,080	2,932,397	43,317	3,189,828
Permits and fees	2,165,577	2,167,377	2,393,320	225,943	1,996,886
Sales and services	698,409	754,859	773,340	18,481	801,858
Investment earnings	120,000	120,000	62,700	(57,300)	98,247
Miscellaneous	337,500	471,417	617,053	145,636	544,870
Total revenues	<u>37,066,590</u>	<u>37,789,066</u>	<u>39,428,189</u>	<u>1,639,123</u>	<u>39,012,230</u>
Expenditures					
Current:					
General government	5,885,830	6,022,417	5,552,530	469,887	5,312,730
Public safety	17,276,390	17,443,180	16,713,279	729,901	16,523,590
Transportation	584,753	640,968	569,809	71,159	594,355
Environmental protection	213,788	213,788	195,678	18,110	192,387
Economic and physical development	1,481,568	1,539,693	1,418,678	121,015	1,377,286
Human services	4,288,247	4,603,308	4,236,116	367,192	4,312,266
Cultural and recreational	2,116,796	2,152,705	1,683,185	469,520	2,087,155
Intergovernmental:					
Education	10,100,754	10,100,754	10,100,754	-	9,810,904
Debt service	3,737,831	3,737,831	3,727,876	9,955	3,335,302
Total expenditures	<u>45,685,957</u>	<u>46,454,644</u>	<u>44,197,905</u>	<u>2,256,739</u>	<u>43,545,975</u>
Revenues over (under) expenditures	<u>(8,619,367)</u>	<u>(8,665,578)</u>	<u>(4,769,716)</u>	<u>3,895,862</u>	<u>(4,533,745)</u>
Other financing sources (uses):					
Transfers to other funds	(1,319,906)	(1,638,879)	(1,588,879)	50,000	(1,291,893)
Transfers from other funds	6,558,341	6,600,810	6,296,592	(304,218)	5,565,527
Total other financing sources (uses)	<u>5,238,435</u>	<u>4,961,931</u>	<u>4,707,713</u>	<u>(254,218)</u>	<u>4,273,634</u>
Revenues and other financing sources over expenditures and other financing uses	<u>(3,380,932)</u>	<u>(3,703,647)</u>	<u>(62,003)</u>	<u>3,641,644</u>	<u>(260,111)</u>
Appropriated fund balance	<u>3,380,932</u>	<u>3,703,647</u>	<u>-</u>	<u>(3,703,647)</u>	<u>-</u>
Revenues, appropriated fund balance, and other financing sources over expenditures and other financing uses	<u>\$ -</u>	<u>\$ -</u>	<u>(62,003)</u>	<u>\$ (62,003)</u>	<u>(260,111)</u>
Fund balances:					
Beginning of year, July 1			7,806,135		8,066,246
End of year, June 30			<u>\$ 7,744,132</u>		<u>\$ 7,806,135</u>

Tourism Development Authority				
2013				2012
Original Budget	Final Budget	Actual	Variance With Final Positive (Negative)	Actual
\$ -	\$ -	\$ -	\$ -	\$ -
9,584,129	9,680,810	10,046,807	365,997	9,993,225
-	-	-	-	-
-	-	35,150	35,150	-
26,000	41,000	28,003	(12,997)	12,811
90,000	90,000	42,728	(47,272)	102,183
-	-	3,463	3,463	-
<u>9,700,129</u>	<u>9,811,810</u>	<u>10,156,151</u>	<u>344,341</u>	<u>10,108,219</u>
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
6,308,170	6,847,833	5,106,742	1,741,091	4,982,005
-	-	-	-	-
-	-	-	-	-
<u>6,308,170</u>	<u>6,847,833</u>	<u>5,106,742</u>	<u>1,741,091</u>	<u>4,982,005</u>
<u>3,391,959</u>	<u>2,963,977</u>	<u>5,049,409</u>	<u>2,085,432</u>	<u>5,126,214</u>
(4,603,680)	(10,311,114)	(4,427,720)	5,883,394	(4,126,976)
<u>1,211,721</u>	<u>1,211,721</u>	<u>71,445</u>	<u>(1,140,276)</u>	<u>122,156</u>
<u>(3,391,959)</u>	<u>(9,099,393)</u>	<u>(4,356,275)</u>	<u>4,743,118</u>	<u>(4,004,820)</u>
-	(6,135,416)	693,134	6,828,550	1,121,394
-	<u>6,135,416</u>	-	<u>(6,135,416)</u>	-
<u>\$ -</u>	<u>\$ -</u>	693,134	<u>\$ 693,134</u>	1,121,394
		8,478,927		7,357,533
		<u>\$9,172,061</u>		<u>\$ 8,478,927</u>

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

	General Fund				
	2013		2012		
	Original Budget	Final Budget	Actual	Variance With Final Positive (Negative)	Actual
General Fund ending fund balance, June 30			\$ 7,744,132		\$ 7,806,135
Revaluation Fund					
Investment earnings			1,886		4,550
Transfer-in from General Fund			121,000		121,000
Expenditures			(309,368)		(232,206)
Beginning Fund Balance, Revaluation			330,376		437,032
Fire District Fund					
Investment earnings			-		251
Transfer-out to General Fund			-		-
Expenditures			-		(38,726)
Beginning Fund Balance, Fire District			-		38,475
Land Banking Fund					
Investment earnings			15,332		22,282
Transfer-out to General Fund			-		(630,000)
Transfer-out to Moyock Central Sewer Fund			-		-
Transfer-in from Transfer Tax Capital Fund			300,000		300,000
Expenditures			-		(337,253)
Beginning Fund Balance, Land Banking Fund			1,891,740		2,536,711
Carova Beach Service District Fund					
Investment earnings			-		-
Expenditures			-		-
Beginning Fund Balance, School Capital Construction Fund			-		-
Ending Fund Balance, June 30 (Exhibit 4)			<u>\$ 10,095,098</u>		<u>\$ 10,028,251</u>

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

Tourism Development Authority				
2013			2012	
Original Budget	Final Budget	Actual	Variance With Final Positive (Negative)	Actual
		\$9,172,061		\$ 8,478,927
		-		-
		-		-
		-		-
		-		-
		-		-
		-		-
		-		-
		-		-
		-		-
		-		-
		-		-
		1,000		2,555
		(13,890)		(136,556)
		133,518		267,519
		<u>\$9,292,689</u>		<u>\$ 8,612,445</u>

County of Currituck, North Carolina
Statement of Net Position
Proprietary Funds
June 30, 2013

	Enterprise Funds						Totals	
	Solid Waste Fund	Ocean Sands Water and Sewer District Fund	Mainland Water Fund	Southern Outer Banks Water System Fund	Moyock Central Sewer Construction Fund	Non-Major Proprietary Funds	June 30, 2013	June 30, 2012
	ASSETS							
Current assets:								
Cash and cash equivalents	\$ 4,932,054	\$ 5,050,218	\$ 2,418,797	\$ 5,313,708	\$ 112,716	\$ 401,821	\$ 18,229,314	\$ 14,457,113
Restricted cash	-	-	-	-	15,804	-	15,804	2,700,133
Taxes receivable, net	3,918	35	-	-	-	2,004	5,957	9,265
Receivables, net	115,393	156,915	368,196	455,391	91,032	72,654	1,259,581	803,595
Deferred charges - bond issuance	-	-	-	-	-	-	-	20,051
Deferred charges - refunding	-	-	-	-	-	-	-	96,854
Total current assets	<u>5,051,365</u>	<u>5,207,168</u>	<u>2,786,993</u>	<u>5,769,099</u>	<u>219,552</u>	<u>476,479</u>	<u>19,510,656</u>	<u>18,087,011</u>
Noncurrent assets:								
Capital assets:								
Land, improvements, and construction in progress	62,962	970,012	5,150	886,817	688,914	208,315	2,822,170	6,229,156
Other capital assets, net of depreciation	441,122	1,096,755	24,443,954	18,296,126	4,263,226	5,698,707	54,239,890	49,581,700
Total capital assets	<u>504,084</u>	<u>2,066,767</u>	<u>24,449,104</u>	<u>19,182,943</u>	<u>4,952,140</u>	<u>5,907,022</u>	<u>57,062,060</u>	<u>55,810,856</u>
Total noncurrent assets	<u>504,084</u>	<u>2,066,767</u>	<u>24,449,104</u>	<u>19,182,943</u>	<u>4,952,140</u>	<u>5,907,022</u>	<u>57,062,060</u>	<u>55,810,856</u>
Total assets	<u>5,555,449</u>	<u>7,273,935</u>	<u>27,236,097</u>	<u>24,952,042</u>	<u>5,171,692</u>	<u>6,383,501</u>	<u>76,572,716</u>	<u>73,897,867</u>
LIABILITIES								
Current liabilities:								
Accounts payable	395,344	51,857	23,730	398,286	3,606	4,886	877,709	1,276,349
Due to other funds	-	-	-	1,211,966	-	-	1,211,966	-
Customer deposits	-	400	68,050	4,132	-	500	73,082	50,822
Accrued salaries	-	2,917	30,299	18,390	-	-	51,606	46,026
General obligation bonds payable	-	-	315,000	-	-	-	315,000	315,000
Revenue bonds payable	-	-	540,000	-	-	-	540,000	540,000
Notes payable	-	-	-	850,000	180,000	-	1,030,000	1,030,000
Premium on debt issued	-	-	-	-	-	-	-	113,379
Total current liabilities	<u>395,344</u>	<u>55,174</u>	<u>977,079</u>	<u>2,482,774</u>	<u>183,606</u>	<u>5,386</u>	<u>4,099,363</u>	<u>3,371,576</u>
Noncurrent liabilities:								
Liabilities payable from restricted assets:								
Accrued vacation	-	407	29,560	33,109	-	-	63,076	57,327
Due to other funds	-	-	-	3,225,337	-	-	3,225,337	-
General obligation bonds payable	-	-	1,490,000	-	-	-	1,490,000	1,490,000
Revenue bonds payable	-	-	15,620,000	-	-	-	15,620,000	16,475,000
Notes payable	-	-	-	6,375,000	2,340,000	-	8,715,000	9,745,000
Other postemployment benefits	-	-	264,188	193,599	-	-	457,787	320,517
Total noncurrent liabilities	<u>-</u>	<u>407</u>	<u>17,403,748</u>	<u>9,827,045</u>	<u>2,340,000</u>	<u>-</u>	<u>29,571,200</u>	<u>28,087,844</u>
Total liabilities	<u>395,344</u>	<u>55,581</u>	<u>18,380,827</u>	<u>12,309,819</u>	<u>2,523,606</u>	<u>5,386</u>	<u>33,670,563</u>	<u>31,459,420</u>
NET POSITION								
Net investment in capital assets	504,084	2,066,767	6,484,104	11,957,943	2,432,140	5,907,022	29,352,060	28,802,477
Unrestricted	4,656,021	5,151,587	2,371,166	684,280	215,946	471,093	13,550,093	13,635,970
Total net position	<u>\$ 5,160,105</u>	<u>\$ 7,218,354</u>	<u>\$ 8,855,270</u>	<u>\$ 12,642,223</u>	<u>\$ 2,648,086</u>	<u>\$ 6,378,115</u>	<u>\$ 42,902,153</u>	<u>\$ 42,438,447</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 Position
Proprietary Funds
For the Year Ended June 30, 2013

	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, 2013	June 30, 2012
OPERATING REVENUES								
Charges for services	\$ 2,690,617	\$ 1,112,498	\$ 2,930,004	\$ 2,864,755	\$ 8,503	\$ 280,125	\$ 9,886,502	\$ 9,330,763
Water and sewer taps	-	4,050	291,013	1,092,128	216,181	-	1,603,372	1,267,544
Miscellaneous	-	2,657	-	43,613	-	884	47,154	43,063
Total operating revenues	2,690,617	1,119,205	3,221,017	4,000,496	224,684	281,009	11,537,028	10,641,370
OPERATING EXPENSES								
Administration	166,170	97,675	400,823	330,598	7,274	162,882	1,165,422	972,129
Water operations	-	447,488	969,357	792,192	-	-	2,209,037	2,224,644
Sewer operations	-	361,521	-	-	24,072	140,657	526,250	516,290
Landfill operations	4,072,593	-	-	-	-	-	4,072,593	4,085,087
Depreciation	35,286	185,753	1,905,130	855,501	306,566	178,478	3,466,714	2,951,607
Total operating expenses	4,274,049	1,092,437	3,275,310	1,978,291	337,912	482,017	11,440,016	10,749,757
Operating income (loss)	(1,583,432)	26,768	(54,293)	2,022,205	(113,228)	(201,008)	97,012	(108,387)
NONOPERATING REVENUES (EXPENSES)								
Tax revenue	71,286	-	-	-	-	45,107	116,393	131,174
Contributed capital	-	-	-	-	-	-	-	5,498,458
Grant	-	-	-	-	100,000	106,491	206,491	-
Sale of capital assets	-	-	-	-	-	1,475	1,475	600
Rent	-	-	-	96,819	-	-	96,819	47,085
Unrestricted intergovernmental revenues	55,392	-	4,145	-	-	-	59,537	75,477
Investment earnings	40,800	40,947	7,690	22,354	309	3,160	115,260	133,045
Interest expenses	-	-	(778,318)	(258,348)	(82,040)	-	(1,118,706)	(969,970)
Loss on disposition of assets	-	(11,036)	-	-	-	-	(11,036)	-
Total nonoperating revenue (expenses)	167,478	29,911	(766,483)	(139,175)	18,269	156,233	(533,767)	4,915,869
Income (loss) before contributions and transfers	(1,415,954)	56,679	(820,776)	1,883,030	(94,959)	(44,775)	(436,755)	4,807,482
Transfers from (to) other funds	896,256	-	40,000	(71,445)	-	35,650	900,461	677,943
Change in net position	(519,698)	56,679	(780,776)	1,811,585	(94,959)	(9,125)	463,706	5,485,425
Total net position - beginning	5,679,803	7,161,675	9,636,046	10,830,638	2,743,045	6,387,240	42,438,447	36,953,022
Total net position - ending	\$ 5,160,105	\$ 7,218,354	\$ 8,855,270	\$ 12,642,223	\$ 2,648,086	\$ 6,378,115	\$ 42,902,153	\$ 42,438,447

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, 2013

Exhibit 9

							Totals		
	Solid Waste Fund	Ocean Sands Water and Sewer Fund	Mainland Water Fund	Southern Outer Banks Water System		Moyock Central Sewer Construction Fund	Non-Major Proprietary Funds	June 30, 2013	June 30, 2012
				Fund	Fund				
Cash flows from operating activities:									
Cash received from customers	\$ 2,697,458	\$ 1,063,671	\$ 3,076,953	\$ 3,787,809	\$ 137,113	\$ 264,961	\$ 11,027,965	\$ 10,634,600	
Cash paid for goods and services	(4,136,382)	(991,491)	(665,632)	(552,614)	(360,867)	(318,960)	(7,025,946)	(5,936,215)	
Cash paid to employees for services	-	(33,150)	(639,213)	(528,395)	-	-	(1,200,758)	(1,107,659)	
Customer deposits received	-	300	20,960	1,000	-	150	22,410	740	
Customer deposits returned	-	-	-	-	-	(150)	(150)	(550)	
Other operating revenue	-	2,657	-	43,613	-	-	884	13,255	
Net cash provided (used) by operating activities	(1,438,924)	41,987	1,793,068	2,751,413	(223,754)	(53,115)	2,870,675	3,604,171	
Cash flows from noncapital financing activities:									
Tax revenues	74,720	-	-	-	-	50,906	125,626	(21,088)	
Rental Income	-	-	-	96,819	-	-	96,819	47,085	
Loan from other funds	-	-	-	5,577,844	-	-	5,577,844	-	
Transfer from (to) other funds	896,256	-	40,000	-	-	35,650	971,906	781,737	
Net cash provided by noncapital financing	970,976	-	40,000	5,674,663	-	86,556	6,772,195	807,734	
Cash flows from capital and related financing activities:									
Acquisition and construction of capital assets	-	(264,518)	(168,605)	(1,992,716)	(2,234,228)	(68,891)	(4,728,958)	(6,985,407)	
Principal paid on bond maturities and installment purchase contracts	-	-	(855,000)	(1,990,521)	(180,000)	-	(3,025,521)	(4,017,010)	
Interest paid on bond maturities and installment purchase contracts	-	-	(771,449)	(258,348)	(82,040)	-	(1,111,837)	(968,205)	
Transfer from (to) other funds	-	-	-	(71,445)	-	-	(71,445)	(103,794)	
Grants	55,392	-	4,145	-	-	-	59,537	75,477	
Sale of capital assets	-	-	-	-	-	1,475	1,475	600	
Capital contributions	-	-	-	-	100,000	106,491	206,491	117,576	
Proceeds from debt issuance	-	-	-	-	-	-	-	11,200,000	
Net cash provided (used) by capital and related financing activities	55,392	(264,518)	(1,790,909)	(4,313,030)	(2,396,268)	39,075	(8,670,258)	(680,763)	
Cash flows from investing activities:									
Interest on investments	40,800	40,947	7,690	22,354	309	3,160	115,260	133,046	
Net increase (decrease) in cash and cash equivalents	(371,756)	(181,584)	49,849	4,135,400	(2,619,713)	75,676	1,087,872	3,864,188	
Cash and cash equivalents, July 1	5,303,810	5,231,802	2,368,948	1,178,308	2,748,233	326,145	17,157,246	13,293,058	
Cash and cash equivalents, June 30	\$ 4,932,054	\$ 5,050,218	\$ 2,418,797	\$ 5,313,708	\$ 128,520	\$ 401,821	\$ 18,245,118	\$ 17,157,246	
Reconciliation of operating income to net cash provided by operating activities:									
Operating income (loss)	\$ (1,583,432)	\$ 26,768	\$ (54,293)	\$ 2,022,205	\$ (113,228)	\$ (201,008)	\$ 97,012	\$ (108,387)	
Adjustments to reconcile operating income to net cash provided (used) by operating activities:									
Depreciation	35,286	185,753	1,905,130	855,501	306,566	178,478	3,466,714	2,951,607	
Changes in assets and liabilities:									
(Increase) decrease in accounts receivable	6,841	(52,877)	(144,064)	(169,034)	(87,571)	(15,164)	(461,869)	6,484	
Increase (decrease) in accounts payable and accrued liabilities	102,381	(118,364)	5,453	(40,989)	(329,521)	(15,421)	(396,461)	625,582	
(Increase) decrease in accrued vacation	-	407	(1,578)	6,920	-	-	5,749	15,150	
Increase in post employment benefits	-	-	61,460	75,810	-	-	137,270	113,545	
Increase (decrease) in customer deposits	-	300	20,960	1,000	-	-	22,260	190	
Total adjustments	144,508	15,219	1,847,361	729,208	(110,526)	147,893	2,773,663	3,712,558	
Net cash provided (used) by operating activities	\$ (1,438,924)	\$ 41,987	\$ 1,793,068	\$ 2,751,413	\$ (223,754)	\$ (53,115)	\$ 2,870,675	\$ 3,604,171	
Supplemental disclosure of non-cash financing activities:									
County dissolved a sanitary sewer district located in the County	-	-	-	-	-	-	-	3,508,874	
	-	-	-	-	-	-	-	3,508,874	

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

County of Currituck, North Carolina
Statement of Fiduciary Net Position
Fiduciary Funds
June 30, 2013

	Pension Trust Fund	Agency Funds
Assets		
Cash and cash equivalents	\$ 1,017,326	\$ 36,734
Due from other governments	-	-
Total assets	1,017,326	36,734
Liabilities and Net Position		
Liabilities:		
Accounts payable	-	11,859
Due to other governments	-	24,875
Total liabilities	-	36,734
Net position:		
Assets held for pension benefits	\$ 1,017,326	\$ -

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

County of Currituck, North Carolina
Statement of Changes in Fiduciary Net Position
Fiduciary Funds
For The Fiscal Year Ended June 30, 2013

	Post-employment Benefits Fund	
	June 30 2013	June 30 2012
Additions:		
Employer contributions		
Law enforcement separation allowance	\$ 37,535	\$ 48,823
Postemployment benefits	113,073	165,848
	<u>150,608</u>	<u>214,671</u>
Investment income:		
Interest	6,961	9,840
Total additions	<u>157,569</u>	<u>224,511</u>
Deductions:		
Benefits		
Law enforcement separation allowance	2,543	13,558
Postemployment benefits	121,089	55,118
Administrative expense	265	264
Total deductions	<u>123,897</u>	<u>68,940</u>
Change in net position	33,672	155,571
Net position:		
Beginning of year, July 1		
Law enforcement separation allowance	417,950	381,178
Postemployment benefits	565,704	446,905
Beginning of year, totals	<u>983,654</u>	<u>828,083</u>
End of year, June 30		
Law enforcement separation allowance	453,930	417,950
Postemployment benefits	563,396	565,704
Net position - end of year, totals	<u>\$ 1,017,326</u>	<u>\$ 983,654</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, 2013

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 position 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, and the Land Banking 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.

School Facilities Fund. This fund is legally budgeted project fund that accounts for the financial resources to be used for the acquisition of construction of educational facilities.

The County reports the following major enterprise funds:

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

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

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

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 twelve 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, the Whalehead Watershed Improvement fund and the Whalehead Beach Solid Waste fund are reported as nonmajor special revenue funds. The Fire Equipment Replacement fund, the Capital Improvements fund, the School Capital fund and the Transfer Tax Capital fund are reported as capital projects funds. The Revaluation fund, Fire District fund, and the Land Banking 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 2012 through February 2013 apply to the fiscal year ended June 30, 2013. Uncollected taxes that were billed during this period are shown as a receivable on these financial statements and are offset by deferred inflows of resources.

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 position 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.

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, Revaluation, Land Banking, Fire Districts, Tourism Development Authority, Carova Beach Special Revenue, Emergency Telephone System, Whalehead Beach Solid Waste, five Watershed Special Revenue Funds, Fire Equipment Replacement, Capital Improvements, School Capital, Transfer Tax Capital and the Enterprise operating Funds. All annual appropriations lapse at the fiscal year-end. Project ordinances are adopted for the Multi-year Grant Special Revenue Fund, County Governmental Construction, School Construction and Enterprise Construction Funds. The Enterprise Construction Funds are consolidated with the enterprise operating funds for reporting purposes.

All budgets are prepared using the modified accrual basis of accounting. Expenditures may not legally exceed appropriations at the departmental level for all annually budgeted funds and at the project level for the multi-year funds. Amendments are required for any revisions that alter total expenditures of any fund or that change functional appropriations. The County Manager is authorized by the budget ordinance to transfer appropriations within the funds under the following conditions:

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

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

D. Assets, Liabilities, Deferred Inflows and Outflows, 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

The unexpended proceeds of installment purchase agreements for the Whalehead Subdivision Stormwater Drainage Phase III and the Moyock Sewer Construction Fund are classified as restricted assets within the funds because their use is completely restricted to the purpose for which the debt was issued. 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 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, 2012. 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:

	Years
Equipment and furniture	5
Computers	3

8. Deferred Inflows of Resources

In addition to liabilities, the statement of financial position can also report a separate section for deferred inflows of resources. This separate financial statement element, *Deferred Inflows of Resources*, represents an acquisition of net position that applies to a future period and so will not be recognized as revenue until then. The County has only two items that meet the criterion for this category - prepaid taxes, and taxes receivable.

9. 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 position.

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, 2013. The Whalehead Preservation Trust entered into a note payable in April 2011 for the acquisition of computer hardware, computer software, and infrastructure. The note does not carry a stated interest rate and is payable in 36 monthly installments of \$452. The outstanding balance of the note at July 1, 2011 was \$14,915. The note was increased in April 2013 with the acquisition of computer hardware and software. The monthly payments increased to \$522. The outstanding balance of the note at June 30, 2013 was \$3,847. Payments due in the next year amount to \$3,847.

10. Compensated Absences

The vacation policies of the County and of the Whalehead Preservation Trust and Wildlife Museum provide 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 and for the Whalehead Preservation Trust and Wildlife Museum an expense and a liability for compensated absences and the salary-related payments are recorded as the leave is earned. Accumulated earned vacation for the Whalehead Preservation Trust and Wildlife Museum at June 30, 2013 and June 30, 2012, amounted to approximately \$19,619 and \$8,216, respectively and is included in current liabilities. 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, 2013 and 2012 amounted to approximately \$2,715 and \$1,842, respectively, and is all considered current.

The sick leave policies of the County, the W halehead Preservation Trust and the A BC 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.

11. Net position/Fund Balances

Net position

Net position in government-wide and proprietary fund financial statements are classified as net investment in capital assets, restricted, and unrestricted. Restricted net position 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 that can only be used for Tourism promotion.

Restricted for Tourism Related Expenditures – portion of fund balance that 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.

Currituck County has a revenue spending policy that provides guidance for programs with multiple revenue sources. The Finance Director will use resources in the following hierarchy: bond proceeds, federal funds, State funds, local non-county funds and County funds. For purposes of fund balance classification, expenditures are to be spent from restricted fund balance first, followed in order by committed fund balance, assigned fund balance and lastly unassigned fund balance. The Finance Director has the authority to deviate from this policy if it is in the best interest of the County.

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 position.

The governmental fund balance sheet includes a reconciliation between fund balance - total governmental funds and net position – governmental activities as reported in the government-wide statement of net position. The net adjustment of \$89,754,588 consists of several elements as follows:

Description	Amount
Prepaid pension costs resulting from actuarial study, which are not reported in the funds	\$ 112,020
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)	153,853,146
Less accumulated depreciation	(40,065,750)
Net capital assets	<u>113,787,396</u>
Liabilities for deferred inflows of resources reported in the fund statement but not the government-wide	755,714
Liabilities that, because they are not due and payable in the current period, do not require current resources to pay and are therefore not reported in the fund statements:	
Bonds, leases, and installment financing	(13,883,528)
Compensated absences	(1,133,511)
Other postemployment benefits	(9,883,503)
Total adjustment	<u>\$ 89,754,588</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 position of governmental activities as reported in the government-wide statement of activities. There are several elements of that total adjustment of \$10,514,475 as follows:

Description	Amount
Capital outlay expenditures recorded in the fund statements but capitalized as assets in the statement of activities	\$ 19,369,819
Cost of disposed capital asset not recorded on fund statement	(99,618)
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.	(5,963,379)
New debt issued during the year is recorded as a source of funds on the fund statements; it has no effect on the statement of activities; it affects only the government-wide statement of net position	(3,800,000)
Principal payments on debt owed are recorded as a use of funds on the fund statements but again affect only the statement of net position in the government-wide statements	3,356,096
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	(61,772)
Other postemployment benefits	(2,164,365)
Revenues reported in the statement of activities that do not provide current resources are not recorded as revenues in the fund statements.	
Decrease in deferred inflows of resources - taxes receivable - at end of year	
Reversal of deferred tax revenue recorded at 7/1/12	(832,105)
Recording of tax receipts deferred in the fund statements as of 6/30/13	755,714
Change in prepaid pension cost for law enforcement separation allowance	(45,915)
Total adjustment	<u>\$ 10,514,475</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, 2013, the County's deposits had a carrying amount of \$48,336,467 and a bank balance of \$50,354,193. Of the bank balance, \$1,000,000 was covered by federal depository insurance and \$49,354,193 in interest bearing deposits were covered by collateral held under the Pooling Method.

At June 30, 2013, the County had \$2,050 and the Whalehead Preservation Trust had \$1,250 cash on hand.

At June 30, 2013, the carrying amount of deposits for Currituck County ABC Board was \$571,256. At June 30, 2013 the ABC Board's deposits had a bank balance of \$701,610. 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, 2013, the Whalehead Preservation Trust's deposits had a carrying amount of \$644,154 and a bank balance of \$743,449. The Trust maintains its cash balances at three banks. Of this amount, \$524,613 was covered by federal depository insurance and \$218,836 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, 2013, the County had the following investments and maturities:

Investment Type	Fair Value	Less Than 6 Months	6-12 Months	1-5 Years	More Than 5 Years
Commercial Paper	14,869,225	\$ -	\$ 14,869,225	\$ -	\$ -
NC Capital Management Trust:					
Cash Portfolio	\$ 492,401	N/A	N/A	N/A	N/A
Total Investments	\$ 15,361,626	\$ -	\$ 14,869,225	\$ -	\$ -

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, 2013, 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, 2013.

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, 2013, the County had no investments held by a counter-party that were not in the County’s name. The County had no policy on custodial credit risk.

Concentration of Credit Risk. The County places no limit on the amount that the County may invest in any one issuer. More than 5 percent of the County’s investments are in Korea Development Commercial Paper, Societe General Commercial Paper, Abbey National Commercial Paper, and Kookmin Commercial Paper. These investments are 6.66%, 13.39%, 33.46%, and 46.49% respectively of the County’s total investments.

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

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

Year			
Levied	Tax	Interest	Total
2010	949,935	311,104	1,261,039
2011	955,688	226,976	1,182,664
2012	974,443	143,730	1,118,173
2013	936,944	53,874	990,818
Total	\$ 3,817,010	\$ 735,684	\$ 4,552,694

4. Receivables

Receivables at the government-wide level at June 30, 2013, were as follows:

	Accounts	Taxes and Related Accrued Interest	Due from Other Governments	Total
Governmental Activities:				
General	\$ 150,701	\$ 766,974	\$ 1,842,141	\$ 2,759,816
County Governmental Facilities	-	-	132,428	132,428
School Facilities	-	-	99,574	99,574
Tourism Development Authority	4	-	10,309	10,313
Other Governmental	-	5,945	1,046,173	1,052,118
Total receivables	150,705	772,919	3,130,625	4,054,249
Allowance for doubtful accounts	-	(17,205)	-	(17,205)
Total-governmental activities	<u>\$ 150,705</u>	<u>\$ 755,714</u>	<u>\$ 3,130,625</u>	<u>\$ 4,037,044</u>
Business-type Activities				
Solid Waste	\$ 115,393	\$ 3,918	\$ -	\$ 119,311
Ocean Sands Water and Sewer	156,915	110	-	157,025
Mainland Water	399,846	-	-	399,846
Southern Outer Banks Water	455,391	-	-	455,391
Moyock Central Sewer	91,032	-	-	91,032
Other Proprietary	72,654	2,004	-	74,658
Total receivables	1,291,231	6,032	-	1,297,263
Allowance for doubtful accounts	(31,650)	(477)	-	(32,127)
Total - business-type activities	<u>\$ 1,259,581</u>	<u>\$ 5,555</u>	<u>\$ -</u>	<u>\$ 1,265,136</u>

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

Albemarle Regional Health reimbursement	\$ 44
Local option sales tax	2,478,346
NC Dept of Revenue motor fuels tax refund	1,232
Payment in lieu of taxes	32,816
Sales and use tax refund	458,062
NC Administrative Office of the Courts fees	405
NC Dept EHNR – CAMA	3,290
NC Div Health & Human Services	138,270
E911 PSAP	15,640
NC Dept of Public Safety grants	2,520
Total	<u>\$3,130,624</u>

5. Capital Assets

Capital asset activity for the year ended June 30, 2013, was as follows:

	Beginning Balances	Increases	Decreases	Reclassifications	Ending Balances
Governmental activities:					
Capital assets not being depreciated:					
Land	\$ 19,137,480	461,824	-	(30,600)	\$ 19,568,704
Construction in progress	7,742,286	10,567,609	11,305,456	-	7,004,439
Total capital assets not being depreciated	26,879,766	11,029,433	11,305,456	(30,600)	26,573,143
Capital assets being depreciated:					
Buildings	76,956,694	7,712,408	36,861	3,448,879	88,081,120
Computer equipment	3,818,533	478,525	222,612	-	4,074,446
Furniture and fixtures	13,518,666	8,052,774	24,173	(196,877)	21,350,390
Equipment	5,699,587	1,973,843	46,895	(3,227,400)	4,399,135
Vehicles and motor equipment	8,253,958	1,428,292	313,336	5,998	9,374,912
Total capital assets being depreciated	108,247,438	19,645,842	643,877	30,600	127,280,003
Less accumulated depreciation for:					
Buildings	19,027,963	2,702,061	233	-	21,729,791
Computer equipment	2,853,675	447,460	194,510	-	3,106,625
Furniture and fixtures	4,687,216	1,409,542	19,006	(88,686)	5,989,066
Equipment	1,742,897	215,772	24,620	82,666	2,016,715
Vehicles and motor equipment	6,334,879	1,188,544	305,890	6,020	7,223,553
Total accumulated depreciation	34,646,630	5,963,379	544,259	-	40,065,750
Total capital assets being depreciated, net	73,600,808				87,214,253
Governmental activity capital assets, net	\$ 100,480,574				\$ 113,787,396

Primary Government

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

General government	\$ 1,966,961
Public safety	2,170,914
Transportation	510,507
Environmental protection	-
Economic and physical development	335,882
Human services	69,276
Cultural and recreational	909,839
Total depreciation expense	<u>\$ 5,963,379</u>

Proprietary Funds

Business-type activities:

	Beginning Balances	Increases	Decreases	Ending Balances
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	230,957	-	-	230,957
Vehicles and motor equipment	12,736	-	-	12,736
Total capital assets being depreciated	1,068,826	-	-	1,068,826
Less accumulated depreciation for:				
Buildings	468,438	27,505	-	495,943
Equipment	111,242	7,783	-	119,025
Vehicles and motor equipment	12,736	-	-	12,736
Total accumulated depreciation	592,416	35,288	-	627,704
Total capital assets being depreciated, net	476,410			441,122
Solid Waste capital assets, net	\$ 539,372			\$ 504,084

continued

	Beginning Balances	Increases	Decreases	Ending Balances
Ocean Sands Water and Sewer District				
Capital assets not being depreciated:				
Land	\$ 963,012	-	-	\$ 963,012
Construction in process	-	7,000	-	7,000
Total capital assets not being depreciated	963,012	7,000	-	970,012
Capital assets being depreciated:				
Plant and distribution systems	4,123,235	147,977	249,316	4,021,896
Computer equipment	547,804	-	-	547,804
Furniture and maintenance equipment	389,655	50,142	-	439,797
Vehicles and motor equipment	30,153	59,892	30,153	59,892
Total capital assets being depreciated	5,090,847	258,011	279,469	5,069,389
Less accumulated depreciation for:				
Plant and distribution systems	3,320,501	93,964	245,326	3,169,139
Computer equipment	329,128	72,545	-	401,673
Furniture and maintenance equipment	382,577	7,985	-	390,562
Vehicles and motor equipment	22,615	11,258	22,614	11,259
Total accumulated depreciation	4,054,821	185,752	267,940	3,972,633
Total capital assets being depreciated, net	1,036,026			1,096,756
Ocean Sands Water and Sewer District capital assets, net	\$ 1,999,038			\$ 2,066,768
Mainland Water				
Capital assets not being depreciated:				
Land	\$ 5,150	-	-	\$ 5,150
Total capital assets not being depreciated	5,150	-	-	5,150
Capital assets being depreciated:				
Buildings	18,563,594	-	-	18,563,594
Computer equipment	61,899	42,200	-	104,099
Equipment	20,222,036	64,636	2,793	20,283,879
Vehicles	312,915	61,769	15,477	359,207
Total capital assets being depreciated	39,160,444	168,605	18,270	39,310,779
Less accumulated depreciation for:				
Buildings	3,603,053	623,522	-	4,226,575
Computer equipment	48,549	8,979	-	57,528
Equipment	9,023,389	1,252,334	2,793	10,272,930
Vehicles	304,974	20,295	15,477	309,792
Total accumulated depreciation	12,979,965	1,905,130	18,270	14,866,825
Total capital assets being depreciated, net	26,180,479			24,443,954
Mainland Water capital assets, net	\$ 26,185,629			\$ 24,449,104
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	336,254	16,955	-	353,209
Total accumulated depreciation	336,254	16,955	-	353,209
Total capital assets being depreciated, net	172,368			155,413
Newtown Road Sewer District capital assets, net	\$ 259,368			\$ 242,413
Maple Commerce Park Sewer Fund				
Capital assets being depreciated:				
Buildings	\$ 1,922,639	10,000	-	\$ 1,932,639
Total capital assets being depreciated	1,922,639	10,000	-	1,932,639
Less accumulated depreciation for:				
Buildings	\$ -	64,422	-	\$ 64,422
Total accumulated depreciation	-	64,422	-	64,422
Total capital assets being depreciated, net	1,922,639			1,868,217
Maple Commerce Park Sewer Fund capital assets, net	\$ 1,922,639			1,868,217

continued

	Beginning Balances	Increases	Decreases	Ending Balances
Moyock Commons Sewer District				
Capital assets not being depreciated:				
Land	\$ 67,625	-	-	\$ 67,625
Total capital assets not being depreciated	67,625	-	-	67,625
Capital assets being depreciated:				
Buildings	\$ 346,055	-	-	\$ 346,055
Equipment	44,622	-	-	44,622
Total capital assets being depreciated	390,677	-	-	390,677
Less accumulated depreciation for:				
Buildings	\$ 53,252	11,536	-	\$ 64,788
Equipment	26,674	5,717	-	32,391
Total accumulated depreciation	79,926	17,253	-	97,179
Total capital assets being depreciated, net	310,751			293,498
Moyock Commons Sewer District capital assets, net	\$ 378,376			\$ 361,123
Southern Outer Banks Water System				
Capital assets not being depreciated:				
Land	\$ 42,600	-	-	\$ 42,600
Construction in Process	-	844,217	-	844,217
Total capital assets not being depreciated	42,600	844,217	-	886,817
Capital assets being depreciated:				
Buildings	20,959,735	923,666	-	21,883,401
Computer equipment	171,082	83,654	-	254,736
Other equipment	1,925,975	80,218	-	2,006,193
Vehicles	174,137	60,961	-	235,098
Total capital assets being depreciated	23,230,929	1,148,499	-	24,379,428
Less accumulated depreciation for:				
Buildings	3,959,822	707,875	-	4,667,697
Computer equipment	159,306	13,879	-	173,185
Other equipment	975,346	85,267	-	1,060,613
Vehicles	133,327	48,480	-	181,807
Total accumulated depreciation	5,227,801	855,501	-	6,083,302
Total capital assets being depreciated, net	18,003,128			18,296,126
Southern Outer Banks Water Fund capital assets, net	\$ 18,045,728			\$ 19,182,943
Moyock Central Sewer System				
Capital assets not being depreciated:				
Land	\$ 688,914	-	-	\$ 688,914
Construction in Process	2,335,564	2,234,228	4,569,792	-
Total capital assets not being depreciated	3,024,478	2,234,228	-	688,914
Capital assets being depreciated:				
Buildings	\$ -	3,157,705	-	\$ 3,157,705
Equipment	-	1,412,087	-	1,412,087
Total capital assets being depreciated	-	4,569,792	-	4,569,792
Less accumulated depreciation for:				
Buildings	\$ -	104,839	-	\$ 104,839
Equipment	-	201,727	-	201,727
Total accumulated depreciation	-	306,566	-	306,566
Total capital assets being depreciated, net	-			4,263,226
Moyock Central Sewer System capital assets, net	\$ 3,024,478			\$ 4,952,140
<i>Operations started January 2013</i>				
Walnut Island Sewer System				
Capital assets not being depreciated:				
Land	\$ 53,690	-	-	\$ 53,690
Total capital assets not being depreciated	53,690	-	-	53,690
Capital assets being depreciated:				
Plant and distribution systems	3,224,327	-	-	3,224,327
Other equipment	244,948	58,891	-	303,839
Total capital assets being depreciated	3,469,275	58,891	-	3,528,166
Less accumulated depreciation for:				
Plant and distribution systems	47,747	61,373	-	109,120
Other equipment	18,990	18,478	-	37,468
Total accumulated depreciation	66,737	79,851	-	146,588
Total capital assets being depreciated, net	3,402,538			3,381,578
Walnut Island Sewer System capital assets, net	\$ 3,456,228			\$ 3,435,268
Business-type activities capital assets, net	\$ 55,810,856			\$ 57,062,060

Construction commitments

Currituck County has active construction projects as of June 30, 2013, as listed below. At June 30, 2013, the government's commitments with contractors are as follows:

Project	Spent-to-date	Remaining Commitment
Airport parallel taxiway	\$ 1,444,358	\$ 8,306
Airport taxiway	934,006	18,226
Animal Shelter	28,802	87,198
Bus Garage	3,981	33,204
COA Apron	102,774	7,256
Corolla multi-use path/pocket park	1,273,637	86,912
Maple Commerce Park - roads	5,476,722	389,655
Maple Recreational Facility/Roadways	14,298,208	1,240,453
Maple Soccer Fields	1,432,501	1,746,776
Public Safety 800 MHz System	3,544,436	293,715
Sheriff Evidence Vault	380,465	19,535
Whalehead Stormwater Drainage Project - Phase I & II	2,931,589	2,222,572
Total	<u>\$ 31,851,479</u>	<u>\$ 6,153,808</u>

Discretely presented component units

Activity for the ABC Board for the year ended June 30, 2013, was as follows:

	Beginning Balances	Increases	Decreases	Ending Balances
Capital assets not being depreciated:				
Construction in process	\$ -	\$ 267,091	\$ -	\$ 267,091
Land	425,900	-	-	425,900
Total capital assets not being depreciated	<u>425,900</u>	<u>267,091</u>	<u>-</u>	<u>692,991</u>
Capital assets being depreciated:				
Buildings	1,842,303	-	-	1,842,303
Furniture and equipment	198,271	191	-	198,462
Vehicles	34,827	-	-	34,827
Leasehold improvements	5,631	-	-	5,631
Total capital assets being depreciated	<u>2,081,032</u>	<u>191</u>	<u>-</u>	<u>2,081,223</u>
Less accumulated depreciation:				
Buildings	178,859	58,399	-	237,258
Furniture and equipment	121,978	13,890	-	135,868
Vehicles	26,121	-	-	26,121
Leasehold improvements	3,060	152	-	3,212
Total accumulated depreciation	<u>623,798</u>	<u>72,441</u>	<u>-</u>	<u>696,239</u>
ABC capital assets, net	<u>\$ 1,883,134</u>			<u>\$ 2,077,975</u>

Activity for the Whalehead Preservation Trust and Currituck Wildlife Museum as of June 30, 2013, was as follows:

	Beginning Balances	Increases	Decreases	Ending Balances
Capital assets not being depreciated:				
Museum collection	\$ 876,556	\$ 8,141	\$ -	\$ 884,697
Total capital assets not being depreciated	876,556	8,141	-	884,697
Capital assets being depreciated:				
Furniture, fixtures and equipment	285,810	54,247	7,962	332,095
Total capital assets being depreciated	285,810	54,247	7,962	332,095
Less accumulated depreciation for:				
Furniture, fixtures and equipment	157,782	40,970	7,497	191,255
Total accumulated depreciation	157,782	40,970	7,497	191,255
Total capital assets being depreciated, net	128,028			140,840
Whalehead Preservation Trust capital assets, net	<u>\$ 1,004,584</u>			<u>\$ 1,025,537</u>

B. Liabilities

1. Payables

Payables at the government-wide level at June 30, 2013, were as follows:

	Vendors	Other	Total
Governmental Activities:			
General	\$ 1,003,709	\$ 717,694	\$ 1,721,403
County Governmental Facilities	2,574,799	-	2,574,799
School Facilities	135,547	-	135,547
Tourism Development Authority	101,729	-	101,729
Other Governmental	833,935	-	833,935
Total-governmental activities	<u>\$ 4,649,719</u>	<u>\$ 717,694</u>	<u>\$ 5,367,413</u>
Business-type Activities			
Solid Waste	\$ 395,344	\$ -	\$ 395,344
Ocean Sands Water and Sewer	51,857	2,917	54,774
Mainland Water	23,730	30,299	54,029
Southern Outer Banks Water	398,286	18,390	416,676
Moyock Central Sewer	3,606	-	3,606
Other Proprietary	4,886	-	4,886
Total - business-type activities	<u>\$ 877,709</u>	<u>\$ 51,606</u>	<u>\$ 929,315</u>

2. Pension Plan Obligations

a. Local Governmental Employees' Retirement System

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

Funding Policy. Plan members are required to contribute six percent of their annual covered salary. The County and the ABC Board are required to contribute at an actuarially determined rate. For the County, the current rate for employees not engaged in law enforcement and for law enforcement officers is 6.74% and 6.77%, 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, 2013, 2012, and 2011 were \$1,038,986, \$1,046,340, and \$942,675, respectively. The ABC Board's contributions to LGERS for the years ended June 30, 2013, 2012, and 2011 were \$13,301, \$16,674, and \$16,078, 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, 2013, the Separation Allowance's membership consisted of:

Retirees receiving benefits	0
Active plan members	63
Total	<u>63</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 \$37,535, or 1.20% 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, 2012 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, 2012, was 18 years.

Ten Year Trend Information			
For Year Ended June 30	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
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)
2012	78,637	62.09%	(157,935)
2013	83,450	44.98%	(112,020)

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 85 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	\$ 81,519
Interest on net pension obligation	(7,897)
Adjustment to annual required contribution	9,828
Annual pension cost	<u>\$ 83,450</u>
Employer contributions made for fiscal year	<u>37,535</u>
Decrease in net pension obligation	\$ 45,915
Net pension obligation beginning of fiscal year	<u>(157,935)</u>
Net pension obligation end of fiscal year	<u><u>\$ (112,020)</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, 2013, were \$187,066, which consisted of \$154,959 from the County and \$32,107 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 5.03% 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, 2013 were \$838,238 which consisted of \$618,315 from the County and \$219,923 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, 2013, the County's required and actual contributions were \$4,270.

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	28	2
Active plan members	<u>284</u>	<u>62</u>
Total	312	64

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 9.75% of annual covered payroll. For the current year, the County contributed \$123,431 or 0.826% of annual covered payroll. The County's required contribution for employees not engaged in law enforcement and for law enforcement officers was \$2,425,066 annually, with an accrued liability of \$10,341,290. 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)	\$ 2,410,695
b)	Valuation Discount Rate	4.00%
c)	Interest on Net OPEB Obligation:	321,586
d)	Amortization Factor	26.1695
e)	Adjustment to ARC:	307,215
f)	Annual OPEB Cost: (a) + (c) - (e)	2,425,066
g)	Employer Contributions made for current fiscal year	123,431
h)	Increase (decrease) in Net OPEB Obligation: (f) - (g)	2,301,635
i)	Net OPEB Obligation Beginning of Fiscal Year	8,039,655
j)	Net OPEB Obligation Ending of Fiscal Year: (h) + (i)	\$ 10,341,290

The County's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for 2013 were as follows:

<u>For Year</u> <u>Ended June 30</u>	<u>Annual OPEB Cost</u>	<u>Percentage of Annual</u> <u>OPEB Cost Contributed</u>	<u>Net OPEB Obligation</u>
2011	2,346,839	6.7%	\$5,747,934
2012	2,346,839	2.4%	\$8,039,655
2013	2,425,066	5.1%	\$10,341,290

Funded Status and Funding Progress: As of December 31, 2012, 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 \$12,944,860. The covered payroll (annual payroll of active employees covered by the plan) was \$14,945,378, and the ratio of the UAAL to the covered payroll was 86.6%.

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, 2012 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 8.5 percent to 5 percent annually for Pre-Medicare and 6.25 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, 2012 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 Outflows and Inflows of Resources

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:

	Unavailable Revenue	Unearned Revenue
Prepaid taxes not yet earned (General)	\$ -	\$ 27,779
Taxes receivable, net (General)	749,769	-
Taxes receivable, net (Special Revenue)	5,945	-
	\$ 755,714	\$ 27,779

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 \$50,000 each. The remaining employees that have access to funds are bonded under a blanket bond for \$25,000.

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, 2013, 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, \$1,244,303 2014; interest at 3.54%.	\$1,244,303
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\$3,800,000 2013 Installment Purchase Agreement for stormwater improvements in the Whalehead Watershed Improvement Service District dated January 23, 2013 with semi-annual principal and interest payments due July 23 and March 23, \$380,000 2013 through 2023 interest at 1.95%.	3,800,000
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\$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, \$211,248 2014; \$214,663 2015; \$218,133 2016; \$221,659 2017; \$225,242 2018; \$344,708 2019 through 2020 interest at 1.61%. – Interest rate modified February 1, 2013.	1,435,653
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\$6,800,000 2013 Installment Purchase Agreement for construction of the College of the Albemarle Aviation Technical & Training Facility dated June 28, 2013 with semi-annual principal and interest payments due June 28 and December 28, \$971,429 2014; \$971,429 2015; \$971,429 2016; \$971,429 2017; \$1,942,855 2018 through 2019 interest at 1.66%.	5,828,572
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Total serviced by the General Fund

\$12,308,528

Serviced by the Moyock Central Sewer Fund:

\$2,700,000 2013 Installment Purchase Agreement for construction of the Moyock central sewer system, dated June 19, 2013 with semi-annual principal payments and interest payments due June 19 and December 19, \$180,000 2014; \$180,000 2015; \$180,000 2016; \$180,000 2017; \$1,800,000 2018 through 2027; interest at 3.09%.

2,520,000

Serviced by the Southern Outer Banks Water System Fund:

\$8,500,000 2011 Installment Purchase Agreement for purchase of the Carolina Water System that serves Corolla Light, the Pine Island water System and the Currituck Club water system and to refund the existing 2004 debt, dated October 20, 2011 with semi-annual principal payments and interest payments due April 20 and October 20, \$850,000 2014; \$850,000 2015; \$850,000 2016; \$850,000 2017; \$3,825,000 2018 through 2022; interest at 2.38%.

7,225,000

Total Installment Purchase Debt

22,053,528

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

Year Ending June 30	Governmental Activities		Business-type Activities	
	Principal	Interest	Principal	Interest
2014	2,806,980	220,375	1,030,000	243,375
2015	1,566,091	160,287	1,030,000	217,583
2016	1,569,561	133,281	1,030,000	191,791
2017	1,573,088	106,220	1,030,000	165,999
2018	1,576,671	79,101	1,030,000	140,207
2019-2023	3,216,137	119,546	3,875,000	329,328
2024-2028	-	-	720,000	50,058
	<u>\$ 12,308,528</u>	<u>\$ 818,810</u>	<u>\$ 9,745,000</u>	<u>\$ 1,338,341</u>

b. General Obligation Indebtedness

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

The County's general obligation bonds payable at June 30, 2013, 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, \$845,000 2014; interest at 4%, \$730,000 2015; interest at 5%. \$1,575,000

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, \$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%. 1,490,000

Total General Obligation Bond debt \$3,065,000

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

At June 30, 2013, Currituck County had no bonds authorized but un-issued and a legal debt margin of \$631,454,803.

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.

The rate covenant for this debt requires the County to fix service charges and from time to time to revise such charges in such manner that the net revenues for each fiscal year shall not be less than an amount necessary to provide debt service coverage of one hundred fifteen percent (115%) of the debt service requirement for all senior indebtedness for such fiscal year and one hundred percent (100%) of the debt service requirement for all subordinate debt for such fiscal year. If at the end of any fiscal year the County is not in compliance with the rate covenant, the County shall immediately notify the Local Government Commission and request an independent consulting engineer to submit a written report and recommendations with respect to increases in the County's rate, fees and other charges and improvements in the operations of and the services rendered by the Mainland Water System and the County's accounting and billing procedures necessary to bring the County into compliance with the rate covenant. The report and recommendations shall be filed with the Paying Agent, the County and the Commission within 120 days from the date of discovery of noncompliance with the rate covenant. The County shall promptly revise its rates, fees, charges, operations and services in conformity with the report and recommendations of the independent consulting engineer to the extent permitted by law. Currituck County is in compliance with the rate covenant at year end.

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%.

Total Revenue Bond debt

16,475,000
\$16,475,000

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

Year Ending June 30	Business-type Activities	
	Principal	Interest
2014	560,000	673,828
2015	585,000	650,924
2016	695,000	626,997
2017	735,000	598,572
2018	775,000	568,510
2019-2023	5,910,000	2,219,848
2024-2028	7,215,000	908,796
Total	\$ 16,475,000	\$ 6,247,475

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, 2013:

	Balance			Current Portion	
	June 30, 2012	Increases	Decreases	Balance	of Balance
	June 30, 2012			June 30, 2013	
Governmental activities:					
General obligation debt	\$ 2,425,000	\$ -	\$ 850,000	\$ 1,575,000	\$ 845,000
Unamortized premium on General Obligation debt	125,303	-	125,303	-	-
Installment purchase	11,014,624	3,800,000	2,506,096	12,308,528	2,806,980
Compensated absences	1,071,739	1,085,371	1,023,599	1,133,511	492,375
Other postemployment benefits	7,719,138	2,287,796	123,431	9,883,503	-
Total governmental activities	<u>\$ 22,355,804</u>	<u>\$ 7,173,167</u>	<u>\$ 4,628,429</u>	<u>\$ 24,900,542</u>	<u>\$ 4,144,355</u>
Business-type activities:					
General obligation debt	\$ 1,805,000	\$ -	\$ 315,000	\$ 1,490,000	\$ 330,000
Unamortized premium on General Obligation debt	113,379	-	113,379	-	-
Revenue bonded debt	17,015,000	-	540,000	16,475,000	560,000
Installment purchase	10,775,000	-	1,030,000	9,745,000	1,030,000
Compensated absences	57,327	34,252	28,503	63,076	37,500
Other postemployment benefits	320,517	137,270	-	457,787	-
Total business-type activities	<u>\$ 30,086,223</u>	<u>\$ 171,522</u>	<u>\$ 2,026,882</u>	<u>\$ 28,230,863</u>	<u>\$ 1,957,500</u>
Discretely presented component units:					
Compensated absences - Whalehead Pres. Trust	\$ 8,216	\$ 13,687	\$ 3,184	\$ 18,719	\$ 3,750
Computer Loan - Whalehead Pres. Trust	10,473	-	6,626	3,847	3,847
Compensated absences - ABC Board	1,842	1,740	867	2,715	2,715
Total discretely presented component units long-term liabilities	<u>\$ 20,531</u>	<u>\$ 15,427</u>	<u>\$ 10,677</u>	<u>\$ 25,281</u>	<u>\$ 10,312</u>

For the governmental funds, the unfunded pension liability and compensated absences are funded by the General fund. For the proprietary funds, the unfunded pension liability and compensated absences are funded by the Mainland Water fund and the Southern Outer Banks Water fund.

C. Inter-fund Balances and Activity

Transfers to/from other funds

Transfers to/from other funds at June 30, 2013, consists of the following:

From the General fund to the Fire Vehicle Replacement Fund to accumulate resources for equipment replacement	\$ 267,000
From the General fund to the Revaluation fund to accumulate resources for the octennial revaluation of real property	121,000
From the General fund to the Solid Waste fund for operations	896,256
From the General fund to the Maple Commerce Sewer fund for operations	35,650
From the General fund to the County Governmental Facilities fund for loan to Crawford VFD	120,000
From the General fund to the County Governmental Facilities fund for 800 MHz radios for Volunteer Fire Departments	148,973
Total transfers from the General fund	<u>\$ 1,588,879</u>

From the Tourism Development Authority to the General fund for Economic Development	231,558
From the Tourism Development Authority to the General fund for Airport promotions	19,462
From the Tourism Development Authority to the General fund for Administrative Fee	110,468
From the Tourism Development Authority to the General fund for Sheriff Deputies, Vehicle Purchase	1,299,103
From the Tourism Development Authority to the General fund for Emergency Medical Services Personnel	1,121,085
From the Tourism Development Authority to the General fund the Currituck Rural Center	185,716
From the Tourism Development Authority fund to the General fund for Parks & Recreation mower	15,169
From the Tourism Development Authority fund to the Co Governmental Facilities fund for Maple Multi-use fields	477,998
From the Tourism Development Authority fund to the Co Governmental Facilities fund for Maple Commerce Park	927,161
From the Tourism Development Authority fund to the Mainland Water fund for a fire hydrant in Grandy	40,000
Total transfers from the Tourism Development Authority Fund	<u>\$ 4,427,720</u>

From the School Construction fund to the County Governmental Construction fund for Maple Multi-use fields	536,377
From the School Construction fund to the County Governmental Construction fund for design of Bus Garage	37,185
Total transfers from the School Facilities Construction Fund	<u>\$ 573,562</u>

From the Whalehead Subdivision Drainage District fund to the General fund for debt service payment	\$ 243,379
From the Emergency Telephone System fund to the General fund for eligible items paid from operating fund	19,076
From the Capital Improvements fund to the General fund for capital assets purchased in operating fund	521,299
From the Capital Improvements fund to the General fund for debt on the COA Aviation and Technical Training Facility	1,080,277
From the School Capital fund to the General fund for capital purchases for the Currituck County Schools.	1,000,000
From the School Capital fund to the General fund for debt service on Shawboro Elementary School	450,000
From the Transfer Tax Capital fund to the County Government Facilities fund to accumulate resources for 800 MHz radio project	2,000,000
From the Transfer Tax Capital fund to the Land Banking fund to accumulate resources for future land purchases.	200,000
From the Transfer Tax Capital fund to the Land Banking fund to accumulate resources for farmland preservation.	100,000
Total transfers from other governmental funds	<u>\$ 5,614,031</u>

From the Southern Outer Banks operating fund to the Occupancy Tax Fund for internal loan interest for system expansion	71,445
From the Moyock Central Sewer fund to the Moyock Central Sewer Operating fund to begin close-out of construction	50,000
From the Ocean Sands Water & Sewer Operating fund to the Ocean Sands Water & Sewer Construction fund for phase I of the sewer replacement	3,578,312
From the Southern Outer Banks operating fund to the Southern Outer Banks Construction fund for plant expansion	5,577,844
Total transfers from enterprise funds	<u>\$ 9,277,601</u>

D. Fund Balance

Currituck County has a revenue spending policy that provides policy for programs with multiple revenue sources. The Finance Director will use resources in the following hierarchy: bond proceeds, federal funds, State funds, local non-county funds, county funds. For purposes of fund balance classification expenditures are to be spent from restricted fund balance first, followed in order by committed fund balance, assigned fund balance and lastly unassigned fund balance. The Finance Director has the authority to deviate from this policy if it is in the best interest of the County.

The following schedule provides management and citizens with information on the portion of General fund balance that is available for appropriation:

Total fund balance - General Fund	\$ 10,095,098
Less:	
Inventories	1,257
Watershed Improvements	1,819,361
Stabilization by State Statute	2,841,065
Appropriated Fund Balance in 2014 budget	3,457,216
Fire Protection	414,622
Tax Revaluation	143,894
Remaining Fund Balance	1,417,683

Currituck County has not adopted a minimum fund balance policy for the General Fund.

III. 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, 2013, 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, 2013. 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, 2013. In accordance

with the intergovernmental agreement between the participating governments, the County appropriated \$50,316 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 \$105,742 to the Authority during the fiscal year ended June 30, 2013, 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, 2013. 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, 2013, expenditures were \$495,796. 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, 2013. 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.

IV. 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 \$15,313 to the Commission during the fiscal year ended June 30, 2013.

V. 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	\$ 76,153	\$ -
Medicaid	10,133,259	5,621,518
Food stamp program	3,647,345	-
LINKS	7,013	-
Adoption assistance	71,682	18,918
Adult assistance	-	159,445
Title IV-E, foster care	8,558	2,166
CWS Adoption	-	126,464
State foster care	-	16,958
Total	<u>\$ 13,944,010</u>	<u>\$ 5,945,469</u>

VI. 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.

VII. Related Party Transactions

The County had entered into landscaping contracts with Kevin McCord, dba McCord's Landscaping, in the prior fiscal year. Mr. McCord was elected as a commissioner in November 2012 and was sworn into office on December 5, 2013. The County made payments of \$22,050 for landscaping to McCord's Landscaping from December 1, 2012 through June 30, 2013.

VIII. Change in Accounting Principles/Restatement

The County implemented Governmental Accounting Standards Board (GASB) Statement 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position*, and Statement 65, *Items Previously reported as Assets and Liabilities*, in the fiscal year ending June 30, 2013. In accordance with GASB Statement 63, the Statement of Net Assets has been replaced with the Statement of Net Position. Items on the Statement of Net Position are now classified into Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources and Net Position. Additionally, GASB Statement 65 requires that deferred costs from the refunding of debt, which were previously deferred and amortized, be presented as deferred outflows of resources. Bond issuance costs, which were previously deferred and amortized must be included in current expenditures.

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)
12/31/2003	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%
12/31/2011	414,056	736,534	322,478	56.22%	3,062,578	10.53%
12/31/2012	416,640	804,678	388,038	52%	3,131,076	12%

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
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%
2012	81,519	59.89%
2013	83,450	44.98%

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	12/31/2012
Actuarial cost method	Projected unit credit
Amortization method	Level percent of pay closed
Remaining amortization period	18 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	131.50%
12/31/2011	-	19,318,398	19,318,398	0.00%	14,691,786	131.50%
12/31/2012	-	12,944,860	12,944,860	0.00%	14,945,378	86.60%

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

Year Ending June 30	Annual Required Contributions	Percentage Contributed
2009	\$ 1,900,463	0.91%
2010	1,900,463	6.67%
2011	2,340,481	6.67%
2012	2,340,481	2.35%
2013	1,457,638	9.75%

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	12/31/2012	
Actuarial cost method	Projected	unit credit
Amortization method	Level	Percentage of Pay, open
Remaining amortization period	30	years
Amortization factor	26.1695	
Asset valuation method	Market Value of Assets	
Actuarial assumptions:		
Investment Rate of Return*	4.00%	
Medical cost trend rate		
Pre-Medicare trend rate	8.50% - 5.00%	
Post-Medicare trend rate	6.25%	- 5.00%
Year of Ultimate trend rate	2018	
*Includes inflation at	3.00%	

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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, 2013

	2013			Variance with Final Budget Positive (Negative)	2012
	Budgeted Amounts		Actual		Actual
	Original	Final			
Revenues:					
Ad valorem taxes:					
Taxes	\$ -	\$ -	\$ 26,830,937	\$ -	\$ 26,604,536
Interest	-	-	112,210	-	117,170
Total	25,812,000	25,874,152	26,943,147	1,068,995	26,721,706
Other taxes and licenses:					
Sexually oriented business license	-	-	2,825	-	-
Animal tax	-	-	12,290	-	12,487
Marriage license	-	-	29,100	-	32,220
Franchise tax	-	-	266,871	-	369,769
Deed stamp excise tax	-	-	611,557	-	522,079
Article 39 local option sales tax	-	-	4,318,546	-	4,145,141
Article 44 local option sales tax	-	-	3,931	-	85,630
Medicaid hold harmless funds	-	-	322,714	-	343,503
Total	5,215,700	5,255,681	5,567,834	312,153	5,510,829
Unrestricted intergovernmental:					
Gasoline tax refund	-	-	2,186	-	2,875
Payments in lieu of taxes-outside sources	-	-	40,754	-	43,056
Beer and wine tax	-	-	95,458	-	102,075
Total	256,500	256,500	138,398	(118,102)	148,006
Restricted intergovernmental:					
Federal and State grants	-	-	2,719,378	-	2,968,260
Safe roads act	-	-	4,594	-	5,361
Crime control act	-	-	10,500	-	8,702
Court facility fees	-	-	65,754	-	63,950
Jail fees	-	-	24,043	-	30,550
Officer fees	-	-	95,833	-	100,469
ABC bottles taxes	-	-	12,295	-	12,536
Total	2,460,904	2,889,080	2,932,397	43,317	3,189,828
Permits and fees:					
Ambulance service fees	-	-	1,001,294	-	898,806
Administration and filing fees	-	-	663,575	-	542,172
Register of deeds fees	-	-	255,577	-	215,205
Building permit fees	-	-	396,671	-	283,821
Re-inspection fees	-	-	28,300	-	23,500
Planning fees	-	-	29,253	-	16,362
Land disturbance permit	-	-	2,400	-	4,050
Zoning violation fees	-	-	1,500	-	-
Homeowners' recovery fees	-	-	3,800	-	2,990
CAMA permits	-	-	10,255	-	9,400
Street naming fees	-	-	75	-	-
Animal control fees	-	-	620	-	580
Total	2,165,577	2,167,377	2,393,320	225,943	1,996,886

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, 2013

	2013			Variance with Final Budget Positive (Negative)	2012
	Budgeted Amounts		Actual		Actual
	Original	Final			
Sales and services:					
Rents	-	-	185,665	-	214,031
Airport fees	-	-	97,515	-	86,178
Vending sales	-	-	10,837	-	7,160
Senior meals	-	-	505	-	2,217
EMS revenues	-	-	7,032	-	6,337
Jail housing	-	-	440	-	2,600
Sale of materials	-	-	1,885	-	2,243
Aviation fuel sales	-	-	390,231	-	358,566
Sale of fixed assets	-	-	13,638	-	35,564
Auction proceeds	-	-	-	-	-
Recreation concessions	-	-	40	-	2,252
Recreation fees	-	-	65,552	-	84,710
Total	<u>698,409</u>	<u>754,859</u>	<u>773,340</u>	<u>18,481</u>	<u>801,858</u>
Investment earnings	<u>120,000</u>	<u>120,000</u>	<u>62,700</u>	<u>(57,300)</u>	<u>98,247</u>
Miscellaneous:					
Donations	-	-	22,499	-	19,858
Insurance recoveries	-	-	179,427	-	56,549
ABC Education distribution	-	-	20,684	-	19,591
ABC Law enforcement distribution	-	-	14,775	-	13,987
ABC profits	-	-	323,433	-	312,424
Other	-	-	56,235	-	122,461
Total	<u>337,500</u>	<u>471,417</u>	<u>617,053</u>	<u>145,636</u>	<u>544,870</u>
Total revenues	<u>37,066,590</u>	<u>37,789,066</u>	<u>39,428,189</u>	<u>1,639,123</u>	<u>39,012,230</u>
Expenditures:					
General government:					
Administration:					
Salaries and employee benefits	-	-	398,997	-	385,993
Other operating expenditures	-	-	82,914	-	51,884
Total	<u>550,289</u>	<u>549,289</u>	<u>481,911</u>	<u>67,378</u>	<u>437,877</u>
Legal:					
Salaries and employee benefits	-	-	269,006	-	267,871
Other operating expenditures	-	-	51,939	-	69,735
Total	<u>366,801</u>	<u>367,801</u>	<u>320,945</u>	<u>46,856</u>	<u>337,606</u>
Governing body:					
Salaries and employee benefits	-	-	109,608	-	109,285
Other operating expenditures	-	-	24,449	-	14,219
Capital Outlay	-	-	3,938	-	-
Total	<u>138,043</u>	<u>142,043</u>	<u>137,995</u>	<u>4,048</u>	<u>123,504</u>
Elections:					
Salaries and employee benefits	-	-	109,201	-	111,356
Other operating expenditures	-	-	77,923	-	40,217
Total	<u>176,553</u>	<u>205,441</u>	<u>188,840</u>	<u>16,601</u>	<u>151,573</u>
Finance					
Salaries and employee benefits	-	-	305,315	-	295,972
Other operating expenditures	-	-	61,627	-	62,493
Total	<u>363,762</u>	<u>387,188</u>	<u>366,942</u>	<u>20,246</u>	<u>358,465</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, 2013

	2013			Variance with Final Budget Positive (Negative)	2012
	Budgeted Amounts		Actual		Actual
	Original	Final			
Information Technology:					
Salaries and employee benefits	-	-	312,711	-	316,510
Other operating expenditures	-	-	202,412	-	204,779
Capital outlay	-	-	73,400	-	107,991
Total	<u>626,847</u>	<u>643,204</u>	<u>588,523</u>	<u>54,681</u>	<u>629,280</u>
Human resources:					
Salaries and employee benefits	-	-	127,727	-	128,624
Other operating expenditures	-	-	9,880	-	7,438
Total	<u>141,897</u>	<u>141,897</u>	<u>137,607</u>	<u>4,290</u>	<u>136,062</u>
Public information:					
Salaries and employee benefits	-	-	-	-	57,846
Other operating expenditures	-	-	-	-	27,971
Total	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>85,817</u>
Taxes:					
Salaries and employee benefits	-	-	402,562	-	404,876
Other operating expenditures	-	-	72,519	-	70,715
Total	<u>534,646</u>	<u>534,646</u>	<u>475,081</u>	<u>59,565</u>	<u>475,591</u>
Public works:					
Salaries and employee benefits	-	-	622,986	-	595,521
Other operating expenditures	-	-	329,892	-	278,533
Capital outlay	-	-	142,475	-	150,613
Total	<u>1,069,694</u>	<u>1,142,532</u>	<u>1,095,353</u>	<u>47,179</u>	<u>1,024,667</u>
Public utilities:					
Salaries and employee benefits	-	-	185,232	-	146,583
Operating expenditures	-	-	21,210	-	16,244
Capital outlay	-	-	25,750	-	-
Total	<u>247,107</u>	<u>247,107</u>	<u>232,192</u>	<u>14,915</u>	<u>162,827</u>
Register of deeds:					
Salaries and employee benefits	-	-	272,084	-	306,273
Other operating expenditures	-	-	388,927	-	339,428
Capital outlay	-	-	22,544	-	-
Total	<u>673,037</u>	<u>677,177</u>	<u>683,555</u>	<u>(6,378)</u>	<u>645,701</u>
Court facilities:					
Operating expenditures	-	-	171,924	-	155,298
Capital outlay	-	-	32,169	-	-
Total	<u>203,525</u>	<u>220,463</u>	<u>204,093</u>	<u>16,370</u>	<u>155,298</u>
Agency appropriations:					
Operating expenditures	-	-	37,500	-	38,900
Total	<u>39,200</u>	<u>39,200</u>	<u>37,500</u>	<u>1,700</u>	<u>38,900</u>
Central services:					
Operating expenditures	-	-	601,993	-	549,562
Total	<u>754,429</u>	<u>724,429</u>	<u>601,993</u>	<u>122,436</u>	<u>549,562</u>
Total general government	<u>5,885,830</u>	<u>6,022,417</u>	<u>5,552,530</u>	<u>469,887</u>	<u>5,312,730</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, 2013

	2013			Variance with Final Budget Positive (Negative)	2012
	Budgeted Amounts		Actual		Actual
	Original	Final			
Public safety:					
Sheriff:					
Salaries and employee benefits	-	-	4,308,175	-	4,324,126
Other operating expenditures	-	-	810,331	-	826,657
Capital outlay	-	-	550,457	-	220,068
Total	<u>5,757,708</u>	<u>5,802,620</u>	<u>5,668,963</u>	<u>133,657</u>	<u>5,370,851</u>
Jail:					
Salaries and employee benefits	-	-	1,455,322	-	1,466,541
Other operating expenditures	-	-	468,715	-	467,927
Capital outlay	-	-	45,477	-	22,094
Total	<u>2,099,942</u>	<u>2,110,295</u>	<u>1,969,514</u>	<u>140,781</u>	<u>1,956,562</u>
Animal control:					
Salaries and employee benefits	-	-	179,259	-	182,097
Other operating expenditures	-	-	201,004	-	207,535
Capital outlay	-	-	25,460	-	25,199
Total	<u>428,590</u>	<u>428,590</u>	<u>405,723</u>	<u>22,867</u>	<u>414,831</u>
Jury commission:					
Operating expenditures	-	-	1,900	-	2,100
Total	<u>1,800</u>	<u>1,900</u>	<u>1,900</u>	<u>-</u>	<u>2,100</u>
Emergency medical services:					
Salaries and employee benefits	-	-	4,900,788	-	4,822,213
Other operating expenditures	-	-	589,622	-	502,571
Capital outlay	-	-	159,411	-	5,895
Total	<u>5,899,693</u>	<u>5,907,101</u>	<u>5,649,821</u>	<u>257,280</u>	<u>5,330,679</u>
Emergency management:					
Salaries and employee benefits	-	-	92,404	-	92,212
Other operating expenditures	-	-	38,901	-	42,837
Capital outlay	-	-	6,993	-	2,995
Total	<u>131,807</u>	<u>148,680</u>	<u>138,298</u>	<u>10,382</u>	<u>138,044</u>
Communications:					
Salaries and employee benefits	-	-	656,212	-	667,384
Other operating expenditures	-	-	94,332	-	79,879
Total	<u>805,184</u>	<u>820,028</u>	<u>750,544</u>	<u>69,484</u>	<u>747,263</u>
Building inspections:					
Salaries and employee benefits	-	-	424,115	-	456,076
Other operating expenditures	-	-	45,781	-	46,571
Total	<u>519,352</u>	<u>522,652</u>	<u>496,524</u>	<u>26,128</u>	<u>502,647</u>
Fire prevention:					
Salaries and employee benefits	-	-	-	-	70,378
Other operating expenditures	-	-	-	-	29,197
Capital outlay	-	-	17,740	-	16,492
Total	<u>-</u>	<u>48,000</u>	<u>17,740</u>	<u>30,260</u>	<u>116,067</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, 2013

	2013			Variance with Final Budget Positive (Negative)	2012
	Budgeted Amounts		Actual		Actual
	Original	Final			
Volunteer fire departments:					
Carova Beach Volunteer Fire Department	-	-	194,391	-	195,000
Corolla Fire & Rescue Squad	-	-	317,297	-	299,146
Crawford Volunteer Fire Department	-	-	315,675	-	300,000
Lower Currituck Volunteer Fire Department	-	-	347,864	-	300,000
Knotts Island Volunteer Fire Department	-	-	187,497	-	136,148
Moyock Volunteer Fire Department	-	-	229,428	-	216,252
Total	<u>1,622,814</u>	<u>1,622,814</u>	<u>1,592,152</u>	<u>30,662</u>	<u>1,446,546</u>
Medical examiner:					
Contracted services	-	-	22,100	-	16,800
Total	<u>9,500</u>	<u>30,500</u>	<u>22,100</u>	<u>8,400</u>	<u>16,800</u>
Disaster recovery:					
Salaries and employee benefits	-	-	-	-	120,271
Other operating expenditures	-	-	-	-	344,936
Capital outlay	-	-	-	-	15,993
Total	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>481,200</u>
Total public safety	<u>17,276,390</u>	<u>17,443,180</u>	<u>16,713,279</u>	<u>729,901</u>	<u>16,523,590</u>
Transportation:					
Airport:					
Salaries and employee benefits	-	-	100,005	-	105,875
Other operating expenditures	-	-	417,835	-	430,189
Total	<u>495,646</u>	<u>554,112</u>	<u>517,840</u>	<u>36,272</u>	<u>536,064</u>
Inter-county transportation:					
Contracted services	-	-	51,969	-	58,291
Total	<u>89,107</u>	<u>86,856</u>	<u>51,969</u>	<u>34,887</u>	<u>58,291</u>
Total transportation	<u>584,753</u>	<u>640,968</u>	<u>569,809</u>	<u>71,159</u>	<u>594,355</u>
Environmental protection:					
Forestry:					
Contracted services	-	-	70,674	-	64,291
Total	<u>76,250</u>	<u>76,250</u>	<u>70,674</u>	<u>5,576</u>	<u>64,291</u>
Soil and water conservation:					
Salaries and employee benefits	-	-	112,055	-	113,115
Other operating expenditures	-	-	12,949	-	14,981
Total	<u>137,538</u>	<u>137,538</u>	<u>125,004</u>	<u>12,534</u>	<u>128,096</u>
Total environmental protection	<u>213,788</u>	<u>213,788</u>	<u>195,678</u>	<u>18,110</u>	<u>192,387</u>
Economic and physical development:					
Cooperative extension:					
Salaries and employee benefits	-	-	112,559	-	144,292
Other operating expenditures	-	-	311,075	-	278,492
Contracted services	-	-	30,280	-	29,770
Capital outlay	-	-	21,726	-	3,600
Total	<u>499,843</u>	<u>529,369</u>	<u>475,640</u>	<u>53,729</u>	<u>456,154</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, 2013

	2013			Variance with Final Budget Positive (Negative)	2012
	Budgeted Amounts		Actual		Actual
	Original	Final			
Economic development:					
Salaries and employee benefits	-	-	87,837	-	85,223
Other operating expenditures	-	-	144,770	-	87,472
Total	<u>243,142</u>	<u>261,862</u>	<u>232,607</u>	<u>29,255</u>	<u>172,695</u>
Planning and inspections:					
Salaries and employee benefits	-	-	638,511	-	623,160
Other operating expenditures	-	-	71,920	-	125,277
Total	<u>738,583</u>	<u>748,462</u>	<u>710,431</u>	<u>38,031</u>	<u>748,437</u>
Total economic and physical development	<u>1,481,568</u>	<u>1,539,693</u>	<u>1,418,678</u>	<u>121,015</u>	<u>1,377,286</u>
Human services:					
Health:					
Contracted services	-	-	127,000	-	127,000
Total	<u>127,000</u>	<u>127,000</u>	<u>127,000</u>	<u>-</u>	<u>127,000</u>
Mental health:					
Contracted services	-	-	62,611	-	62,852
Total	<u>60,623</u>	<u>63,623</u>	<u>62,611</u>	<u>1,012</u>	<u>62,852</u>
Social services:					
Administration:					
Salaries and employee benefits	-	-	2,159,855	-	2,142,222
Other operating expenditures	-	-	663,075	-	713,088
Capital outlay	-	-	33,654	-	45,006
Total	<u>2,906,799</u>	<u>3,001,131</u>	<u>2,856,584</u>	<u>144,547</u>	<u>2,900,316</u>
Public Assistance:					
Electronic issuance	-	-	3,244	-	4,367
Medical Transportation	-	-	43,319	-	43,781
TANF	-	-	-	-	123
Special assistance for adults	-	-	132,998	-	131,327
Special adoption assistance	-	-	10,068	-	18,886
State foster care and boarding home payments	-	-	98,584	-	41,718
Title IV-E foster care	-	-	14,195	-	20,333
Special assistance for the blind	-	-	891	-	860
Title IV-E adoption assistance	-	-	18,918	-	18,352
Title IV-B adoption assistance	-	-	47,737	-	51,249
Title IV-B adoption assistance vendor payments	-	-	2,400	-	2,400
Child daycare	-	-	618,298	-	668,489
Home care block grant	-	-	52,282	-	55,354
LINKS special assistance	-	-	6,509	-	4,614
Other assistance	-	-	45,816	-	63,790
Total	<u>1,091,940</u>	<u>1,309,669</u>	<u>1,095,259</u>	<u>214,410</u>	<u>1,125,643</u>
Total social services	<u>3,998,739</u>	<u>4,310,800</u>	<u>3,951,843</u>	<u>358,957</u>	<u>4,025,959</u>
Juvenile crime prevention control					
Improving outcomes for youth	-	-	-	-	2,000
JCPC council	-	-	13,879	-	14,231
Partnership of adolescents and support services	-	-	56,519	-	52,822
Restitution	-	-	9,372	-	8,041
Teen court	-	-	14,892	-	19,361
Total	<u>101,885</u>	<u>101,885</u>	<u>94,662</u>	<u>7,223</u>	<u>96,455</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, 2013

	2013			Variance with Final Budget Positive (Negative)	2012
	Budgeted Amounts		Actual		Actual
	Original	Final			
Total human services	4,288,247	4,603,308	4,236,116	367,192	4,312,266
Cultural and recreational:					
Senior citizens centers:					
Salaries and employee benefits	-	-	166,404	-	168,118
Other operating expenditures	-	-	128,165	-	120,369
Capital outlay	-	-	-	-	4,658
Total	328,913	328,913	294,569	34,344	293,145
Libraries:					
Salaries and employee benefits	-	-	388,217	-	401,895
Other operating expenditures	-	-	107,579	-	96,916
Total	530,337	530,337	495,796	34,541	498,811
Recreation:					
Salaries and employee benefits	-	-	389,392	-	395,637
Other operating expenditures	-	-	266,456	-	254,088
Capital outlay	-	-	51,419	-	87,078
Total	793,197	809,685	707,267	102,418	736,803
Rural Center					
Salaries and employee benefits	-	-	123,698	-	115,109
Other operating expenditures	-	-	61,855	-	443,287
Total	464,349	483,770	185,553	298,217	558,396
Total cultural and recreational	2,116,796	2,152,705	1,683,185	469,520	2,087,155
Education:					
Public schools - current	-	-	9,025,754	-	8,745,904
Public schools - capital outlay	-	-	1,000,000	-	990,000
Community college	-	-	75,000	-	75,000
Total education	10,100,754	10,100,754	10,100,754	-	9,810,904
Debt service:					
Principal retirement	-	-	3,363,205	-	2,975,701
Interest and other charges	-	-	364,671	-	359,601
Total debt service	3,737,831	3,737,831	3,727,876	9,955	3,335,302
Total expenditures	45,685,957	46,454,644	44,197,905	2,256,739	43,545,975
Revenues over (under) expenditures	(8,619,367)	(8,665,578)	(4,769,716)	3,895,862	(4,533,745)

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, 2013

	2013			Variance with Final Budget Positive (Negative)	2012
	Budgeted Amounts		Actual		Actual
	Original	Final			
Other financing sources (uses):					
Transfers to other funds:					
Special Revenue Funds	-	-	(388,000)	-	(388,000)
Capital Projects Funds	-	-	(268,973)	-	-
Enterprise Funds	-	-	(931,906)	-	(903,893)
Total transfers to other funds	<u>(1,319,906)</u>	<u>(1,638,879)</u>	<u>(1,588,879)</u>	<u>50,000</u>	<u>(1,291,893)</u>
Transfers from other funds:					
Tourism Development Authority	-	-	2,982,561	-	3,014,540
Special Revenue Funds	-	-	262,455	-	271,602
Capital Projects Funds	-	-	3,051,576	-	2,175,591
Enterprise Funds	-	-	-	-	103,794
Total transfers from other funds	<u>6,558,341</u>	<u>6,600,810</u>	<u>6,296,592</u>	<u>304,218</u>	<u>5,565,527</u>
 Total other financing sources (uses)	 <u>5,238,435</u>	 <u>4,961,931</u>	 <u>4,707,713</u>	 <u>(254,218)</u>	 <u>4,273,634</u>
 Revenues and other financing sources over (under) expenditures and other financing uses	 <u>(3,380,932)</u>	 <u>(3,703,647)</u>	 <u>(62,003)</u>	 <u>3,641,644</u>	 <u>(260,111)</u>
 Appropriated fund balance	 <u>3,380,932</u>	 <u>3,703,647</u>	 <u>-</u>	 <u>(3,703,647)</u>	 <u>-</u>
 Revenues, other sources, and appropriated fund balance over (under) expenditures	 <u>\$ -</u>	 <u>\$ -</u>	 <u>(62,003)</u>	 <u>\$ (62,003)</u>	 <u>(260,111)</u>
 Fund balances:					
Beginning of year, July 1			7,806,135		8,066,246
End of year, June 30			<u>\$ 7,744,132</u>		<u>\$ 7,806,135</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, 2013

	2013			Variance with Final Positive (Negative)	2012
	Budgeted Amounts		Actual		Actual
	Original	Final			
Revenues:					
Investment earnings	\$ 4,500	\$ 4,500	\$ 1,886	\$ (2,614)	\$ 4,550
Expenditures:					
Current:					
General government:					
Contract services	-	-	309,368	-	232,206
Total expenditures	197,500	330,892	309,368	21,524	232,206
Revenues over (under) expenditures	(193,000)	(326,392)	(307,482)	18,910	(227,656)
Other financing sources:					
Operating transfer in:					
General Fund	121,000	121,000	121,000	-	121,000
Revenues and other sources over (under) expenditures	(72,000)	(205,392)	(186,482)	18,910	(106,656)
Appropriated fund balance	72,000	205,392	-	(205,392)	-
Revenues, other sources, and appropriated fund balance over (under) expenditures	\$ -	\$ -	(186,482)	\$ (186,482)	(106,656)
Fund balances:					
Beginning of year, July 1			330,376		437,032
End of year, June 30			\$ 143,894		\$ 330,376

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, 2013

	2013			Variance with Final Positive (Negative)	2012
	Original Budget	Final Budget	Actual		Actual
Revenues:					
Investment earnings	\$ -	\$ -	\$ 15,332	\$ 15,332	\$ 22,282
Total revenues	<u>-</u>	<u>-</u>	<u>15,332</u>	<u>15,332</u>	<u>22,282</u>
Expenditures:					
Capital outlay	300,000	300,000	-	300,000	337,253
Total expenditures	<u>300,000</u>	<u>300,000</u>	<u>-</u>	<u>300,000</u>	<u>337,253</u>
Revenues over (under) expenditures	<u>(300,000)</u>	<u>(300,000)</u>	<u>15,332</u>	<u>315,332</u>	<u>(314,971)</u>
Other financing sources (uses):					
Transfers to operating fund	-	-	-	-	(630,000)
Transfers to Moyock Central Sewer	-	-	-	-	-
Transfers from transfer tax fund	300,000	300,000	300,000	-	300,000
Revenues and other financing sources (uses)	<u>\$ -</u>	<u>\$ -</u>	<u>315,332</u>	<u>\$ 315,332</u>	<u>(644,971)</u>
Fund balances:					
Beginning of year, July 1			1,891,740		2,536,711
End of year, June 30			<u>\$ 2,207,072</u>		<u>\$ 1,891,740</u>

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County of Currituck, North Carolina
Combining Balance Sheet
Non-Major Governmental Funds
June 30, 2013

	Multi-year Grant Fund	Emergency Telephone System Fund	Guinea Mill Watershed Improvement Fund	Hog Ditch Watershed Improvement Fund	Moyock Watershed Improvement Fund	Northwest Watershed Improvement Fund
ASSETS						
Cash and cash equivalents	\$ 29,666	\$ 463,667	\$ 88,611	\$ 1,237	\$ 39,277	\$ 13,839
Taxes receivable, net	-	-	409	16	326	93
Due from other governments	5,453	23,840	-	-	-	-
Total assets	<u>\$ 35,119</u>	<u>\$ 487,507</u>	<u>\$ 89,020</u>	<u>\$ 1,253</u>	<u>\$ 39,603</u>	<u>\$ 13,932</u>
LIABILITIES AND FUND BALANCES						
Liabilities:						
Accounts payable and accrued liabilities	\$ -	\$ 147	\$ -	\$ -	\$ -	\$ -
Deferred revenue	-	-	409	16	326	93
Total liabilities	<u>-</u>	<u>147</u>	<u>409</u>	<u>16</u>	<u>326</u>	<u>93</u>
Fund balances:						
Restricted:						
Stabilization by State Statute	5,453	23,840	409	16	326	93
Emergency Telephone System	-	305,844	-	-	-	-
Watershed Improvements	-	-	88,202	1,221	38,951	13,746
Whalehead Beach Solid Waste	-	-	-	-	-	-
Capital Assets	-	-	-	-	-	-
Committed:						
Fire Equipment	-	-	-	-	-	-
Assigned:						
Subsequent year's expenditures	-	157,676	-	-	-	-
CDBG Scattered Site Program	29,666	-	-	-	-	-
Total fund balances	<u>35,119</u>	<u>487,360</u>	<u>88,611</u>	<u>1,237</u>	<u>39,277</u>	<u>13,839</u>
Total liabilities and fund balances	<u>\$ 35,119</u>	<u>\$ 487,507</u>	<u>\$ 89,020</u>	<u>\$ 1,253</u>	<u>\$ 39,603</u>	<u>\$ 13,932</u>

Whalehead Watershed Improvement Fund	Whalehead Beach Solid Waste Service District	Total Non-Major Special Revenue Funds	Fire Equipment Replacement Fund	Capital Improvements Fund	School Capital Fund	Transfer Tax Capital Fund	Total Non-Major Capital Projects Funds	Total Non-Major Governmental Funds
\$ 2,589,307	\$ 110,386	\$ 3,335,990	\$ 576,706	\$ 1,739,683	\$ 1,643,673	\$ 4,902,775	\$ 8,862,837	\$ 12,198,827
4,344	757	5,945	-	-	-	-	-	5,945
29,126	-	58,419	-	497,664	490,090	-	987,754	1,046,173
<u>\$ 2,622,777</u>	<u>\$ 111,143</u>	<u>\$ 3,400,354</u>	<u>\$ 576,706</u>	<u>\$ 2,237,347</u>	<u>\$ 2,133,763</u>	<u>\$ 4,902,775</u>	<u>\$ 9,850,591</u>	<u>\$ 13,250,945</u>
\$ 366,137	\$ 9,125	\$ 375,409	\$ 458,526	\$ -	\$ -	\$ -	\$ 458,526	\$ 833,935
4,344	757	5,945	-	-	-	-	-	5,945
370,481	9,882	381,354	458,526	-	-	-	458,526	839,880
33,470	757	64,364	-	497,664	490,090	-	987,754	1,052,118
-	-	305,844	-	-	-	-	-	305,844
2,122,451	-	2,264,571	-	-	-	-	-	2,264,571
-	100,504	100,504	-	-	-	-	-	100,504
-	-	-	-	1,739,683	1,233,673	4,702,775	7,676,131	7,676,131
-	-	-	118,180	-	-	-	118,180	118,180
96,375	-	254,051	-	-	410,000	200,000	610,000	864,051
-	-	29,666	-	-	-	-	-	29,666
<u>2,252,296</u>	<u>101,261</u>	<u>3,019,000</u>	<u>118,180</u>	<u>2,237,347</u>	<u>2,133,763</u>	<u>4,902,775</u>	<u>9,392,065</u>	<u>12,411,065</u>
<u>\$ 2,622,777</u>	<u>\$ 111,143</u>	<u>\$ 3,400,354</u>	<u>\$ 576,706</u>	<u>\$ 2,237,347</u>	<u>\$ 2,133,763</u>	<u>\$ 4,902,775</u>	<u>\$ 9,850,591</u>	<u>\$ 13,250,945</u>

County of Currituck, North Carolina
Combining Statement of Revenues, Expenditures, and Changes in Fund Balance
Nonmajor Governmental Funds
For the Year Ended June 30, 2013

	Multi-year Grant Fund	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
REVENUES							
Ad valorem taxes	\$ -	\$ -	\$ 12,330	\$ 1,134	\$ 16,684	\$ 2,279	\$ 868,685
Other taxes and licenses	-	187,756	-	-	-	-	-
Restricted							
intergovernmental	32,005	-	-	450	-	-	-
Investment earnings	542	3,787	711	9	277	97	5,134
Total revenues	<u>32,547</u>	<u>191,543</u>	<u>13,041</u>	<u>1,593</u>	<u>16,961</u>	<u>2,376</u>	<u>873,819</u>
EXPENDITURES							
Current:							
General government	-	-	-	-	-	-	-
Public safety	44,234	224,570	-	-	-	-	-
Economic and physical development	32,388	-	-	-	-	-	-
Environmental protection	-	-	15,200	1,815	6,450	-	2,931,589
Total expenditures	<u>76,622</u>	<u>224,570</u>	<u>15,200</u>	<u>1,815</u>	<u>6,450</u>	<u>-</u>	<u>2,931,589</u>
Issuance of debt	-	-	-	-	-	-	3,800,000
Transfers (to) from other funds	-	(19,076)	-	-	-	-	(243,379)
Total other financing sources and uses	-	(19,076)	-	-	-	-	3,556,621
Net change in fund balances	(44,075)	(52,103)	(2,159)	(222)	10,511	2,376	1,498,851
Fund balances - beginning	79,194	539,463	90,770	1,459	28,766	11,463	753,445
Fund balances - ending	<u>\$ 35,119</u>	<u>\$ 487,360</u>	<u>\$ 88,611</u>	<u>\$ 1,237</u>	<u>\$ 39,277</u>	<u>\$ 13,839</u>	<u>\$ 2,252,296</u>

Whalehead Beach Solid Waste Service District	Total Non-Major Special Revenue Funds	Fire Equipment Replacement Fund	Capital Improvements Fund	School Capital Fund	Transfer Tax Capital Fund	Total Non-major Capital Projects Funds	Total Non-Major Governmental Funds
\$ 144,782	\$ 1,045,894	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,045,894
-	187,756	-	1,753,830	1,668,244	2,803,239	6,225,313	6,413,069
-	32,455	-	-	-	-	-	32,455
769	11,326	3,476	15,216	13,380	31,023	63,095	74,421
<u>145,551</u>	<u>1,277,431</u>	<u>3,476</u>	<u>1,769,046</u>	<u>1,681,624</u>	<u>2,834,262</u>	<u>6,288,408</u>	<u>7,565,839</u>
100,541	100,541	-	-	-	-	-	100,541
-	268,804	489,526	-	-	-	489,526	758,330
-	32,388	-	-	-	-	-	32,388
-	2,955,054	-	-	-	-	-	2,955,054
<u>100,541</u>	<u>3,356,787</u>	<u>489,526</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>489,526</u>	<u>3,846,313</u>
-	3,800,000	-	-	-	-	-	3,800,000
-	(262,455)	267,000	(1,601,576)	(1,450,000)	(2,300,000)	(5,084,576)	(5,347,031)
-	3,537,545	267,000	(1,601,576)	(1,450,000)	(2,300,000)	(5,084,576)	(1,547,031)
45,010	1,458,189	(219,050)	167,470	231,624	534,262	714,306	2,172,495
56,251	1,560,811	337,230	2,069,877	1,902,139	4,368,513	8,677,759	10,238,570
<u>\$ 101,261</u>	<u>\$ 3,019,000</u>	<u>\$ 118,180</u>	<u>\$ 2,237,347</u>	<u>\$ 2,133,763</u>	<u>\$ 4,902,775</u>	<u>\$ 9,392,065</u>	<u>\$ 12,411,065</u>

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, 2013

	Project Authorization	Prior Year	Actual Current Year	Total to Date	Variance Positive (Negative)
Revenues					
Restricted intergovernmental:					
CDBG - 2011	\$ 400,000	\$ -	\$ 19,026	\$ 19,026	\$ (380,974)
DPR1 Regional Medical Bus Equipment	45,289	-	2,520	2,520	(42,769)
NCDA & CS Grant	10,459	-	10,459	10,459	-
Investment Earnings	-	825	542	1,367	1,367
Total revenues	<u>455,748</u>	<u>825</u>	<u>32,547</u>	<u>33,372</u>	<u>(422,376)</u>
Expenditures					
Public safety:					
DPR1 Regional Medical Bus Equipment	45,289	-	44,234	44,234	(1,055)
Economic and physical development:					
CDBG scattered site project - 2011	400,000	504	21,929	22,433	377,567
NCDA & CS Grant	10,459	-	10,459	10,459	-
Total expenditures	<u>455,748</u>	<u>504</u>	<u>76,622</u>	<u>77,126</u>	<u>378,622</u>
Revenues under expenditures	<u>\$ -</u>	<u>\$ 321</u>	(44,075)	<u>\$ (43,754)</u>	<u>\$ (43,754)</u>
Fund balance:					
Beginning of year, July 1			<u>79,194</u>		
End of Year, June 30			<u>\$ 35,119</u>		

County of Currituck, North Carolina
Emergency Telephone System Fund
Schedule of Revenues, Expenditures, and
Changes in Fund Balances - Budget and Actual
For the Fiscal Year Ended June 30, 2013

	2013			Variance with Final Positive (Negative)	2012
	Budgeted Amounts		Actual		Actual
	Original	Final			
Revenues					
Other taxes and licenses:					
911 system subscriber fees	\$ 187,680	\$ 187,680	\$ 187,756	\$ 76	\$ 178,855
Investment earnings	4,000	4,000	3,786	(214)	8,299
Total revenues	<u>191,680</u>	<u>191,680</u>	<u>191,542</u>	<u>(138)</u>	<u>187,154</u>
Expenditures					
Public safety	-	-	119,876	-	126,787
Capital Outlay	-	-	104,694	-	312,204
Total expenditures	<u>350,060</u>	<u>415,686</u>	<u>224,570</u>	<u>191,116</u>	<u>438,991</u>
Revenues over (under) expenditures	(158,380)	(224,006)	(33,028)	190,978	(251,837)
Other financing uses:					
Transfers to general fund	-	-	(19,076)	(19,076)	(18,349)
Revenues and other financing sources over expenditures	(158,380)	(224,006)	(52,104)	171,902	(270,186)
Appropriated fund balance	<u>158,380</u>	<u>224,006</u>	<u>-</u>	<u>(224,006)</u>	<u>-</u>
Revenues, other finance sources and appropriated fund balance over (under) expenditures	<u>\$ -</u>	<u>\$ -</u>	(52,104)	<u>\$ (52,104)</u>	(270,186)
Fund balances:					
Beginning of year, July 1			539,464		809,650
End of year, June 30			<u>\$ 487,360</u>		<u>\$ 539,464</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, 2013

	2013			Variance with Final Positive (Negative)	2012
	Budgeted Amounts		Actual		Actual
	Original	Final			
Revenues:					
Ad valorem taxes:					
Current year	\$ 11,776	\$ 11,776	\$ 11,962	\$ 186	\$ 11,627
Prior years	-	-	298	298	212
Interest	-	-	70	70	53
Total ad valorem taxes	<u>11,776</u>	<u>11,776</u>	<u>12,330</u>	<u>554</u>	<u>11,892</u>
Investment earnings	-	-	711	711	911
Total revenues	<u>11,776</u>	<u>11,776</u>	<u>13,041</u>	<u>1,265</u>	<u>12,803</u>
Expenditures:					
Current:					
Environmental protection:	11,776	21,776	15,200	6,576	-
Total expenditures	<u>11,776</u>	<u>21,776</u>	<u>15,200</u>	<u>6,576</u>	<u>-</u>
Revenues over (under) expenditures	-	(10,000)	(2,159)	7,841	12,803
Appropriated fund balance	-	<u>10,000</u>	-	<u>(10,000)</u>	-
Revenues and appropriated fund					
Revenues over (under) expenditures	<u>\$ -</u>	<u>\$ -</u>	(2,159)	<u>\$ (2,159)</u>	12,803
Fund balances:					
Beginning of year, July 1			90,770		77,967
End of year, June 30			<u>\$ 88,611</u>		<u>\$ 90,770</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, 2013

	2013			Variance with Final Positive (Negative)	2012
	Budgeted Amounts		Actual		Actual
	Original	Final			
Revenues:					
Ad valorem taxes:					
Current year	\$ 981	\$ 981	\$ 1,118	\$ 137	\$ 1,020
Prior years taxes	-	-	12	12	12
Interest	-	-	4	4	3
Total ad valorem taxes	981	981	1,134	153	1,035
Miscellaneous grants	-	450	450	-	-
Investment earnings	-	-	9	9	13
Total revenues	981	1,431	1,593	162	1,048
Expenditures:					
Current:					
Environmental protection:	981	2,831	1,815	1,016	388
Total expenditures	981	2,831	1,815	1,016	388
Revenues over (under) expenditures	-	(1,400)	(222)	1,178	660
Appropriated fund balance	-	1,400	-	(1,400)	-
Revenues, other finance sources and appropriated fund balance over (under) expenditures	\$ -	\$ -	(222)	\$ (222)	660
Fund balances:					
Beginning of year, July 1			1,459		799
End of year, June 30			\$ 1,237		\$ 1,459

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, 2013

	2013			Variance with Final Positive (Negative)	2012
	Budgeted Amounts		Actual		Actual
	Original	Final			
Revenues:					
Ad valorem taxes:					
Current year	\$ 15,161	\$ 15,161	\$ 16,480	\$ 1,319	\$ 15,924
Prior years taxes	-	-	169	169	380
Interest	-	-	35	35	72
Total ad valorem taxes	15,161	15,161	16,684	1,523	16,376
Investment earnings	-	-	277	277	307
Total revenues	15,161	15,161	16,961	1,800	16,683
Expenditures:					
Current:					
Environmental protection:	15,161	15,161	6,450	8,711	9,700
Total expenditures	15,161	15,161	6,450	8,711	9,700
Revenues over (under) expenditures	\$ -	\$ -	10,511	\$ 10,511	6,983
Fund balances:					
Beginning of year, July 1			28,766		21,783
End of year, June 30			\$ 39,277		\$ 28,766

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, 2013

	2013			Variance with Final Positive (Negative)	2012
	Budgeted Amounts		Actual		Actual
	Original	Final			
Revenues:					
Ad valorem taxes:					
Current year	\$ 2,159	\$ 2,159	\$ 2,272	\$ 113	\$ 2,302
Prior years taxes	-	-	4	4	47
Interest	-	-	3	3	7
Total ad valorem taxes	2,159	2,159	2,279	120	2,356
Investment earnings	-	-	97	97	111
Total revenues	2,159	2,159	2,376	217	2,467
Expenditures:					
Current:					
Environmental protection:	2,159	2,159	-	2,159	-
Total expenditures	2,159	2,159	-	2,159	-
Revenues over (under) expenditures	\$ -	\$ -	2,376	\$ 2,376	2,467
Fund balances:					
Beginning of year, July 1			11,463		8,996
End of year, June 30			\$ 13,839		\$ 11,463

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, 2013

	2013			Variance with Final Positive (Negative)	2012
	Budgeted Amounts		Actual		Actual
	Original	Final			
Revenues:					
Ad valorem taxes:					
Current year	\$ 850,493	\$ 850,493	\$ 865,644	\$ 15,151	\$ 865,987
Prior year taxes	-	-	1,818	1,818	1,007
Interest	-	-	1,223	1,223	1,322
Total ad valorem taxes	<u>850,493</u>	<u>850,493</u>	<u>868,685</u>	<u>18,192</u>	<u>868,316</u>
Investment earnings	-	-	5,134	5,134	16,711
Total revenues	<u>850,493</u>	<u>850,493</u>	<u>873,819</u>	<u>23,326</u>	<u>885,027</u>
Expenditures:					
Current:					
Environmental protection:	597,250	5,154,161	2,931,589	2,222,572	1,206,264
Total expenditures	<u>597,250</u>	<u>5,154,161</u>	<u>2,931,589</u>	<u>2,222,572</u>	<u>1,206,264</u>
Revenues over (under) expenditures	<u>253,243</u>	<u>(4,303,668)</u>	<u>(2,057,770)</u>	<u>2,245,898</u>	<u>(321,237)</u>
Other financing sources (uses):					
Transfers to operating fund	(253,243)	(253,243)	(243,379)	(9,864)	(253,253)
Issuance of debt	-	3,800,000	3,800,000	-	-
Total other financing sources (uses)	<u>(253,243)</u>	<u>3,546,757</u>	<u>3,556,621</u>	<u>(9,864)</u>	<u>(253,253)</u>
Revenues and other financing sources (uses) over (under) expenditures	-	(756,911)	1,498,851	2,255,762	(574,490)
Appropriated fund balance	<u>-</u>	<u>756,911</u>	<u>-</u>	<u>(756,911)</u>	<u>-</u>
Revenues and appropriated fund balance over (under) expenditures	<u>\$ -</u>	<u>\$ -</u>	1,498,851	<u>\$ 1,498,851</u>	(574,490)
Fund balances:					
Beginning of year, July 1			753,445		1,327,935
End of year, June 30			<u>\$ 2,252,296</u>		<u>\$ 753,445</u>

County of Currituck, North Carolina
Whalehead Beach Solid Waste Service District
Schedule of Revenues, Expenditures, and
Changes in Fund Balances - Budget and Actual
For the Fiscal Year Ended June 30, 2013

	2013			Variance with Final Positive (Negative)	2012
	Budgeted Amounts		Actual		Actual
	Original	Final			
Revenues:					
Ad valorem taxes:					
Current year	\$ 141,749	\$ 141,749	\$ 144,243	\$ 2,494	\$ 144,299
Prior year taxes	-	-	333	333	-
Interest	-	-	206	206	206
Total ad valorem taxes	<u>141,749</u>	<u>141,749</u>	<u>144,782</u>	<u>3,033</u>	<u>144,505</u>
Investment earnings	-	-	769	769	618
Total revenues	<u>141,749</u>	<u>141,749</u>	<u>145,551</u>	<u>3,802</u>	<u>145,123</u>
Expenditures:					
Current:					
General government	<u>141,749</u>	<u>141,749</u>	<u>100,541</u>	<u>41,208</u>	<u>88,872</u>
Total expenditures	<u>141,749</u>	<u>141,749</u>	<u>100,541</u>	<u>41,208</u>	<u>88,872</u>
Revenues over (under) expenditures	<u>\$ -</u>	<u>\$ -</u>	45,010	<u>\$ 45,010</u>	<u>56,251</u>
Fund balances:					
Beginning of year, July 1			<u>56,251</u>		<u>-</u>
End of year, June 30			<u>\$ 101,261</u>		<u>\$ 56,251</u>

Fund established July 1, 2011

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, 2013

	2013			Variance with Final Positive (Negative)	2012
	Budgeted Amounts		Actual		Actual
	Original	Final			
Revenues:					
Investment earnings	\$ -	\$ -	\$ 3,476	\$ 3,476	\$ 2,464
Expenditures:					
Current:					
Public safety	267,000	494,950	489,526	5,424	112,750
Total expenditures	267,000	494,950	489,526	5,424	112,750
Revenues over (under) expenditures	(267,000)	(494,950)	(486,050)	8,900	(110,286)
Other financing sources:					
Transfers from general fund	267,000	267,000	267,000	-	267,000
Revenues and other financing sources over expenditures	-	(227,950)	(219,050)	8,900	156,714
Appropriated fund balance	-	227,950	-	(227,950)	-
Revenues, other finance sources and appropriated fund balance over (under) expenditures	\$ -	\$ -	(219,050)	\$ (219,050)	156,714
Fund balances:					
Beginning of year, July 1			337,230		180,516
End of year, June 30			\$ 118,180		\$ 337,230

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, 2013

	2013			Variance with Final Positive (Negative)	2012
	Budgeted Amounts		Actual		Actual
	Original	Final			
Revenues:					
Other taxes and licenses:					
Article 40 supplemental sales tax	\$ 852,000	\$ 852,000	\$ 898,334	\$ 46,334	\$ 845,554
Article 42 supplemental sales tax	761,000	761,000	855,496	94,496	849,944
Investment earnings	-	-	15,216	15,216	28,358
Total revenues	<u>1,613,000</u>	<u>1,613,000</u>	<u>1,769,046</u>	<u>156,046</u>	<u>1,723,856</u>
Other financing uses:					
Transfers to other funds:					
General fund	(1,601,577)	(1,601,577)	(1,601,576)	1	(105,591)
County Government Facilities fund	(461,821)	(461,821)	-	461,821	(3,031,932)
School Facilities fund	-	-	-	-	(998,179)
Total other financing uses	<u>(2,063,398)</u>	<u>(2,063,398)</u>	<u>(1,601,576)</u>	<u>461,822</u>	<u>(4,135,702)</u>
Revenues over (under) other financing uses	(450,398)	(450,398)	167,470	617,868	(2,411,846)
Appropriated fund balance	<u>450,398</u>	<u>450,398</u>	-	<u>(450,398)</u>	<u>-</u>
Revenues and other financing uses over appropriated fund balance	<u>\$ -</u>	<u>\$ -</u>	167,470	<u>\$ 167,470</u>	(2,411,846)
Fund balances:					
Beginning of year, July 1			<u>2,069,877</u>		<u>4,481,723</u>
End of year, June 30			<u>\$ 2,237,347</u>		<u>\$ 2,069,877</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, 2013

	2013			Variance with Final Positive (Negative)	2012
	Budgeted Amounts		Actual		Actual
	Original	Final			
Revenues:					
Other taxes and licenses:					
Article 40 supplemental sales tax	\$ 365,400	\$ 365,400	\$ 385,000	\$ 19,600	\$ 376,433
Article 42 supplemental sales tax	1,084,600	1,084,600	1,283,244	198,644	1,225,731
Investment earnings	-	-	13,380	13,380	15,714
Total revenues	<u>1,450,000</u>	<u>1,450,000</u>	<u>1,681,624</u>	<u>231,624</u>	<u>1,617,878</u>
Other financing uses:					
Transfers to other funds:					
General fund	<u>(1,450,000)</u>	<u>(1,450,000)</u>	<u>(1,450,000)</u>	-	<u>(1,440,000)</u>
Total other financing uses	<u>(1,450,000)</u>	<u>(1,450,000)</u>	<u>(1,450,000)</u>	-	<u>(1,440,000)</u>
Revenues over (under) other financing uses	<u>\$ -</u>	<u>\$ -</u>	231,624	<u>\$ 231,624</u>	177,878
Fund balances:					
Beginning of year, July 1			<u>1,902,139</u>		<u>1,724,261</u>
End of year, June 30			<u>\$ 2,133,763</u>		<u>\$ 1,902,139</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, 2013

	2013			Variance with Final Positive (Negative)	2012
	Budgeted Amounts		Actual		Actual
	Original	Final			
Revenues:					
Other taxes and licenses					
Land transfer tax	\$ 1,990,000	\$ 1,990,000	\$ 2,803,239	\$ 813,239	\$ 2,348,650
Investment earnings	50,000	50,000	31,023	(18,977)	42,896
Total revenues	<u>2,040,000</u>	<u>2,040,000</u>	<u>2,834,262</u>	<u>794,262</u>	<u>2,391,546</u>
Expenditures:					
Fees Paid to Officials	700	700	-	700	-
Total expenditures	<u>700</u>	<u>700</u>	<u>-</u>	<u>700</u>	<u>-</u>
Revenues over (under) expenditures	<u>2,039,300</u>	<u>2,039,300</u>	<u>2,834,262</u>	<u>794,962</u>	<u>2,391,546</u>
Other financing uses:					
Transfers to County government facilities	(2,000,000)	(2,000,000)	(2,000,000)	-	(1,689,178)
Transfers to land banking fund	(300,000)	(300,000)	(300,000)	-	(300,000)
Total other financing uses	<u>(2,300,000)</u>	<u>(2,300,000)</u>	<u>(2,300,000)</u>	<u>-</u>	<u>(1,989,178)</u>
Revenues and other financing uses over (under) expenditures	(260,700)	(260,700)	534,262	794,962	402,368
Appropriated fund balance	<u>260,700</u>	<u>260,700</u>	<u>-</u>	<u>(260,700)</u>	<u>-</u>
Revenues and other financing uses appropriated fund balance over expenditures	<u>\$ -</u>	<u>\$ -</u>	534,262	<u>\$ 534,262</u>	402,368
Fund balances:					
Beginning of year, July 1			4,368,513		3,966,145
End of year, June 30			<u>\$ 4,902,775</u>		<u>\$ 4,368,513</u>

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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, 2013

	Project Authorization	Actual		Total to Date	Variance Positive (Negative)
		Prior Years	Current Year		
Revenues					
Intergovernmental revenues:					
State aid to airports	\$ 2,176,632	\$ 2,028,773	\$ 476,612	\$ 2,505,385	\$ 328,753
Grant - DCA Commerce Park	500,000	-	490,447	490,447	(9,553)
EMPG Grant	-	-	14,878	-	-
NCSU Grant	-	10,650	-	10,650	10,650
PARTF - Corolla multi-use path	500,000	446,980	53,020	500,000	-
Total	3,176,632	2,486,403	1,034,957	3,506,482	329,850
Investment earnings	3,141,506	3,664,881	88,369	3,753,250	611,744
Total revenues	6,318,138	6,151,284	1,123,326	7,259,732	941,594
Expenditures					
Public safety:					
Animal Shelter	115,000	27,802	-	27,802	87,198
800 MHz Radio project	3,838,151	177,289	3,367,147	3,544,436	293,715
Crawford Fire Department Addition	120,000	-	85,903	85,903	34,097
Sheriff Evidence Vault	400,000	362,205	18,260	380,465	19,535
Total public safety	4,473,151	567,296	3,471,310	4,038,606	434,545
Economic and physical development:					
Maple commerce park	5,866,377	3,841,322	1,635,400	5,476,722	389,655
	5,866,377	3,841,322	1,635,400	5,476,722	389,655
Transportation:					
Hangar #3 FY 2006	41,586	21,737	-	21,737	19,849
Taxiway/Apron	441,562	-	425,971	425,971	15,591
Rehab Taxiway A	179,330	179,035	-	179,035	295
Airport - County Funding	199,328	160,133	-	160,133	39,195
Taxiway	510,670	508,035	-	508,035	2,635
COA Apron	110,030	67,266	35,508	102,774	7,256
Airfield Improvements	166,667	-	9,350	9,350	157,317
Parallel taxiway	1,273,334	1,265,323	-	1,265,323	8,011
Total transportation	2,922,507	2,201,529	470,829	2,672,358	250,149
Cultural and recreational:					
Community park development	2,449,000	2,449,000	-	2,449,000	-
Corolla multi-use path	1,360,549	959,747	313,890	1,273,637	86,912
Recreation soccer fields - Maple	3,179,277	139,164	1,293,337	1,432,501	1,746,776
Recreation facility - Maple	15,538,661	14,195,017	103,191	14,298,208	1,240,453
Total cultural and recreational	22,527,487	17,742,928	1,710,418	19,453,346	3,074,141
Education					
Bus Garage	37,185	-	3,981	3,981	33,204
	37,185	-	3,981	3,981	33,204
Total expenditures	35,789,522	24,353,075	7,291,938	31,641,032	4,148,490
Revenues under expenditures	(29,471,384)	(18,201,791)	(6,168,612)	(24,381,300)	5,090,084
Other financing sources (uses):					
Transfers (to) from other funds:					
General fund	1,322,990	2,452,429	268,973	2,721,402	1,398,412
Tourism Development Authority	11,298,815	9,892,992	1,405,159	11,298,151	(664)
Capital improvements fund	4,266,432	7,985,310	-	7,985,310	3,718,878
Transfer tax capital fund	11,910,270	8,403,294	2,000,000	10,403,294	(1,506,976)
School construction fund	672,877	8,618	573,562	582,180	(90,697)
Total other financing sources (uses)	29,471,384	28,742,643	4,247,694	32,990,337	3,518,953
Revenues and other sources over (under) expenditures	\$ -	\$ 10,540,852	(1,920,918)	\$ 8,609,037	\$ 8,609,037
Fund balances:					
Beginning of year, July 1			10,905,119		
End of year, June 30			\$ 8,984,201		

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, 2013

	Project Authorization	Actual			Variance Positive (Negative)
		Prior Years	Current Year	Total to Date	
Revenues					
Public School Capital Building Fund	\$ 620,980	\$ 1,077,565	\$ -	\$ 1,077,565	\$ 456,585
State Lottery proceeds	565,962	643,702	398,560	1,042,262	476,300
Investment earnings	1,599,286	2,684,049	40,695	2,724,744	1,125,458
Total revenues	<u>2,786,228</u>	<u>4,064,909</u>	<u>439,255</u>	<u>4,844,571</u>	<u>2,058,343</u>
Expenditures					
Intergovernmental - education:					
College of the Albemarle - Aviation/Technical Training	7,240,049	1,577,326	5,354,921	6,932,247	307,802
Central Elementary School Parking	76,755	-	17,339	17,339	59,416
Central Elementary School - Chiller replacement	150,000	-	128,515	128,515	21,485
Jarvisburg Elementary School construction	14,434,000	14,348,153	-	14,348,153	85,847
Knapp Early College Renovations/Bleachers	340,000	322,594	-	322,594	17,406
Moyock Elementary School, renovation	1,801,833	1,801,832	-	1,801,832	1
Shawboro Elementary School construction	20,359,268	20,127,643	-	20,127,643	231,625
Knapp Early College - Chiller Replacement	150,000	134,371	-	134,371	15,629
JPK & Moyock Elementary Roof Replacement	126,000	-	5,500	5,500	120,500
Griggs Elementary Bus Canopy	65,000	59,016	-	59,016	5,984
Currituck Middle School - HVAC replacement	120,400	120,400	-	120,400	-
Currituck Middle School - HVAC replacement #2	146,000	-	11,261	11,261	134,739
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 - Tennis Courts	360,000	-	236,799	236,799	123,201
Currituck County High School - Chiller replacement	50,171	50,171	-	50,171	-
Total expenditures	<u>45,473,867</u>	<u>38,594,070</u>	<u>5,754,335</u>	<u>44,348,405</u>	<u>1,125,462</u>
Revenues over (under) expenditures	<u>(42,687,639)</u>	<u>(32,564,536)</u>	<u>(5,315,080)</u>	<u>(39,503,834)</u>	<u>3,183,805</u>
Other financing sources:					
Issuance of debt - Shawboro Elem	8,000,000	8,000,000	-	8,000,000	-
Issuance of debt - College of the Albemarle	6,800,000	6,800,000	-	6,800,000	-
Total debt issuance	<u>14,800,000</u>	<u>14,800,000</u>	<u>-</u>	<u>14,800,000</u>	<u>-</u>
Transfers from					
General Fund	14,656,058	14,905,353	-	14,905,353	249,295
Capital Improvements Fund	998,179	998,179	-	998,179	-
Governmental Construction Fund	2,250,000	2,241,382	-	2,241,382	(8,618)
Transfer Tax Capital Fund	10,668,075	12,578,717	-	12,578,717	1,910,642
	<u>28,572,312</u>	<u>28,734,070</u>	<u>-</u>	<u>30,723,631</u>	<u>2,151,319</u>
Transfers to					
Governmental Construction Fund	(684,673)	(8,618)	(573,562)	(582,180)	102,493
Total other financing sources (uses)	<u>42,687,639</u>	<u>43,525,452</u>	<u>(573,562)</u>	<u>44,941,451</u>	<u>2,253,812</u>
Revenues, other sources (uses) appropriated fund balance over (under) expenditures	<u>\$ -</u>	<u>\$ 4,169,534</u>	<u>(5,888,642)</u>	<u>\$ 5,437,617</u>	<u>\$ 5,437,617</u>
Fund balances:					
Beginning of year, July 1			<u>11,396,470</u>		
End of year, June 30			<u>\$ 5,507,828</u>		

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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, 2013

	2013			Variance with Final Positive (Negative)	2012
	Budgeted Amounts		Actual		Actual
	Original	Final			
Revenues:					
Occupancy Tax	\$ -	\$ -	\$ 10,046,807	\$ 10,046,807	\$ 9,991,095
Co-op Advertising	-	-	20,502	20,502	11,250
Retail sales	-	-	8,653	8,653	1,561
Penalties and interest	-	-	2,311	2,311	2,130
Tour Permits	-	-	35,150	35,150	2,130
Investment earnings	-	-	42,728	42,728	102,183
Total revenues	<u>9,700,129</u>	<u>9,811,810</u>	<u>10,156,151</u>	<u>344,341</u>	<u>10,108,219</u>
Expenditures:					
Tourism Promotion:					
Salaries	-	-	548,824	-	548,087
Operating Expenses	-	-	281,245	-	244,257
Retail merchandise	-	-	8,093	-	17,573
Promotions	-	-	2,287,922	-	2,300,953
Capital Outlay	-	-	37,232	-	104,224
Total Tourism Promotions	<u>4,300,189</u>	<u>4,224,043</u>	<u>3,163,316</u>	<u>1,060,727</u>	<u>3,215,094</u>
Tourism Related Expenditures:					
Utilities	-	-	1,392	-	1,272
Repairs and maintenance	-	-	5,701	-	4,052
Signs	-	-	23,953	-	6,253
Outer Banks access ramps	-	-	47,780	-	63,187
Rent	-	-	-	-	9,920
Supplies	-	-	5,924	-	2,265
Contracted services	-	-	88,310	-	62,804
Lifeguard services	-	-	630,847	-	660,321
Historic preservation	-	-	112,382	-	48,455
Corolla Wild Horse support	-	-	94,200	-	74,922
Insurance and bonds	-	-	5,485	-	4,767
Professional services	-	-	10,204	-	3,635
Whalehead projects	-	-	800,000	-	808,153
Capital outlay	-	-	117,248	-	16,905
Total tourism related expenditures	<u>2,007,981</u>	<u>2,623,790</u>	<u>1,943,426</u>	<u>680,364</u>	<u>1,766,911</u>
Total expenditures	<u>6,308,170</u>	<u>6,847,833</u>	<u>5,106,742</u>	<u>1,741,091</u>	<u>4,982,005</u>
Revenues over (under) expenditures	<u>3,391,959</u>	<u>2,963,977</u>	<u>5,049,409</u>	<u>2,085,432</u>	<u>5,126,214</u>
Other financing sources:					
General fund	-	-	-	-	-
General fund	(3,158,521)	(3,288,111)	(2,982,561)	305,550	(3,014,540)
Southern Outer Banks Water Fund	1,211,721	1,211,721	71,445	(1,140,276)	122,156
Southern Outer Banks Water Fund	-	(5,577,844)	-	5,577,844	122,156
Mainland Water Fund	(40,000)	(40,000)	(40,000)	-	-
County Governmental Facilities fund	(1,405,159)	(1,405,159)	(1,405,159)	-	(1,112,436)
Total other financing uses	<u>(3,391,959)</u>	<u>(9,099,393)</u>	<u>(4,356,275)</u>	<u>4,743,118</u>	<u>(4,004,820)</u>

Revenues and other financing sources over (under) expenditures and other financing uses	-	(6,135,416)	693,134	6,828,550	1,121,394
Appropriated fund balance	<u>-</u>	<u>6,135,416</u>	<u>-</u>	<u>(6,135,416)</u>	<u>-</u>
Revenues, other financing sources, and appropriated fund balance over (under) expenditures	<u>\$ -</u>	<u>\$ -</u>	693,134	<u>\$ 693,134</u>	1,121,394
Fund balances:					
Beginning of year, July 1			<u>8,478,927</u>		<u>7,357,533</u>
Fund balance: Tourism promotion			5,700,691		5,466,252
Fund balance: Tourism related expenditures			<u>3,471,370</u>		<u>3,012,675</u>
End of year, June 30			<u>\$ 9,172,061</u>		<u>\$ 8,478,927</u>
A legally budgeted Carova Beach Service District Fund is consolidated in the Tourism Development Authority Fund for reporting purposes:					
Investment earnings			1,000		2,555
Transfer-in Tourism Development Authority Fund			-		-
Expenditures			(13,890)		(136,556)
Beginning Fund Balance, Carova Beach Service District Fund			<u>133,518</u>		<u>267,519</u>
Ending Fund Balance Exhibit 4			<u>\$ 9,292,689</u>		<u>\$ 8,612,445</u>

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, 2013

	2013			Variance with Final Positive (Negative)	2012
	Budgeted Amounts		Actual		Actual
	Original	Final			
Revenues:					
Investment earnings	\$ -	\$ -	\$ 1,000	\$ 1,000	\$ 2,555
Expenditures:					
Current:					
Environmental protection	120,725	120,725	13,890	106,835	136,556
Total expenditures	120,725	120,725	13,890	106,835	136,556
Revenues over (under) expenditures	(120,725)	(120,725)	(12,890)	107,835	(134,001)
Appropriated fund balance	120,725	120,725	-	(120,725)	-
Revenues, other finance sources and appropriated fund balance over (under) expenditures	<u>\$ -</u>	<u>\$ -</u>	(12,890)	<u>\$ (12,890)</u>	(134,001)
Fund balances:					
Beginning of year, July 1			133,518		267,519
End of year, June 30			<u>\$ 120,628</u>		<u>\$ 133,518</u>

**County of Currituck, North Carolina
Combining Statement of Net Position
Non-Major Proprietary Funds
June 30, 2013**

	Enterprise Funds				Totals	
	Newtown Road Sewer Fund	Maple Commerce Park Sewer Fund	Moyock Commons Sewer Fund	Walnut Island Sewer Fund	June 30, 2013	June 30, 2012
ASSETS						
Current assets:						
Cash and cash equivalents	\$ 63,767	\$ 21,291	\$ 239,542	\$ 77,221	\$ 401,821	\$ 326,145
Taxes receivable, net	-	-	2,004	-	2,004	5,799
Receivables, net	2,781	1,537	6,714	61,622	72,654	59,494
Total current assets	<u>66,548</u>	<u>22,828</u>	<u>248,260</u>	<u>138,843</u>	<u>476,479</u>	<u>391,438</u>
Noncurrent assets:						
Capital assets:						
Land, improvements, and construction in progress	87,000	-	67,625	53,690	208,315	218,315
Other capital assets, net of depreciation	155,412	1,868,218	293,499	3,381,578	5,698,707	3,885,657
Total capital assets	<u>242,412</u>	<u>1,868,218</u>	<u>361,124</u>	<u>3,435,268</u>	<u>5,907,022</u>	<u>4,103,972</u>
Total assets	<u>308,960</u>	<u>1,891,046</u>	<u>609,384</u>	<u>3,574,111</u>	<u>6,383,501</u>	<u>4,495,410</u>
LIABILITIES						
Current liabilities:						
Accounts payable	86	1,284	163	3,353	4,886	20,309
Customer deposits	350	-	150	-	500	500
Total liabilities	<u>436</u>	<u>1,284</u>	<u>313</u>	<u>3,353</u>	<u>5,386</u>	<u>20,809</u>
NET POSITION						
Net investment in capital assets	242,412	1,868,218	361,124	3,435,268	5,907,022	4,103,972
Unrestricted	66,112	21,544	247,947	135,490	471,093	2,283,268
Total net position	<u>\$ 308,524</u>	<u>\$ 1,889,762</u>	<u>\$ 609,071</u>	<u>\$ 3,570,758</u>	<u>\$ 6,378,115</u>	<u>\$ 6,387,240</u>

County of Currituck, North Carolina
Combining Statement of Revenues, Expenses, and Changes in Fund Net Position
Non-Major Proprietary Funds
For the Year Ended June 30, 2013

	Enterprise Funds				Totals	
	Newtown Road Sewer Fund	Maple Commerce Park Sewer Fund	Moyock Commons Sewer Fund	Walnut Island Sewer Fund	June 30, 2013	June 30, 2012
OPERATING REVENUES						
Charges for services	\$ 11,775	\$ 20,830	\$ 127,027	\$ 120,493	\$ 280,125	\$ 252,772
Miscellaneous	-	-	884	-	884	632
Total operating revenues	<u>11,775</u>	<u>20,830</u>	<u>127,911</u>	<u>120,493</u>	<u>281,009</u>	<u>253,404</u>
OPERATING EXPENSES						
Administration	9,931	2,607	57,743	92,601	162,882	31,378
Water and sewer district	9,791	23,669	47,576	59,621	140,657	129,531
Depreciation	16,954	64,421	17,252	79,851	178,478	101,135
Total operating expenses	<u>36,676</u>	<u>90,697</u>	<u>122,571</u>	<u>232,073</u>	<u>482,017</u>	<u>262,044</u>
Operating income (loss)	<u>(24,901)</u>	<u>(69,867)</u>	<u>5,340</u>	<u>(111,580)</u>	<u>(201,008)</u>	<u>(8,640)</u>
NONOPERATING REVENUES (EXPENSES)						
Tax revenue	-	-	45,107	-	45,107	57,678
Grant	-	-	-	106,491	106,491	-
Contributed capital	-	-	-	-	-	5,498,458
Sale of capital assets	-	-	-	1,475	1,475	600
Interest and investment revenue	544	110	1,730	776	3,160	3,797
Total nonoperating revenue (expenses)	<u>544</u>	<u>110</u>	<u>46,837</u>	<u>108,742</u>	<u>156,233</u>	<u>5,560,533</u>
Income (loss) before transfers	<u>(24,357)</u>	<u>(69,757)</u>	<u>52,177</u>	<u>(2,838)</u>	<u>(44,775)</u>	<u>5,551,893</u>
Transfer	-	35,650	-	-	35,650	(93,794)
Change in net position	<u>(24,357)</u>	<u>(34,107)</u>	<u>52,177</u>	<u>(2,838)</u>	<u>(9,125)</u>	<u>5,458,099</u>
Total net position - beginning	332,881	1,923,869	556,894	3,573,596	6,387,240	929,141
Total net position - ending	<u>\$ 308,524</u>	<u>\$ 1,889,762</u>	<u>\$ 609,071</u>	<u>\$ 3,570,758</u>	<u>\$ 6,378,115</u>	<u>\$ 6,387,240</u>

County of Currituck, North Carolina
Combining Statement of Cash Flows
Non-Major Proprietary Fund
For the Year Ended June 30, 2013

	Newtown Road Sewer Fund	Maple Commerce Park Sewer Fund	Moyock Commons Sewer Fund	Walnut Island Sewer Fund	Totals June 30, 2013	June 30, 2012
Cash flows from operating activities:						
Cash received from customers	\$ 10,896	\$ 21,206	\$ 128,347	\$ 104,512	\$ 264,961	\$ 200,963
Cash paid for goods and services	(20,643)	(25,809)	(109,108)	(163,400)	(318,960)	(143,889)
Customer deposits received	150	-	-	-	150	-
Customer deposits returned	-	-	(150)	-	(150)	(150)
Other operating revenue	-	-	884	-	884	632
Net cash provided (used) by operating activities	<u>(9,597)</u>	<u>(4,603)</u>	<u>19,973</u>	<u>(58,888)</u>	<u>(53,115)</u>	<u>57,556</u>
Cash flows from noncapital financing activities:						
Tax revenues	-	-	50,906	-	50,906	57,679
Transfer from operating fund	-	35,650	-	-	35,650	10,000
	<u>-</u>	<u>35,650</u>	<u>50,906</u>	<u>-</u>	<u>86,556</u>	<u>67,679</u>
Cash flows from capital and related financing activities:						
Transfer (to) operating fund	-	-	-	-	-	(103,794)
Sale of capital assets	-	-	-	1,475	1,475	600
Capital contributions	-	-	-	106,491	106,491	117,576
Acquisition of capital assets	-	(10,000)	-	(58,891)	(68,891)	(71,249)
Net cash provided by capital and related financing activities	<u>-</u>	<u>(10,000)</u>	<u>-</u>	<u>49,075</u>	<u>39,075</u>	<u>(56,867)</u>
Cash flows from investing activities:						
Interest on investments	<u>544</u>	<u>110</u>	<u>1,730</u>	<u>776</u>	<u>3,160</u>	<u>3,797</u>
Net increase (decrease) in cash and cash equivalents	(9,053)	21,157	72,609	(9,037)	75,676	72,165
Cash and cash equivalents, July 1	72,820	134	166,933	86,258	326,145	253,980
Cash and cash equivalents, June 30	<u>\$ 63,767</u>	<u>\$ 21,291</u>	<u>\$ 239,542</u>	<u>\$ 77,221</u>	<u>\$ 401,821</u>	<u>\$ 326,145</u>
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:						
Operating income (loss)	\$ (24,901)	\$ (69,867)	\$ 5,340	\$ (111,580)	\$ (201,008)	\$ (8,640)
Adjustments to reconcile operating income to net cash provided by operating activities:						
Depreciation	16,954	64,421	17,252	79,851	178,478	101,135
Changes in assets and liabilities:						
(Increase) decrease in accounts receivable	(879)	376	1,320	(15,981)	(15,164)	(51,809)
Increase (decrease) in accounts payable and accrued liabilities	(921)	467	(3,789)	(11,178)	(15,421)	17,020
Increase (decrease) in customer deposits	150	-	(150)	-	-	(150)
Total adjustments	<u>15,304</u>	<u>65,264</u>	<u>14,633</u>	<u>52,692</u>	<u>147,893</u>	<u>66,196</u>
Net cash provided (used) by operating activities	<u>\$ (9,597)</u>	<u>\$ (4,603)</u>	<u>\$ 19,973</u>	<u>\$ (58,888)</u>	<u>\$ (53,115)</u>	<u>\$ 57,556</u>
Supplemental disclosure of non-cash financing activities:						
County dissolved a sanitary sewer district located in the County	-	-	-	-	-	3,508,874
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>3,508,874</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, 2013

	2013			Variance Positive (Negative)	2012
	Original Budget	Final Budget	Actual		Actual
Revenues:					
Charges for services:					
Sewer charges	\$ -	\$ -	\$ 11,423	\$ -	\$ 9,367
Penalties and interest, sewer	-	-	352	-	799
Total, sewer operating revenues	10,200	10,200	11,775	1,575	10,166
Nonoperating revenues:					
Interest earnings	800	800	544	(256)	772
Total revenues	11,000	11,000	12,319	1,319	10,938
Appropriated net position	10,124	10,124	-	(10,124)	-
Total revenues and appropriated net position	21,124	21,124	12,319	(8,805)	10,938
Expenditures:					
Administration:					
Telephone and postage	-	-	72	-	46
Administrative expenses	-	-	9,859	-	2,186
	9,859	9,959	9,931	28	2,232
Sewer treatment operations:					
Utilities	-	-	867	-	560
Repairs and maintenance	-	-	18	-	-
Lab tests	-	-	2,440	-	2,440
System supplies	-	-	493	-	1,640
Contracted services	-	-	5,973	-	5,919
Total	11,265	11,165	9,791	1,374	10,559
Capital outlay	-	-	-	-	-
Total expenditures	21,124	21,124	19,722	1,402	12,791
Revenues and appropriated net position over expenditures	\$ -	\$ -	(7,403)	\$ (7,403)	(1,853)
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 position			\$ (24,357)		\$ (18,807)

County of Currituck, North Carolina
Maple Commerce Park Sewer Fund
Schedule of Revenues and Expenditures
Budget and Actual (Non-GAAP)
For the Year Ended June 30, 2013

	2013			Variance Positive (Negative)	2012
	Original Budget	Final Budget	Actual		Actual
Revenues:					
Charges for services:					
Sewer charges	\$ -	\$ -	\$ 20,830	\$ -	\$ 6,212
Sewer tap fees	-	-	-	-	5,760
Total, sewer operating revenues	<u>30,000</u>	<u>30,000</u>	<u>20,830</u>	<u>(9,170)</u>	<u>11,972</u>
Other financing sources (uses):					
Transfer from operating fund	-	-	35,650	-	10,000
	<u>35,650</u>	<u>35,650</u>	<u>35,650</u>	<u>-</u>	<u>10,000</u>
Total revenues and other financing sources	<u>65,650</u>	<u>65,650</u>	<u>56,590</u>	<u>(9,060)</u>	<u>21,972</u>
Expenditures:					
Administration:					
Telephone and postage	-	-	1,297	-	758
Dues and subscriptions	-	-	1,310	-	1,310
Administrative expenses	-	-	-	-	-
	<u>1,150</u>	<u>4,550</u>	<u>2,607</u>	<u>1,943</u>	<u>2,068</u>
Sewer treatment operations:					
Utilities	-	-	7,497	-	3,728
Gas, oil, etc.	-	-	-	-	287
Repairs and maintenance	-	-	784	-	-
Lab tests	-	-	8,977	-	5,635
System supplies	-	-	5,771	-	7,425
Contracted services	-	-	640	-	1,599
Total	<u>62,000</u>	<u>58,600</u>	<u>23,669</u>	<u>34,931</u>	<u>18,674</u>
Capital outlay	<u>2,500</u>	<u>2,500</u>	<u>10,000</u>	<u>(7,500)</u>	<u>-</u>
Total expenditures	<u>65,650</u>	<u>65,650</u>	<u>36,276</u>	<u>29,374</u>	<u>20,742</u>
Revenues and appropriated net assets over expenditures	<u>\$ -</u>	<u>\$ -</u>	<u>20,314</u>	<u>\$ 20,314</u>	<u>1,230</u>
Reconciliation from budgetary basis (modified accrual) to full accrual:					
Reconciling items:					
Capital outlay			10,000		-
Contributed capital			-		1,922,639
Depreciation			(64,421)		-
Total reconciling items			<u>(54,421)</u>		<u>1,922,639</u>
Change in net position			<u>\$ (34,107)</u>		<u>\$ 1,923,869</u>

County of Currituck, North Carolina
Moyock Commons Sewer Fund
Schedule of Revenues and Expenditures
Budget and Actual (Non-GAAP)
For the Year Ended June 30, 2013

	2013			2012	
	Original Budget	Final Budget	Actual	Variance Positive (Negative)	Actual
Revenues:					
Charges for services:					
Sewer charges	\$ -	\$ -	\$ 127,027	\$ -	\$ 103,954
Penalties and interest	-	-	884	-	632
Total, sewer operating revenues	<u>52,500</u>	<u>52,500</u>	<u>127,911</u>	<u>75,411</u>	<u>104,586</u>
Nonoperating revenues:					
Tax revenue	-	-	45,107	-	57,678
Interest earnings	-	-	1,730	-	2,449
Total nonoperating revenues	<u>44,835</u>	<u>44,835</u>	<u>46,837</u>	<u>2,002</u>	<u>60,127</u>
Total revenues	<u>97,335</u>	<u>97,335</u>	<u>174,748</u>	<u>77,413</u>	<u>164,713</u>
Appropriated net position	<u>31,647</u>	<u>31,647</u>	<u>-</u>	<u>(31,647)</u>	<u>-</u>
Total revenues and other financing sources	<u>128,982</u>	<u>128,982</u>	<u>174,748</u>	<u>45,766</u>	<u>164,713</u>
Expenditures:					
Administration:					
Telephone and postage	-	-	410	-	311
Administration	-	-	41,003	-	6,076
Supplies	-	-	14,693	-	10,315
Credit card fees	-	-	307	-	287
Dues and subscriptions	-	-	1,310	-	1,100
Software license fees	-	-	20	-	38
	<u>43,353</u>	<u>51,873</u>	<u>57,743</u>	<u>(14,390)</u>	<u>18,127</u>
Sewer treatment operations:					
Utilities	-	-	5,177	-	7,722
Repairs and maintenance	-	-	-	-	186
Lab tests	-	-	5,145	-	4,715
Chemicals	-	-	3,856	-	3,618
Contracted services	-	-	33,398	-	29,406
Professional services	-	-	-	-	260
Total	<u>80,629</u>	<u>67,629</u>	<u>47,576</u>	<u>33,053</u>	<u>45,907</u>
Capital outlay	<u>5,000</u>	<u>9,480</u>	<u>-</u>	<u>9,480</u>	<u>6,527</u>
Total expenditures	<u>128,982</u>	<u>128,982</u>	<u>105,319</u>	<u>23,663</u>	<u>70,561</u>
Revenues over expenditures	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 69,429</u>	<u>\$ 69,429</u>	<u>\$ 94,152</u>
Other financing uses:					
Transfers to Operating Fund	-	-	-	-	(103,794)
Revenues and appropriated net position over (under) expenditures and other financing uses	<u>\$ -</u>	<u>\$ -</u>	<u>69,429</u>	<u>\$ 69,429</u>	<u>(9,642)</u>
Reconciliation from budgetary basis (modified accrual) to full accrual:					
Capital outlays			-		6,527
Depreciation			(17,252)		(17,444)
Change in net position			<u>\$ 52,177</u>		<u>\$ (20,559)</u>

County of Currituck, North Carolina
Walnut Island Sewer Fund
Schedule of Revenues and Expenditures
Budget and Actual (Non-GAAP)
For the Year Ended June 30, 2013

	2013			2102	
	Original Budget	Final Budget	Actual	Variance Positive (Negative)	Actual
Revenues:					
Charges for services:					
Sewer charges	\$ -	\$ -	\$ 102,909	\$ -	\$ 78,552
Tap fees	-	-	11,434	-	45,931
Sale of material	-	-	-	-	941
Penalties and interest	-	-	6,150	-	1,256
Total, sewer operating revenues	<u>170,000</u>	<u>170,500</u>	<u>120,493</u>	<u>(50,007)</u>	<u>126,680</u>
Grant funds	-	-	106,491	-	-
Sale of capital assets	-	-	1,475	-	600
Interest earnings	-	-	776	-	576
Total nonoperating revenues	<u>500</u>	<u>138,788</u>	<u>108,742</u>	<u>(30,046)</u>	<u>1,176</u>
Total revenues	<u>170,500</u>	<u>309,288</u>	<u>229,235</u>	<u>(80,053)</u>	<u>127,856</u>
Appropriated net position	-	33,539	-	(33,539)	-
Total revenues and other financing sources	<u>170,500</u>	<u>342,827</u>	<u>229,235</u>	<u>(113,592)</u>	<u>127,856</u>
Expenditures:					
Administration:					
Telephone and postage	-	-	1,821	-	1,700
Administration	-	-	73,599	-	5,000
Supplies	-	-	16,770	-	2,089
Credit card fees	-	-	305	-	162
Software license fees	-	-	106	-	-
	<u>81,050</u>	<u>92,901</u>	<u>92,601</u>	<u>300</u>	<u>8,951</u>
Sewer treatment operations:					
Utilities	-	-	11,237	-	1,046
Repairs and maintenance	-	-	8,474	-	5,344
Lab tests	-	-	10,284	-	2,815
Chemicals	-	-	326	-	-
Contracted services	-	-	17,095	-	24,019
Professional services	-	-	12,205	-	21,135
Total	<u>42,700</u>	<u>59,531</u>	<u>59,621</u>	<u>(90)</u>	<u>54,391</u>
Capital outlay	<u>46,750</u>	<u>190,395</u>	<u>58,891</u>	<u>131,504</u>	<u>64,722</u>
Total expenditures	<u>170,500</u>	<u>342,827</u>	<u>211,113</u>	<u>131,714</u>	<u>128,064</u>
Revenues over expenditures	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 18,122</u>	<u>\$ 18,122</u>	<u>\$ (208)</u>
Reconciliation from budgetary basis (modified accrual) to full accrual:					
Capital outlays			58,891		64,722
Capital contributions			-		3,575,819
Depreciation			(79,851)		(66,737)
Change in net position			<u>\$ (2,838)</u>		<u>\$ 3,573,596</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, 2013

	2013			2012	
	Original Budget	Final Budget	Actual	Variance Positive (Negative)	Actual
Revenues:					
Operating revenues:					
Charges for services:					
Solid waste disposal charges	\$ -	\$ -	\$ 2,148,138	\$ -	\$ 2,129,190
Recycling	-	-	26,357	-	11,589
Tipping fees	-	-	516,122	-	767,691
Total	<u>2,767,425</u>	<u>2,767,425</u>	<u>2,690,617</u>	<u>(76,808)</u>	<u>2,908,470</u>
Nonoperating revenues:					
Ad valorem taxes	-	-	11,818	-	12,161
White goods tax	-	-	12,049	-	16,604
White goods disposal tax	-	-	59,468	-	61,335
Tire tax	-	-	43,343	-	54,415
Other solid waste grants	-	-	-	-	4,458
Investment earnings	-	-	40,800	-	58,688
Total	<u>92,000</u>	<u>92,000</u>	<u>167,478</u>	<u>75,478</u>	<u>207,661</u>
Total revenues	<u>3,412,267</u>	<u>3,412,991</u>	<u>2,858,095</u>	<u>(554,896)</u>	<u>3,116,131</u>
Expenditures:					
Solid waste administration:					
Training & Education	-	-	-	-	-
Telephone and postage	-	-	281	-	826
Other administrative expenditures	-	-	165,889	-	131,581
Total	<u>166,641</u>	<u>166,641</u>	<u>166,170</u>	<u>471</u>	<u>132,407</u>
Solid waste operations:					
Utilities	-	-	4,712	-	3,985
Repair and maintenance	-	-	8,319	-	8,580
Rent	-	-	28,200	-	24,000
Supplies	-	-	9,967	-	3,107
Professional services	-	-	1,200	-	1,750
Contract services, other	-	-	25,073	-	23,929
Contract services, collection	-	-	1,786,494	-	1,852,837
Contract services, disposal	-	-	1,650,400	-	1,683,503
Site work and landscaping	-	-	22,734	-	21,704
White goods disposal	-	-	19,740	-	17,540
White goods disposal tax	-	-	43,384	-	44,626
Tire disposal	-	-	63,253	-	60,277
Monitoring wells	-	-	4,900	-	4,900
Recycling	-	-	404,217	-	334,266
Total	<u>4,124,882</u>	<u>4,125,606</u>	<u>4,072,593</u>	<u>53,013</u>	<u>4,085,087</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, 2013

	2013			2012	
	Original Budget	Final Budget	Actual	Variance Positive (Negative)	Actual
Capital outlays	17,000	17,000	-	17,000	-
Total expenditures	<u>4,308,523</u>	<u>4,309,247</u>	<u>4,238,763</u>	<u>70,484</u>	<u>4,217,494</u>
Revenues and appropriated net position over expenditures	<u>(896,256)</u>	<u>(896,256)</u>	<u>(1,380,668)</u>	<u>(484,412)</u>	<u>(1,101,363)</u>
Other financing sources (uses):					
Transfers from operating fund	<u>896,256</u>	<u>896,256</u>	<u>896,256</u>	<u>-</u>	<u>893,893</u>
Revenues and appropriated net position over (under) expenditures and other financing uses	<u>\$ -</u>	<u>\$ -</u>	<u>(484,412)</u>	<u>\$ (484,412)</u>	<u>(207,470)</u>
Reconciliation from budgetary basis (modified accrual) to full accrual:					
Reconciling items:					
Depreciation			(35,286)		(35,428)
Total reconciling items			<u>(35,286)</u>		<u>(35,428)</u>
Change in net poaition			<u>\$ (519,698)</u>		<u>\$ (242,898)</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, 2013

	2013			Variance Positive (Negative)	2012
	Original Budget	Final Budget	Actual		Actual
Revenues:					
Charges for services:					
Water sales	\$ -	\$ -	\$ 571,175	\$ -	\$ 539,936
Water impact fees	-	-	7,000	-	5,000
Water tap fees	-	-	2,025	-	1,125
Penalties and interest, water	-	-	6,628	-	7,135
Other operating revenues, water	-	-	1,329	-	1,263
Total, water operating revenues	581,400	581,400	588,157	6,757	554,459
Sewer charges	-	-	513,901	-	438,713
Sewer impact fees	-	-	7,000	-	5,000
Sewer tap fees	-	-	2,025	-	1,125
Penalties and interest, sewer	-	-	6,794	-	5,557
Other operating revenues, sewer	-	-	1,329	-	1,263
Total, sewer operating revenues	573,500	573,500	531,049	(42,452)	451,658
Total operating revenues	1,154,900	1,154,900	1,119,205	(35,695)	1,006,116
Nonoperating revenues:					
Tax revenue	-	-	-	-	-
Unrestricted intergovernmental revenues	-	-	-	-	-
Interest earnings	-	-	40,947	-	57,676
Total nonoperating revenues	40,000	40,000	40,947	947	57,676
Total revenues	1,194,900	1,194,900	1,160,152	(34,748)	1,063,792
Appropriated net assets	-	3,615,932	-	(3,615,932)	-
Total revenues and appropriated net assets	1,194,900	4,810,832	1,160,152	(3,650,680)	1,063,792
Expenditures:					
Administration:					
Telephone and postage	-	-	9,368	-	5,140
Travel and training	-	-	11,158	-	-
Fees paid to officials	-	-	900	-	-
Advertising	-	-	229	-	-
Fuel	-	-	-	-	-
Supplies	-	-	32,329	-	5,733
Loss on sales of capital assets	-	-	11,036	-	-
Dues and subscriptions	-	-	2,180	-	2,180
Software license fees	-	-	392	-	640
Refunds	-	-	-	-	-
Contract services	-	-	30,083	-	30,249
Total Administration	150,900	93,459	97,675	(4,216)	43,942
Water treatment operations:					
Utilities	-	-	10,698	-	6,251
Repairs and maintenance	-	-	23,858	-	30,427
Lab tests	-	-	2,512	-	919
System supplies	-	-	13,250	-	14,704

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, 2013

	2013			Variance Positive (Negative)	2012
	Original Budget	Final Budget	Actual		Actual
Chemicals	-	-	3,240		
Contracted services	-	-	393,930	-	409,408
Professional services	-	-	-	-	7,262
Total	<u>460,000</u>	<u>458,500</u>	<u>447,488</u>	<u>11,012</u>	<u>468,971</u>
Sewer treatment operations:					
Salaries & benefits	-	-	36,067	-	-
Utilities	-	-	54,017	-	47,643
Repairs and maintenance	-	-	50,205	-	55,874
Gas	-	-	1,827	-	-
Lab tests	-	-	39,599	-	27,735
System supplies	-	-	26,327	-	8,702
Chemicals	-	-	8,406	-	17,559
Contracted services	-	-	136,471	-	214,987
Professional services	-	-	8,195	-	14,241
Total	<u>500,000</u>	<u>509,249</u>	<u>361,114</u>	<u>148,135</u>	<u>386,741</u>
Capital outlay	84,000	171,312	258,011	(86,699)	172,191
Total expenditures	<u>1,194,900</u>	<u>1,232,520</u>	<u>1,164,288</u>	<u>68,232</u>	<u>1,071,845</u>
Revenues and appropriated net position over expenditures	<u>\$ -</u>	<u>\$ 3,578,312</u>	<u>\$ (4,136)</u>	<u>\$ (3,582,448)</u>	<u>\$ (8,053)</u>
Other financing uses:					
Transfer to Ocean Sands Construction	-	(3,578,312)	(3,578,312)	-	-
Revenues and appropriated net position over (under) expenditures and other financing uses:	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (3,582,448)</u>	<u>\$ (3,582,448)</u>	<u>\$ (8,053)</u>
Reconciliation from budgetary basis (modified accrual) to full accrual:					
Reconciling items:					
Capital outlays			258,011		172,191
Accrued vacation			(407)		-
Loss on disposal of assets			(11,036)		-
Transfer to Ocean Sands Construction			3,578,312		-
Depreciation			(185,753)		(166,698)
Total reconciling items			<u>3,639,127</u>		<u>5,493</u>
Change in net position			<u>\$ 56,679</u>		<u>\$ (2,560)</u>

County of Currituck, North Carolina
Ocean Sands Water & Sewer Construction Fund
Schedule of Revenues and Expenditures
Budget and Actual (Non-GAAP)
From Inception and for the Fiscal Year Ended June 30, 2013

	Project Authorization	Actual		Total to Date	Variance Positive (Negative)
		Prior Years	Current Year		
Expenditures					
Contract services	3,000,000	-	-	-	3,000,000
Professional services	278,312	-	7,000	7,000	271,312
Contingency	300,000	-	-	-	300,000
Total expenditures	3,578,312	-	7,000	7,000	3,571,312
Revenues under expenditures	(3,578,312)	-	(7,000)	(7,000)	3,571,312
Other financing sources (uses):					
Transfers (to) from other funds:					
Ocean Sands Water & Sewer fund	-	-	3,578,312	3,578,312	3,578,312
Total other financing sources (uses)	3,578,312	-	3,578,312	3,578,312	-
Revenues and other sources over (under) expenditures	\$ -	\$ -	\$ 3,571,312	\$ 3,571,312	\$ 3,571,312

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County of Currituck, North Carolina
Mainland Water Fund
Schedule of Revenues and Expenditures
Budget and Actual (Non-GAAP)
For the Year Ended June 30, 2013

	2013			Variance Positive (Negative)	2012
	Original Budget	Final Budget	Actual		Actual
Revenues:					
Charges for services:					
Water sales	\$ -	\$ -	\$ 2,783,586	\$ -	\$ 2,583,481
Water tap fees	-	-	291,013	-	199,000
Reconnection fees	-	-	55,350	-	57,685
Penalties and interest	-	-	75,114	-	86,945
Billing services	-	-	-	-	1,540
Sale of materials	-	-	15,954	-	12,705
Total	<u>3,013,281</u>	<u>3,013,281</u>	<u>3,221,017</u>	<u>207,736</u>	<u>2,941,356</u>
Nonoperating revenues:					
Interest earnings	-	-	7,690	-	8,366
Other nonoperating revenues	-	-	4,145	-	-
Total nonoperating revenues	<u>8,000</u>	<u>8,000</u>	<u>11,835</u>	<u>3,835</u>	<u>8,366</u>
Total revenues	<u>3,021,281</u>	<u>3,021,281</u>	<u>3,232,852</u>	<u>211,571</u>	<u>2,949,722</u>
Appropriated net position	<u>59,346</u>	<u>59,346</u>	<u>-</u>	<u>(59,346)</u>	<u>-</u>
Total revenues and appropriated net position	<u>3,080,627</u>	<u>3,080,627</u>	<u>3,232,852</u>	<u>152,225</u>	<u>2,949,722</u>
Expenditures:					
Administration:					
Salaries and benefits	-	-	51,714	-	56,235
Administrative support	-	-	193,734	-	194,879
Credit card fees	-	-	13,182	-	10,942
Telephone and postage	-	-	36,460	-	42,022
Travel	-	-	1,571	-	1,992
Training and education	-	-	3,278	-	2,500
Advertising	-	-	-	-	245
Supplies	-	-	57,812	-	56,919
Dues and subscriptions	-	-	6,440	-	5,079
Software license fees	-	-	2,122	-	2,937
Other administration	-	-	34,510	-	-
Total	<u>373,550</u>	<u>373,290</u>	<u>400,823</u>	<u>(27,533)</u>	<u>373,750</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, 2013

	2013			Variance	2012
	Original Budget	Final Budget	Actual	Positive (Negative)	Actual
Water treatment operations:					
Salaries and benefits	-	-	596,283	-	601,419
Utilities	-	-	183,128	-	169,733
Repairs and maintenance	-	-	16,367	-	4,160
Fuel	-	-	36,310	-	33,399
Lab tests	-	-	7,149	-	15,754
Chemicals	-	-	55,664	-	32,703
Uniforms	-	-	822	-	1,146
Contracted services	-	-	13,752	-	39,585
Professional services	-	-	-	-	1,000
Total	<u>965,378</u>	<u>964,138</u>	<u>909,475</u>	<u>54,663</u>	<u>898,899</u>
Debt service:					
Interest and other charges	-	-	771,449	-	807,558
Debt principal	-	-	855,000	-	815,588
Total	<u>1,626,449</u>	<u>1,626,449</u>	<u>1,626,449</u>	<u>-</u>	<u>1,623,146</u>
Capital outlay	<u>155,250</u>	<u>156,750</u>	<u>168,605</u>	<u>(11,855)</u>	<u>35,130</u>
Total expenditures	<u>3,120,627</u>	<u>3,120,627</u>	<u>3,105,352</u>	<u>15,275</u>	<u>2,930,925</u>
Revenues and appropriated net assets over (under) expenditures	<u>(40,000)</u>	<u>(40,000)</u>	<u>127,500</u>	<u>167,500</u>	<u>18,797</u>
Other financing sources:					
Transfers from Tourism Development Authority Fund	<u>40,000</u>	<u>40,000</u>	<u>40,000</u>	<u>-</u>	<u>-</u>
Revenues and appropriated net position over (under) expenditures	<u>\$ -</u>	<u>\$ -</u>	<u>167,500</u>	<u>\$ 167,500</u>	<u>18,797</u>
Reconciliation from budgetary basis (modified accrual) to full accrual:					
Reconciling items:					
Capital outlays			168,605		35,130
Debt principal			855,000		815,588
Depreciation			(1,905,130)		(1,893,122)
Amortization of issuance costs, refunding costs and premium			(6,869)		(588)
Postemployment benefits			(61,460)		(74,178)
Accrued vacation			1,578		(1,767)
Total reconciling items			<u>(948,276)</u>		<u>(1,118,937)</u>
Change in net position			<u>\$ (780,776)</u>		<u>\$ (1,100,140)</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, 2013

	2013			2012	
	Original Budget	Final Budget	Actual	Variance Positive (Negative)	Actual
Revenues:					
Charges for services:					
Water sales	\$ -	\$ -	\$ 2,472,673	\$ -	\$ 2,011,186
Water tap fees	-	-	1,092,128	-	1,026,193
Administration	-	-	388,302	-	412,958
Billing services	-	-	3,780	-	1,680
Penalties and interest	-	-	30,137	-	29,808
Other operating revenues	-	-	13,476	-	10,098
Total, water operating revenues	<u>3,526,959</u>	<u>3,526,959</u>	<u>4,000,496</u>	<u>473,537</u>	<u>3,491,923</u>
Nonoperating revenues:					
Rent	-	-	96,819	-	47,085
Insurance recovery	-	-	-	-	-
Interest earnings	-	-	22,354	-	2,722
Total nonoperating revenues	<u>88,610</u>	<u>88,610</u>	<u>119,173</u>	<u>30,563</u>	<u>49,807</u>
Total revenues	<u>3,615,569</u>	<u>3,615,569</u>	<u>4,119,669</u>	<u>504,100</u>	<u>3,541,730</u>
Other financing sources (uses):					
Loan proceeds from Tourism Development Authority	-	-	5,577,844	-	-
Transfer to Occupancy Tax fund	-	-	(71,445)	-	(122,156)
Transfer to Southern Outer Banks Water Construction fund	-	-	(5,577,844)	-	-
Transfer from Southern Outer Banks Water Construction fund	-	-	-	-	2,240,182
	<u>-</u>	<u>-</u>	<u>(71,445)</u>	<u>(71,445)</u>	<u>2,118,026</u>
Total revenues and other financing sources	<u>3,615,569</u>	<u>3,615,569</u>	<u>4,048,224</u>	<u>432,655</u>	<u>5,659,756</u>
Expenditures:					
Administration:					
Salaries and benefits	-	-	150,160	-	127,300
Telephone and postage	-	-	19,168	-	19,046
Advertising	-	-	-	-	300
Supplies	-	-	12,065	-	37,041
Dues and subscriptions	-	-	4,580	-	5,292
Other administrative expenditures	-	-	144,625	-	176,867
Total administration expenditures	<u>322,088</u>	<u>363,604</u>	<u>330,598</u>	<u>33,006</u>	<u>365,846</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, 2013

	2013			2012	
	Original Budget	Final Budget	Actual	Variance Positive (Negative)	Actual
Water treatment operations:					
Salaries and benefits	-	-	372,114	-	338,213
Utilities	-	-	152,153	-	138,294
Gas, oil, etc	-	-	33,532	-	28,516
Repairs and maintenance	-	-	21,572	-	30,210
Lab tests	-	-	19,229	-	27,167
Chemicals	-	-	109,582	-	100,948
Uniforms	-	-	1,115	-	638
Contracted services	-	-	-	-	72,754
Professional services	-	-	165	-	15,557
Total water treatment operations	<u>909,212</u>	<u>780,936</u>	<u>709,462</u>	<u>71,474</u>	<u>752,297</u>
Debt service:					
Interest and other charges	-	-	258,348	-	162,412
Debt principal	-	-	1,990,521	-	3,201,422
Total	<u>2,248,829</u>	<u>2,248,829</u>	<u>2,248,869</u>	<u>(40)</u>	<u>3,363,834</u>
Capital outlays	135,440	222,200	222,200	-	148,095
Total expenditures	<u>3,615,569</u>	<u>3,615,569</u>	<u>3,511,129</u>	<u>104,440</u>	<u>4,630,072</u>
Revenues and other financing sources over (under) expenditures	<u>\$ -</u>	<u>\$ -</u>	537,095	<u>\$ 537,095</u>	1,029,684
Reconciliation from budgetary basis (modified accrual) to full accrual:					
Reconciling items:					
Capital outlays			222,200		148,095
Debt principal			1,990,521		3,201,422
Postemployment benefits			(75,810)		(39,367)
Change in accrued vacation			(6,920)		(13,383)
Depreciation			(855,501)		(755,224)
Loan proceeds from Tourism Development Authority			(5,577,844)		-
Transfer to (from) construction fund			5,577,844		(2,240,182)
Total reconciling items			<u>1,274,490</u>		<u>301,361</u>
Change in net position			<u>\$ 1,811,585</u>		<u>\$ 1,331,045</u>

County of Currituck, North Carolina
Southern Outer Banks Water Construction Fund
Schedule of Revenues and Expenditures
Budget and Actual (Non-GAAP)
From Inception and for the Fiscal Year Ended June 30, 2013

	Project Authorization	Actual		Total to Date	Variance Positive (Negative)
		Prior Years	Current Year		
Revenues					
Intergovernmental revenues:					
Investment earnings	\$ -	\$ 3,900	\$ 28,520	\$ 32,420	\$ 32,420
Total revenues	-	3,900	28,520	32,420	32,420
Expenditures					
Purchase existing water systems	5,419,385	5,419,384	-	5,419,384	1
.75 MGD reverse osmosis water treatment	3,648,932	-	1,044,206	1,044,206	2,604,726
.25 MGD conventional treatment	-	-	-	-	-
1.5 MG water storage	802,726	351,210	448,564	799,774	2,952
Piping/distribution lines	700,000	171,002	3,587	174,589	525,411
Carolina water wells	500,000	-	-	-	500,000
Paint existing tanks	199,140	199,139	-	199,139	1
Professional services	640,000	173,048	302,682	475,730	164,270
Contingency	49,635	-	-	-	49,635
Total expenditures	11,959,818	6,313,783	1,799,039	8,112,822	3,846,996
Revenues under expenditures	(11,959,818)	(6,309,883)	(1,770,519)	(8,080,402)	3,879,416
Other financing sources (uses):					
Transfers (to) from other funds:					
Southern outer banks water fund	(2,240,182)	(2,240,182)	-	(2,240,182)	-
Southern outer banks water fund	5,700,000	-	5,577,844	5,577,844	(122,156)
Issuance of debt	8,500,000	8,500,000	-	8,500,000	-
Total other financing sources (uses)	11,959,818	6,259,818	5,577,844	11,837,662	(122,156)
Revenues and other sources over (under) expenditures	\$ -	\$ (50,065)	\$ 3,807,325	\$ 3,757,260	\$ 3,757,260

County of Currituck, North Carolina
Moyock Central Sewer Fund
Schedule of Revenues and Expenditures
Budget and Actual (Non-GAAP)
For the Year Ended June 30, 2013

	2013			Variance Positive (Negative)
	Original Budget	Final Budget	Actual	
Revenues:				
Charges for services:				
Sewer charges	\$ -	\$ -	\$ 8,503	\$ -
Tap fees	-	-	216,181	-
Total, sewer operating revenues	<u>227,343</u>	<u>262,993</u>	<u>224,684</u>	<u>(38,309)</u>
Nonoperating revenues:				
Interest earnings	-	-	309	-
Total nonoperating revenues	<u>-</u>	<u>-</u>	<u>309</u>	<u>309</u>
Total revenues	<u>\$ 227,343</u>	<u>\$ 262,993</u>	<u>\$ 224,993</u>	<u>\$ (38,000)</u>
Expenditures:				
Administration:				
Telephone and postage	-	-	280	-
Administration	-	-	1,053	-
Supplies	-	-	5,927	-
Credit card fees	-	-	14	-
	<u>1,053</u>	<u>6,953</u>	<u>7,274</u>	<u>(6,221)</u>
Sewer treatment operations:				
Utilities	-	-	8,110	-
Lab tests	-	-	2,795	-
Chemicals	-	-	6,327	-
Contracted services	-	-	5,050	-
Professional services	-	-	1,790	-
Total	<u>-</u>	<u>94,000</u>	<u>24,072</u>	<u>(24,072)</u>
Debt service:				
Interest and other charges	-	-	82,040	-
Debt principal	-	-	180,000	-
Total	<u>226,290</u>	<u>262,040</u>	<u>262,040</u>	<u>-</u>
Total expenditures	<u>227,343</u>	<u>362,993</u>	<u>293,386</u>	<u>69,607</u>
Revenues over expenditures	<u>\$ -</u>	<u>\$ (100,000)</u>	<u>\$ (68,393)</u>	<u>\$ 31,607</u>
Other financing sources uses:				
Transfers from Operating fund	-	50,000	-	(50,000)
Transfers from Moyock Central Sewer Constr	-	50,000	50,000	-
Revenues and appropriated net position over (under) expenditures and other financing sources	<u>\$ -</u>	<u>\$ -</u>	<u>(18,393)</u>	<u>\$ (18,393)</u>
Reconciliation from budgetary basis (modified accrual) to full accrual:				
Contributed capital			100,000	
Debt principal			180,000	
Depreciation			(306,566)	
Transfer from construction fund			<u>(50,000)</u>	
Change in net position			<u>\$ (94,959)</u>	

Fund established July 1, 2012

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, 2013

	Project Authorization	Actual		Total to Date	Variance Positive (Negative)
		Prior Years	Current Year		
Revenues					
Impact Fees	\$ 567,476	\$ 568,851	\$ -	\$ 568,851	\$ 1,375
Intergovernmental revenues:					
Rural Center Grant - Economic Development	540,000	540,000	-	540,000	-
Rural Center Grant - Newtown Sewer improvement	100,000	-	100,000	100,000	-
Investment earnings	-	3,837	1,956	5,793	5,793
Total intergovernmental revenues	640,000	543,837	101,956	645,793	5,793
Total revenues	1,207,476	1,112,688	101,956	1,214,644	7,168
Expenditures					
Reimbursable expenditures	81,628	38,183	-	38,183	43,445
Capital outlay	5,115,244	2,704,784	2,236,184	4,940,968	174,276
Total expenditures	5,196,872	2,742,967	2,236,184	4,979,151	217,721
Revenues over (under) expenditures	(3,989,396)	(1,630,279)	(2,134,228)	(3,764,507)	224,889
Other finance sources (uses):					
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	-
Issuance of debt	2,700,000	2,700,000	-	2,700,000	-
Transfers to other funds:					
Moyock Central Sewer operating fund	(50,000)	-	(50,000)	(50,000)	-
Total transfers from other funds	3,989,396	4,039,396	(50,000)	3,989,396	-
Revenues over (under) expenditures and other financing sources	\$ -	\$ 2,409,117	\$ (2,184,228)	\$ 224,889	\$ 224,889

County of Currituck, North Carolina
Agency Funds
Combining Statement of Changes in Assets and Liabilities
For the Fiscal Year Ended June 30, 2013

	Balance June 30 2012	Additions	Deductions	Balance June 30 2013
Social Services				
Assets:				
Cash and cash equivalents	\$ 16,329	\$ 101,019	\$ 105,489	\$ 11,859
Liabilities:				
Accounts Payable	\$ 16,329	\$ 213,424	\$ 217,894	\$ 11,859
Fines and Forfeitures				
Assets:				
Cash and cash equivalents	\$ -	\$ 282,014	\$ 260,562	\$ 21,452
Due from other governments	19,039	-	19,039	-
Total assets	\$ 19,039	\$ 282,014	\$ 279,601	\$ 21,452
Liabilities:				
Due to other governments	\$ 19,039	\$ 526,150	\$ 523,737	\$ 21,452
Motor Vehicle Tax				
Assets:				
Cash and cash equivalents	\$ 391	\$ 4,362	\$ 4,449	\$ 304
Liabilities:				
Due to other governments	\$ 391	\$ 4,362	\$ 4,449	\$ 304
Deed of Trust Fee				
Assets:				
Cash and cash equivalents	\$ 3,174	\$ 37,684	\$ 37,739	\$ 3,119
Liabilities:				
Due to other governments	\$ 3,174	\$ 35,526	\$ 35,581	\$ 3,119
Totals - All Agency Funds				
Assets:				
Cash and cash equivalents	\$ 19,894	\$ 425,079	\$ 408,239	\$ 36,734
Due from other governments	19,039	-	19,039	-
Total assets	\$ 38,933	\$ 425,079	\$ 427,278	\$ 36,734
Liabilities:				
Accounts payable	16,329	213,424	217,894	11,859
Intergovernmental payable	22,604	566,038	563,767	24,875
Total liabilities	\$ 38,933	\$ 779,462	\$ 781,661	\$ 36,734

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County of Currituck, North Carolina
General Fund
Schedule of Ad Valorem Taxes Receivable
June 30, 2013

Fiscal Year	Uncollected Balance June 30, 2012	Additions	Collections And Credits	Uncollected Balance June 30, 2013
2012-2013	\$ -	\$ 26,788,040 (a)	\$ 26,371,383 (b)	\$ 416,657 (c)
2011-2012	474,991	-	328,353	146,638
2010-2011	158,738	-	83,556	75,182
2009-2010	77,925	-	38,165	39,760
2008-2009	39,684	-	14,550	25,134
2007-2008	21,187	-	6,734	14,453
2006-2007	12,592	-	2,739	9,853
2005-2006	12,699	-	1,598	11,101
2004-2005	19,925	-	1,241	18,684
2003-2004	15,877	-	18	15,859
2002-2003	14,435	-	14,435	-
	848,053	26,788,040	26,862,772 (d)	773,321
Less: allowance for uncollectible accounts:				
				(17,205)
				(402)
Ad valorem taxes receivable - net:				\$ 755,714
<u>Reconciliation with revenues:</u>				
				\$ 26,943,147
				11,818
				26,954,965
Reconciling items:				
				(112,210)
				20,017
				(92,193)
Total collections and credits				\$ 26,862,772 (d)

County of Currituck, North Carolina
Analysis of Current Tax Levy
County - wide Levy
For the Fiscal Year Ended June 30, 2013

	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	\$ 8,307,993,438	0.32	\$ 26,585,579	\$ 26,146,420	\$ 439,159
Motor vehicles taxed at prior year's rate	78,396,875	0.32	250,870	-	250,870
Penalties	-		18,859	18,859	-
Total	<u>8,386,390,313</u>		<u>26,855,308</u>	<u>26,165,279</u>	<u>690,029</u>
Discoveries:					
Current year taxes	3,084,688	0.32	9,871	9,871	-
Penalties	-		3,355	3,355	-
Total	<u>3,084,688</u>		<u>13,226</u>	<u>13,226</u>	<u>-</u>
Abatements	<u>(25,154,375)</u>		<u>(80,494)</u>	<u>(52,751)</u>	<u>(27,743)</u>
Total property valuation	<u>\$ 8,364,320,626</u>				
Net levy			26,788,040 (a)	26,125,754	662,286
Uncollected taxes at June 30, 2013			<u>416,657 (c)</u>	<u>343,437</u>	<u>73,220</u>
Current year's taxes collected			<u>\$ 26,371,383 (b)</u>	<u>\$ 25,782,317</u>	<u>\$ 589,066</u>
Current levy collection percentage			<u>98.44%</u>	<u>98.69%</u>	<u>88.94%</u>

County of Currituck, North Carolina
Analysis of Current Tax Levy
County - wide Levy
For the Fiscal Year Ended June 30, 2013

Secondary Market Disclosures:

Assessed Valuation:

Assessment Ratio ¹	100 %
Real Property	\$ 7,900,097,113
Personal Property	389,310,229
Public Service Companies ²	74,913,284
Total Assessed Valuation	\$ 8,364,320,626
Tax Rate per \$100	0.32
Levy (includes discoveries, releases and abatements) ³	\$ 26,788,040

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	12,170
Hog Ditch watershed improvement district	1,134
Moyock watershed improvement district	16,674
Northwest watershed improvement district	2,316
Whalehead solid waste district	870,564
Whalehead watershed improvement district	145,094
Moyock Commons sewer district	44,773
Total	\$ 27,880,765

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, 2013

Taxpayer	Type of Business	2013 Assessed Valuation	Percentage of Total Assessed Valuation
Coastland Properties I LLC	Land Development	\$ 56,361,000	0.67 %
Dominion Power	Utility	55,418,167	0.66
Coastland Corporation	Land Development	39,151,900	0.47
Pine Island Properties LLC	Land Development	22,132,000	0.26
Pine Island Holdings LLC	Land Development	21,900,282	0.26
Corolla Bay LLC	Land Development	15,600,500	0.19
Gateway Bank & Trust	Financial Institution	14,288,702	0.17
Johnson, James E Jr	Real Estate Investor	10,608,449	0.13
Newman, Brian K	Real Estate Investor	8,630,227	0.10
Shaeffer, Forrest R	Real Estate Investor	8,449,006	0.10
Total		<u>\$ 252,540,233</u>	<u>3.01 %</u>

County of Currituck, North Carolina
Emergency Telephone System Unspent Balance
PSAP Reconciliation
June 30, 2013

Amounts reported on the Emergency Telephone System Fund budget to actual are different from the PSAP Revenue-Expenditure Report because:

Net Change in Fund Balance, reported on Budget to Actual	\$ (52,104)
Adjustment for rounding of ineligible costs in prior year	1
Ineligible 911 expenditures reported in Emergency Telephone System Fund	-
Beginning Balance, PSAP Revenue-Expenditure Report	539,463
Ending Balance, PSAP Revenue-Expenditure Report	\$ 487,360

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Statistical Section

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

Financial Trends:

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

Revenue Capacity:

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

Debt Capacity:

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

Demographic and Economic Information:

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

Operating Information:

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

Schedule 1

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

	Fiscal Year									
	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
Governmental activities										
Net investment in capital assets	\$ 34,106,089	\$ 37,925,033	\$ 40,388,334	\$ 51,299,094	\$ 56,558,162	\$ 73,367,483	\$ 74,064,100	\$ 81,090,434	\$ 96,265,950	\$ 101,478,868
Restricted	3,060	-	-	-	-	-	-	15,397,965	12,362,081	18,056,879
Unrestricted	41,852,873	51,159,760	62,050,122	62,303,803	62,010,794	49,182,688	48,227,525	29,175,234	21,792,937	16,509,722
Total governmental activities net position	<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>	<u>\$ 130,420,968</u>	<u>\$ 136,045,469</u>
Business-type activities										
Net investment in capital assets	\$ 9,729,712	\$ 14,459,467	\$ 15,878,837	\$ 17,290,296	\$ 22,735,808	\$ 21,244,084	\$ 22,524,024	\$ 23,516,216	\$ 28,802,477	\$ 29,352,060
Unrestricted	15,736,338	11,991,335	13,167,320	14,601,498	11,278,840	14,161,517	13,704,712	13,436,806	13,635,970	13,550,093
Total business-type activities net position	<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>	<u>\$ 42,438,447</u>	<u>\$ 42,902,153</u>
Primary government										
Net investment in capital assets	\$ 43,835,801	\$ 52,384,500	\$ 56,267,171	\$ 68,589,390	\$ 79,293,970	\$ 94,611,567	\$ 96,588,124	\$ 104,606,650	\$ 125,068,427	\$ 130,830,928
Restricted	3,060	-	-	-	-	-	-	15,397,965	12,362,081	18,056,879
Unrestricted	57,589,211	63,151,095	75,217,442	76,905,301	73,289,634	63,344,205	61,932,237	42,612,040	35,428,907	30,059,815
Total governmental activities net position	<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>	<u>\$ 172,859,415</u>	<u>\$ 178,947,622</u>

Schedule 2
Currituck County, North Carolina
Changes in Net Position
(accrual basis of accounting)

	Fiscal Year									
	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
Expenses										
Governmental activities:										
General government	3,624,010	4,415,836	4,583,886	5,155,428	3,230,828	7,677,910	8,415,095	8,369,991	6,351,749	7,999,138
Public safety	10,348,741	9,519,057	11,311,450	14,759,626	15,490,648	17,202,362	17,211,595	17,159,996	18,160,689	19,305,733
Transportation	400,063	295,590	791,450	576,920	1,379,504	751,195	783,800	1,726,573	1,222,468	1,079,075
Economic and physical development	3,063,105	3,794,111	3,539,620	3,430,161	6,176,978	5,792,463	6,713,211	6,469,555	9,094,719	3,531,181
Environmental protection	173,025	295,732	238,502	303,871	385,879	390,630	568,900	424,447	385,902	3,174,699
Human services	3,207,729	3,682,371	4,168,102	4,236,355	4,550,718	4,462,531	4,155,112	4,156,265	4,351,492	4,492,638
Cultural and recreation	1,272,882	1,536,324	1,232,301	376,240	1,523,197	1,368,558	2,577,198	2,094,488	1,939,442	1,982,118
Education	7,422,207	8,956,381	12,281,089	13,869,357	18,420,509	11,758,442	10,330,209	10,098,107	9,810,904	10,100,754
Interest on long-term debt	555,056	404,700	354,100	325,600	418,693	492,453	449,982	456,783	359,601	364,671
Total governmental activities expenses	<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>	<u>\$ 51,676,966</u>	<u>\$ 52,030,007</u>
Business-type activities:										
Solid Waste	3,282,646	3,874,034	4,235,412	4,274,781	3,788,615	3,927,902	4,196,020	4,193,309	4,252,922	4,274,049
Water and Sewer	4,336,850	4,334,864	4,606,566	4,761,213	4,844,089	5,591,471	6,398,328	6,519,262	7,466,805	8,295,709
Total business-type activities expenses	<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>	<u>11,719,727</u>	<u>12,569,758</u>
Total primary government expenses	<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>	<u>\$ 63,396,693</u>	<u>\$ 64,599,765</u>
Program Revenues										
Governmental activities:										
Charges for services:										
General government	657,106	670,821	596,957	610,955	523,617	732,634	953,864	960,242	1,406,215	2,007,829
Public safety	411,296	1,534,985	1,592,122	1,074,519	1,250,083	1,122,524	1,013,183	1,392,245	1,417,775	1,906,102
Transportation	111,981	141,666	109,221	282,624	299,781	331,208	300,395	400,314	444,744	487,746
Economic and physical development	1,130,911	54,923	95,206	25,450	93,122	-	18,570	16,878	37,641	99,060
Environmental protection	16,025	-	5,100	-	-	-	-	-	9,400	80,039
Human services	6,950	-	-	-	-	16,314	-	-	-	-
Cultural and recreation	28,500	33,382	35,771	48,593	39,457	59,983	60,577	188,356	66,700	95,097
Operating grants and contributions:										
General government	315,380	53,482	11,715	898,407	433,683	9,392	854,484	40,909	316,482	-
Public safety	581,916	641,533	458,277	399,120	284,580	388,608	495,545	238,506	810,366	187,756
Transportation	-	-	-	-	262,251	-	-	-	-	-
Economic and physical development	346,227	183,018	-	85,302	141,865	40,000	-	-	16,020	33,904
Environmental protection	17,963	25,094	-	27,965	40,683	16,365	56,690	-	32,282	-
Human services	1,971,389	2,080,364	2,198,370	2,380,359	2,611,369	2,808,773	2,730,538	2,786,951	2,314,370	2,277,836
Cultural and recreation	25,959	-	-	21,826	21,345	-	28,098	-	22,978	-
Education	-	-	-	-	-	-	-	-	-	-
Capital grants and contributions:										
General government	-	-	147,671	-	-	-	-	-	-	-
Public safety	871,628	-	186,000	-	-	-	-	-	27,636	2,520
Transportation	1,209,511	369,256	139,590	888,757	722,136	740,232	-	1,016,192	682,120	476,612
Economic and physical development	-	-	80,000	-	-	-	-	-	5,000	500,696
Environmental protection	-	-	112,755	-	-	-	-	10,650	-	-
Human services	-	-	4,577	-	-	-	-	-	-	-
Cultural and recreation	-	-	-	-	-	-	294,155	288,824	158,156	53,020
Education	-	-	620,980	-	660,325	756,356	-	219,962	-	398,560
Total governmental activities program revenues	<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>	<u>7,767,885</u>	<u>8,606,777</u>
Business-type activities:										

	Fiscal Year									
	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
Charges for services:										
Solid Waste	1,717,826	1,818,615	2,791,799	2,792,248	2,510,093	2,568,346	2,562,992	2,458,693	2,956,155	2,690,617
Water and Sewer	6,195,098	3,967,236	5,690,977	6,103,389	5,564,520	5,978,335	5,884,552	6,620,476	7,732,900	8,846,411
Operating grants and contributions:										
Solid Waste	1,420,714	1,519,203	1,961,452	1,992,464	139,856	45,481	57,113	67,716	75,477	55,392
Water and Sewer	474,192	389,607	141,663	39,710	1,046	-	-	940	-	113,475
Capital grants and contributions:										
Solid Waste	-	-	57,583	-	-	-	-	-	-	-
Water and Sewer	-	-	106,464	-	-	-	329,144	540,000	-	206,491
Total business-type program revenues	<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>	<u>10,764,532</u>	<u>11,912,386</u>
Total primary government program revenues	<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>	<u>\$ 18,532,417</u>	<u>\$ 20,519,163</u>
Net (Expense)/Revenue										
Governmental activities	\$ (22,364,076)	\$ (27,111,578)	\$ (32,106,188)	\$ (36,289,681)	\$ (44,192,657)	\$ (42,874,155)	\$ (44,399,003)	\$ (43,396,176)	\$ (43,909,081)	\$ (43,423,230)
Business-type activities	<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>	<u>(955,195)</u>	<u>(657,372)</u>
Total primary government net expense	<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>	<u>\$ (44,864,276)</u>	<u>\$ (44,080,602)</u>
General Revenues and Other Changes in Net Position										
Governmental activities:										
Property taxes	\$ 17,092,287	\$ 17,925,962	\$ 23,391,822	\$ 23,582,470	\$ 25,978,670	\$ 26,695,743	\$ 26,954,749	\$ 27,107,432	\$ 27,761,231	\$ 27,912,650
Intergovernmental	19,968,817	21,117,685	19,734,572	20,677,091	21,148,755	19,731,255	19,128,767	20,290,383	21,046,019	21,808,029
Investment earnings	460,406	1,147,418	2,459,638	3,475,928	3,795,801	2,141,772	678,816	806,637	537,109	327,131
Miscellaneous	-	395,381	92,859	-	-	-	-	-	-	-
Loss on disposal/sale of capital assets	(14,275)	-	-	-	(22,271)	-	-	-	-	(99,618)
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)	(677,943)	(900,461)
Total governmental activities	<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>	<u>48,666,416</u>	<u>49,047,731</u>
Business-type activities:										
Property taxes	-	-	-	-	57,943	109,907	138,053	135,889	131,174	116,393
Investment earnings	185,149	262,625	468,355	672,453	746,480	427,232	148,173	176,875	133,045	115,260
Miscellaneous	6,000	-	-	-	-	-	-	-	-	-
Loss on disposal/sale of capital assets	-	-	-	-	(6,619)	-	-	-	-	(11,036)
Special item	-	-	-	-	-	-	-	-	5,498,458	-
Transfers	649,718	379,513	219,040	281,367	1,742,239	1,713,400	2,297,456	1,436,268	677,943	900,461
Total business-type activities	<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>	<u>6,440,620</u>	<u>1,121,078</u>
Total primary government	<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>	<u>\$ 55,107,036</u>	<u>\$ 50,168,809</u>
Change in Net Position										
Governmental activities	\$ 14,493,441	\$ 13,095,355	\$ 13,353,663	\$ 11,164,441	\$ 4,966,059	\$ 3,981,215	\$ (258,546)	\$ 3,372,008	\$ 4,757,335	\$ 5,624,501
Business-type activities	<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>	<u>5,485,425</u>	<u>463,706</u>
Total primary government	<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>	<u>\$ 10,242,760</u>	<u>\$ 6,088,207</u>

Schedule 3

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

	Fiscal Year									
	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
General Fund										
Reserved	2,585,457	1,860,239	3,274,084	2,582,266	2,561,068	1,761,527	2,148,111	-	-	-
Unreserved	19,739,626	22,297,036	24,165,647	21,068,742	22,509,248	8,854,501	6,419,039	-	-	-
Nonspendable	-	-	-	-	-	-	-	982	832	1,257
Restricted	-	-	-	-	-	-	-	4,398,634	2,897,830	3,893,453
Committed	-	-	-	-	-	-	-	23,214,936	1,132,486	558,516
Assigned	-	-	-	-	-	-	-	3,794,562	3,526,932	3,457,216
Unassigned	-	-	-	-	-	-	-	1,859,873	2,470,171	2,184,656
Total General Fund	<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>	<u>\$ 10,028,251</u>	<u>\$ 10,095,098</u>
All Other Governmental Funds										
Reserved	53,702	608,390	744,618	769,510	1,220,692	715,021	941,130	-	-	-
Unreserved										
Designated										
Special revenue funds	1,457,146	2,057,547	2,365,459	2,195,443	1,770,885	10,006,848	9,768,088	-	-	-
Capital project funds	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	12,749,770	20,971,606
Committed	-	-	-	-	-	-	-	1,704,999	28,090,589	14,086,564
Assigned	-	-	-	-	-	-	-	1,894,695	279,105	1,137,613
Unassigned	-	-	-	-	-	-	-	5,445,286	33,140	-
Total all other governmental funds	<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>	<u>\$ 41,152,604</u>	<u>\$ 36,195,783</u>

Note: 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									
	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
Revenues										
Ad valorem taxes	\$ 17,193,047	\$ 18,059,472	\$ 23,402,553	\$ 23,611,381	\$ 25,939,378	\$ 26,163,466	\$ 27,292,183	\$ 27,107,432	\$ 27,766,186	\$ 27,989,041
Other taxes and licenses	19,821,148	21,063,030	19,369,494	20,677,091	21,148,755	19,766,673	19,128,767	20,290,383	21,327,091	22,027,710
Unrestricted										
intergovernmental	147,669	155,552	369,270	380,293	355,499	304,553	237,490	237,129	148,006	138,398
Restricted										
intergovernmental	4,678,096	3,611,061	4,139,479	3,903,127	4,681,893	3,855,575	3,804,759	4,496,639	4,052,379	4,398,369
Permits and fees	2,065,709	1,959,085	1,953,439	1,790,528	1,595,122	1,246,366	1,537,842	2,005,998	1,996,886	2,428,470
Sales and services	296,943	416,792	386,698	530,740	648,891	652,366	612,201	617,213	803,419	781,993
Investment earnings	460,406	1,147,418	2,459,527	3,475,928	3,795,801	2,158,155	678,816	806,637	537,109	327,131
Miscellaneous	669,244	313,648	113,654	205,215	102,892	934,262	661,855	346,796	558,250	639,866
Total revenues	<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>	<u>57,189,326</u>	<u>58,730,978</u>
Expenditures										
General government	8,302,780	5,039,224	5,290,398	5,215,589	5,385,330	5,291,527	5,893,190	5,806,881	5,633,808	5,962,439
Public safety	11,541,352	10,416,287	12,608,149	15,829,185	16,135,119	19,217,793	16,399,211	16,316,596	17,674,735	20,942,919
Transportation	1,799,434	581,917	884,938	1,049,293	1,077,529	4,081,199	624,425	2,236,988	958,277	1,040,638
Environmental protection	173,025	295,125	255,142	302,508	373,132	384,871	1,858,626	598,363	1,408,739	3,150,732
Economic and physical development	3,150,728	4,282,719	3,758,124	11,942,884	8,783,920	6,131,755	6,830,706	6,271,605	10,086,060	8,207,098
Human services	3,279,706	3,684,564	4,051,203	4,187,991	4,503,615	4,385,682	4,108,356	4,100,337	4,312,266	4,236,116
Cultural and recreation	1,284,754	3,207,252	1,528,882	1,429,959	2,021,669	3,387,383	3,462,977	8,552,159	10,573,236	3,393,603
Education	7,422,207	8,956,381	12,281,089	13,869,357	30,841,156	16,974,635	10,330,209	10,098,107	11,461,403	15,859,070
Capital outlay	-	-	-	-	-	-	-	-	-	-
Debt service										
Debt issuance cost	98,891	-	-	-	-	-	-	-	-	-
Principal	900,000	950,000	950,000	930,000	2,067,425	2,739,907	2,856,949	2,931,769	2,975,701	3,363,205
Interest	555,056	404,700	354,100	325,600	418,693	492,453	449,982	456,783	359,601	364,671
Total expenditures	<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>	<u>65,443,826</u>	<u>66,520,491</u>
Excess of revenues over (under) expenditures	6,824,329	8,907,889	10,232,089	(508,063)	(13,339,357)	(8,005,789)	1,139,282	(1,461,361)	(8,254,500)	(7,789,513)
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	5,407,382	8,074,095	17,388,303	14,868,931	9,736,807	18,415,835	8,427,744	10,949,771	13,216,026	11,303,731
Transfers out	(6,057,100)	(8,453,608)	(17,607,343)	(4,628,944)	(11,479,046)	(20,129,235)	(10,725,200)	(12,386,039)	(13,893,969)	(12,204,192)
Installment purchase proceeds	-	-	-	-	8,000,000	3,271,375	2,100,000	-	6,800,000	3,800,000
Total other financing sources (uses)	<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>	<u>\$ 6,122,057</u>	<u>\$ 2,899,539</u>
Net change in fund balances	\$ 6,143,502	\$ 8,528,376	\$ 10,013,049	\$ 9,731,924	\$ (7,081,596)	\$ (6,447,814)	\$ 941,826	\$ (2,897,629)	\$ (2,132,443)	\$ (4,889,974)
Debt service as a percent of noncapital expenditures	3.78%	3.58%	3.11%	2.28%	4.64%	6.93%	6.88%	7.11%	5.98%	6.56%

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					
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%
2012	6,105,171,914	1,676,677,997	203,493,600	172,347,136	19,235,248	8,138,455,399	0.32	8,311,802,189	97.91%
2013	6,228,742,953	1,588,273,894	215,634,113	173,676,116	17,785,438	8,188,541,638	0.32	8,364,320,626	97.90%

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)

	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
County Direct Rates										
General	0.620	0.620	0.320	0.320	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	-	-	-	-	-	-	-	-
Fruitville Fire District	0.080	0.080	-	-	-	-	-	-	-	-
Moyock Fire District	0.065	0.065	-	-	-	-	-	-	-	-
Crawford Fire District	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	0.010	0.010
Moyock Watershed Improvement District	0.030	0.030	0.015	0.015	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	0.020	0.020
Whalehead Watershed Improvement District	0.070	0.070	0.025	0.010	0.040	0.040	0.040	0.040	0.090	0.090
Whalehead Beach Solid Waste Collection & Disposal Service District	-	-	-	-	-	-	-	-	0.015	0.015
Ocean Sands Water and Sewer District	0.200	0.150	0.015	-	-	-	-	-	-	-
Moyock Commons Sewer District	0.500	0.500	0.245	0.245	0.245	0.245	0.245	0.245	0.245	0.200

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 2013			Fiscal Year 2004		
		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	0.67%	\$ 9,524,500	5	0.35%
Dominion Power	Utility	55,418,167	2	0.66%	35,211,640	1	1.30%
Coastland Corporation	Land Development	39,151,900	3	0.47%	8,448,540	6	0.31%
Pine Island Properties LLC	Land Development	22,132,000	4	0.26%			
Pine Island Holdings	Land Development	21,900,282	5	0.26%			
Corolla Bay LLC	Land Development	15,600,500	6	0.19%			
Gateway Bank & Trust	Financial Institution	14,288,702	7	0.17%			
Johnson, James E Jr	Real Estate Investor	10,608,449	8	0.13%			
Newman, Brian K	Real Estate Investor	8,630,227	9	0.10%			
Shaeffer, Forrest R	Real Estate Investor	8,449,006	10	0.10%			
Turnpike Properties	Land Development				19,893,271	2	0.73%
Currituck Assoc Residential Partners	Land Development				11,166,039	3	0.41%
Beach Mar IV LLC	Land Development				10,668,899	4	0.39%
Whalehead Properties	Land Development				8,067,144	7	0.30%
Carolina Telephone	Utility				7,463,756	8	0.28%
Currituck Assoc Golf Partnership	Land Development				6,109,632	9	0.23%
Sandler at Mill Run	Land Development				5,574,634	10	0.21%
Total		\$ 252,540,233		3.01%	\$ 122,128,055		4.51%

Source: Currituck County Tax Department

Schedule 8

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

Fiscal Year	Taxes Levied for the Fiscal Year (Original Levy)		Total Adjusted Levy	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years	Total Collections to Date	
	Adjustments			Amount	Percentage of Original Levy		Amount	Percentage of Adjusted Levy
2004	16,896,180	(89,371)	16,806,809	16,388,762	97.00%	401,603	16,790,365	99.90%
2005	17,729,373	(40,442)	17,688,931	17,253,685	97.32%	497,989	17,751,674	100.35%
2006	24,979,301	(150,928)	24,828,373	24,362,825	97.53%	453,905	24,816,730	99.95%
2007	25,399,676	(103,376)	25,296,300	24,940,030	98.19%	345,649	25,285,679	99.96%
2008	26,009,032	(213,724)	25,795,308	25,322,859	97.36%	457,844	25,780,703	99.94%
2009	26,235,228	(48,336)	26,186,892	25,209,211	96.09%	952,581	26,161,792	99.90%
2010	26,378,391	(42,010)	26,336,381	25,734,726	97.56%	559,121	26,293,847	99.84%
2011	26,474,753	(48,344)	26,426,409	25,941,806	97.99%	412,300	26,354,106	99.73%
2012	26,651,481	(40,254)	26,611,227	26,145,212	98.10%	319,117	26,464,329	99.45%
2013	26,855,308	(67,268)	26,788,040	26,371,383	98.20%	-	26,371,383	98.44%

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					
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	4.70%	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	4.35%	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	3.84%	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	3.35%	0.40%	\$ 971	\$ 1,357
2012	2,425,000	11,021,610	1,805,000	17,015,000	10,775,000	43,041,610	4.50%	0.53%	\$ 899	\$ 1,820
2013	1,575,000	12,308,528	1,490,000	16,475,000	9,745,000	41,593,528	4.35%	0.51%	\$ 826	\$ 1,759

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

	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
Assessed Value of Property	\$ 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	\$ 8,311,802,189	\$ 8,188,541,638
Debt Limit, 8% of Assessed Value (Statutory Limitation)	216,779,729	227,796,426	617,176,289	632,302,500	644,234,700	654,131,175	657,813,890	660,208,975	664,944,175	655,083,331
Amount of Debt Applicable to Limit										
General Obligation Bonds	13,590,000	12,410,000	11,215,000	10,035,000	9,923,550	7,690,000	6,540,000	5,390,000	4,230,000	3,065,000
Revenue Bonds	-	-	-	-	19,000,000	18,500,000	18,025,000	17,525,000	17,015,000	16,475,000
Installment Purchase Agreements	9,386,321	8,537,182	7,658,149	6,748,170	12,658,730	13,115,021	12,230,653	9,118,893	21,796,610	22,053,528
Less: General Obligation Bonds paid from Enterprise Funds	(3,920,000)	(3,690,000)	(3,445,000)	(3,195,000)	(2,935,000)	(2,670,000)	(2,395,000)	(2,110,000)	(1,805,000)	(1,490,000)
Revenue Bonds from Enterprise Funds	-	-	-	-	(19,000,000)	(18,500,000)	(18,025,000)	(17,525,000)	(17,015,000)	(16,475,000)
Total net debt applicable to limit	19,056,321	17,257,182	15,428,149	13,588,170	19,647,280	18,135,021	16,375,653	12,398,893	24,221,610	23,628,528
Legal Debt Margin	<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>	<u>\$ 640,722,565</u>	<u>\$ 631,454,803</u>
Total net debt applicable to the limit as a percentage of debt limit	0.70%	0.61%	0.20%	0.17%	0.24%	0.22%	0.20%	0.15%	0.29%	0.29%

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

	6/30/08	6/30/09	6/30/10	6/30/11	6/30/12	6/30/13
REVENUES						
Water Sales	\$ 2,479,589	\$ 2,724,425	\$ 2,617,547	\$ 2,624,282	\$ 2,583,481	\$ 2,783,856
Water Impact Fees	193,300	336,500	183,500	361,916	199,000	291,013
	<u>\$ 2,672,889</u>	<u>\$ 3,060,925</u>	<u>\$ 2,801,047</u>	<u>\$ 2,986,198</u>	<u>\$ 2,782,481</u>	<u>\$ 3,074,869</u>
Reconnection Fees	\$ 26,530	\$ 48,530	\$ 47,540	\$ 50,050	\$ 57,685	\$ 55,350
Penalties	61,127	72,596	76,446	79,052	86,945	75,114
Sale of materials	-	24,595	2,684	16,246	14,245	60,099
Investment Earnings	200,131	26,209	5,302	12,253	8,366	7,690
	<u>\$ 287,788</u>	<u>\$ 171,930</u>	<u>\$ 131,972</u>	<u>\$ 157,601</u>	<u>\$ 167,241</u>	<u>\$ 198,253</u>
TOTAL REVENUES	\$ 2,960,677	\$ 3,232,855	\$ 2,933,019	\$ 3,143,799	\$ 2,949,722	\$ 3,273,122
EXPENSES						
Personnel	\$ 585,721	\$ 627,810	\$ 610,789	\$ 665,592	\$ 657,654	\$ 647,997
Operations	862,531	805,505	673,669	639,345	616,171	786,119
Capital Outlay	121,959	50,677	114,542	-	35,130	168,605
TOTAL EXPENSES, EXCLUDING DEBT	\$ 1,570,211	\$ 1,483,992	\$ 1,399,000	\$ 1,304,937	\$ 1,308,955	\$ 1,602,721
REVENUES AVAILABLE FOR DEBT	\$ 1,390,466	\$ 1,748,863	\$ 1,534,019	\$ 1,838,863	\$ 1,640,767	\$ 1,670,401
2008 Water Revenue Bonds	-	500,000	475,000	500,000	510,000	540,000
Interest: 2008 Revenue Bonds	-	736,035	756,650	737,223	716,773	695,914
TOTAL SENIOR DEBT	\$ -	\$ 1,236,035	\$ 1,231,650	\$ 1,237,223	\$ 1,226,773	\$ 1,235,914
2004 General Obligation Bond Refunding	\$ 260,000	\$ 265,000	\$ 275,000	\$ 285,000	\$ 305,000	\$ 315,000
Interest: 2004 General Obligation Bond Refunding	131,784	123,985	116,035	105,035	90,785	75,535
TOTAL SUBORDINATE DEBT	\$ 391,784	\$ 388,985	\$ 391,035	\$ 390,035	\$ 395,785	\$ 390,535
MINIMUM 1.15 SENIOR DEBT COVERAGE	\$ -	\$ 1,421,440	\$ 1,416,398	\$ 1,422,806	\$ 1,410,789	\$ 1,421,301
MINIMUM 1.00 SUBORDINATE DEBT COVERAGE	\$ 391,784	\$ 388,985	\$ 391,035	\$ 390,035	\$ 395,785	\$ 390,535
SENIOR DEBT SERVICE COVERAGE	N/A	1.41	1.25	1.49	1.34	1.35
SUBORDINATE DEBT SERVICE COVERAGE	3.55	1.32	0.77	1.54	1.05	1.11
TOTAL DEBT SERVICE COVERAGE	3.55	1.08	0.95	1.13	1.01	1.03

Note: This is a new schedule required by revenue bond covenants for bonds issued in March 2008.

Schedule 12

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

Year	Population ^a	Personal Income (<i>thousands of dollars</i>) ^d	Per Capita Personal Income ^d	Public School Enrollment ^b	Unemployment Rate ^c
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	904,438	38,239	3,913	4.90%
2011	23,602	956,983	39,949	4,175	5.60%
2012	23,644	*	24,655**	3,923	4.70%
2013	*	*	*	4,014	5.80%

* 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	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
General government	40.22	44.92	52.50	53.50	56.60	58.00	58.00	59.00	59.00	62.00
Public safety	133.62	146.62	162.42	164.92	181.92	189.92	189.92	189.92	189.92	188.92
Transportation	1.00	1.00	1.00	2.00	2.00	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	25.42	25.42	28.42	28.42	27.42	25.42	24.00	24.00	24.00	22.00
Cultural & recreation	9.79	10.79	14.15	17.60	12.85	16.85	19.10	19.10	19.10	19.60
Human services	38.75	39.75	43.00	42.75	43.75	42.75	42.75	42.75	42.75	41.75
Proprietary operations	17.70	20.10	20.00	20.00	22.00	22.00	23.00	23.00	26.00	28.00
	268.50	290.60	323.49	331.19	348.54	358.94	360.77	361.77	364.77	366.27

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>2013</u>			<u>2004</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	16.56%	500-999	1	16.96%
County of Currituck	367	2	9.26%	243	3	8.47%
Food Lion LLC	100-249	3	3.85%	100-249	4	3.95%
Sentara Health Center	100-249	4	3.85%	100-249	6	3.95%
Southland Trade Corp.	50-99	5	1.65%	50-99	5	1.69%
Wells Fargo Insurance Inc.	50-99	6	1.65%	----		----
The Clean Team 4 U Inc	50-99	8	1.65%	----		----
Corolla Classic Vacations	50-99	8	1.65%	----	7	----
Twiddy & Co. of Duck Inc.	50-99	9	1.65%	----	9	----
Bank of Hampton Roads	50-99	10	1.65%	----		----
Brindley & Brindley Realty & Development	----		----	250-499	2	8.47%
Sun Realty	----		----	50-99	8	1.69%
Griggs Lumber & Produce Co. Inc.	----		----	100-249	10	3.95%
Total	<u>1,367-2,458</u>		<u>43.42%</u>	<u>1543-3290</u>		<u>49.13%</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	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
Governmental Activities:										
Public Safety										
Law Enforcement ¹										
Deputies	49	52	59	59	59	63	63	63	63	63
Emergency Medical Services ²										
Emergency Medical Technicians	45	49	55	56	71	71	72	72	72	73
Human Services ³										
Number of Physicians		*	3	7	6	*	9	9	*	*
Population/physician ratio		*	7,910	3,396	4,218	*	2,616	2,622	*	*
Education ⁴										
Schools	8	8	8	8	8	10	10	10	10	10
Teachers	257	254	346	314	315	295	264	264	260	238
Student Enrollment	3,685	3,854	4,156	4,120	4,070	3,961	3,913	4,175	4,175	4,014
SAT Scores	1,003	1,013	1,502 ²	1,466	1,465	1,459	1,414	1,471	1,440	1,434
Enterprise Activities:										
Newtown Road Sewer ⁵										
Treatment capacity (MGD)	*	*	*	0.025	0.025	0.025	0.025	0.025	0.115	0.115
Annual engineering maximum										
plant capacity (millions of gallons)	*	*	*	0.025	0.025	0.025	0.025	0.025	0.115	0.115
Amount treated annually										
(millions of gallons)	*	*	*	*	*	*	3,898	3,898	3,898	3,843
Unused capacity (millions of gallons)	*	*	*	*	*	*	0.014	0.014	0.104	0.104
Percentage of capacity utilized	*	*	*	*	*	*	42.72%	42.72%	9.57%	9.10%
Residential sewer customers	*	*	*	24	28	28	27	27	27	27
Commercial sewer customers	*	*	*	-	1	1	1	1	1	1
								62		
								189		
Maple Commerce Park Sewer ⁵										
Treatment capacity (MGD)	*	*	*	*	*	*	*	*	0.080	0.080
Annual engineering maximum										
plant capacity (millions of gallons)	*	*	*	*	*	*	*	22	0.080	0.080
Amount treated annually								20		
(millions of gallons)	*	*	*	*	*	*	*	42	1.380	1.880
Unused capacity (millions of gallons)	*	*	*	*	*	*	*	28	0.076	0.750
Percentage of capacity utilized	*	*	*	*	*	*	*	*	5.00%	6.00%
Number of residential customers	*	*	*	*	*	*	*	*	-	-
Number of commercial customers	*	*	*	*	*	*	*	*	7	7
Moyock Commons Sewer ⁵										
Treatment capacity (MGD)	*	*	*	0.040	0.040	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	0.040	0.040
Amount treated annually										
(millions of gallons)	*	*	*	*	*	*	2,720	4,560	3,450	3,450
Unused capacity (millions of gallons)	*	*	*	*	*	*	0.033	0.025	0.031	0.031
Percentage of capacity utilized	*	*	*	*	*	*	18.68%	37.50%	23.75%	23.75%
Number of residential customers	*	*	*	-	-	-	-	-	-	-
Number of commercial customers	*	*	*	23	21	23	23	25	25	25
Moyock Regional Sewer ⁵										
Treatment capacity (MGD)	*	*	*	*	*	*	*	*	*	0.090
Annual engineering maximum										
plant capacity (millions of gallons)	*	*	*	*	*	*	*	*	*	0.090

continued

Amount treated annually (millions of gallons)	*	*	*	*	*	*	*	*	*	*	6.570
Unused capacity (millions of gallons)	*	*	*	*	*	*	*	*	*	*	0.022
Percentage of capacity utilized	*	*	*	*	*	*	*	*	*	*	20.00%
Number of residential customers	*	*	*	*	*	*	*	*	*	*	-
Number of commercial customers	*	*	*	*	*	*	*	*	*	*	26
Walnut Island Sewer ⁵											
Treatment capacity (MGD)	*	*	*	*	*	*	*	*	*	0.120	0.120
Annual engineering maximum plant capacity (millions of gallons)	*	*	*	*	*	*	*	*	*	0.012	0.120
Amount treated annually (millions of gallons)	*	*	*	*	*	*	*	*	*	6	8
Unused capacity (millions of gallons)	*	*	*	*	*	*	*	*	*	0.102	0.098
Percentage of capacity utilized	*	*	*	*	*	*	*	*	*	15.00%	18.00%
Number of residential customers	*	*	*	*	*	*	*	*	*	257	253
Number of commercial customers	*	*	*	*	*	*	*	*	*	-	-
Southern Outer Banks Water ⁵											
Average daily usage (in 1,000 gallons)	*	*	*	240	615	333	437	555	668	623	
Water storage capacity (MGD)	*	*	*				1,500	1,500	4,200	4,200	
Number of water pumping stations	*	*	*				1	1	5	5	
Number of residential customers	*	*	*	1,181	1,179	1,179	1,183	1,217	3,764	2,905	
Number of commercial customers	*	*	*	2	2	20	22	23	200	197	
Ocean Sands Water and Sewer ⁵											
Average daily water usage (in 1,000 gallons)	*	*	*	160	180	171	190	189	166	166	
Water storage capacity (MGD)	*	*	*	0.150	0.150	0.150	0.150	0.150	0.150	0.150	
Sewer treatment capacity (MGD)	*	*	*	0.600	0.600	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	0.600	0.600	
Amount sewer treated annually (millions of gallons)	*	*	*	*	*	*	57	59	61	61	
Unused sewer capacity (millions of gallons)	*	*	*	*	*	*	0.100	0.100	0.433	0.433	
Percentage of sewer capacity utilized	*	*	*	*	*	*	83.33%	83.33%	27.85%	27.85%	
Number of residential water customers	*	*	*	954	954	955	954	957	959	975	
Number of commercial water customers	*	*	*	-	-	8	8	8	8	8	
Number of residential sewer customers	*	*	*	953	954	955	954	957	959	975	
Number of commercial sewer customers	*	*	*	-	-	8	8	8	8	8	
Mainland Water ⁵											
Water storage capacity (MGD)	*	*	*	*	*	*	3,600	3,600	3,600	3,600	
Residential water customers	*	*	*	4,891	4,559	4,594	4,686	4,686	4,856	4,856	
Commercial water customers	*	*	*	*	397	374	385	385	394	394	
Solid Waste ⁶											
Total number of households served	11,971	12,591	13,217	13,813	14,176	14,192	14,192	14,362	14,469	14,516	
Total tonnage disposed	41,298	37,234	34,878	31,374	26,300	26,977	24,602	22,536	22,531	24,576	
Recycling Program:											
Households served by program	11,971	12,591	13,217	13,813	14,176	14,192	14,192	14,362	14,469	14,516	
Tonnage recovered	728	2,009	1,392	1,516	1,713	1,725	1,849	2,186	2,869	2,540	
Mulching/composting program											
Households served by program	11,971	12,591	13,217	10,097	10,462	10,477	10,477	14,362	14,469	14,516	
Tonnage recovered	12,800	1,780	1,323	1,746	1,023	1,055	1,335	1,405	2,869	1,206	
Total cost of solid waste program	\$ 2,901,485	\$ 3,747,674	\$ 4,015,956	\$ 3,804,292	\$ 3,521,710	\$ 3,600,877	\$ 3,960,588	\$ 3,742,527	\$ 3,912,428	\$ 3,978,363	
Cost per household	\$ 242	\$ 298	\$ 304	\$ 377	\$ 337	\$ 344	\$ 378	\$ 261	\$ 270	\$ 274	
Cost per ton	\$ 70	\$ 101	\$ 115	\$ 121	\$ 134	\$ 133	\$ 161	\$ 166	\$ 174	\$ 162	

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
- ⁷The SAT scores include a new writing test this year.
- *Data not available

Schedule 16
Currituck County, North Carolina
Capital Asset Statistics by Function

Function	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
Governmental Activities:										
General Government										
Buildings ³	52	53	54	54	57	58	61	61	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	8	11	11	11	11	11	11	11	11
Cultural and Recreation										
Libraries	2	2	2	2	2	2	3	3	3	3
Parks	1	2	2	2	2	3	3	3	3	3
Community Recreation Facility	-	-	-	-	-	-	-	-	1	1
Enterprise Activities:										
Newtown Road Sewer ⁴										
Miles of sewer lines	*	*	*	1	1	1	1	1	1	1
Number of treatment plants	*	*	*	1	1	1	1	1	1	1
Maple Commerce Park Sewer ⁴										
Miles of sewer lines	*	*	*	*	*	*	*	*	1.4	1.4
Number of treatment plants	*	*	*	*	*	*	*	*	1	1
Moyock Commons Sewer ⁴										
Miles of sewer lines	*	*	*	1	1	1	1	4	8.1	6.9
Number of treatment plants	*	*	*	1	1	1	1	1	1	1
Moyock Regional Sewer ⁴										
Miles of sewer lines	*	*	*	*	*	*	*	*	*	1.2
Number of treatment plants	*	*	*	*	*	*	*	*	*	1
Walnut Island Sewer ⁴										
Miles of sewer lines	*	*	*	*	*	*	*	62	189	
Number of treatment plants	*	*	*	*	*	*	*	2	3.6	3.6
Southern Outer Banks Water ⁴										
Miles of water lines	*	*	*	27.07	27.07	27.07	27.57	41.75	75.00	75.00
Number of water wells	*	*	*	47	47	47	47	28	113	113
Ocean Sands Water and Sewer ⁴										
Miles of water lines	*	*	*	11.09	11.09	11.09	11.09	11.09	11.09	11.09
Miles of sewer lines	*	*	*	12.40	12.40	12.40	12.40	12.40	12.40	12.40
Number of sewer treatment plants	*	*	*	1	1	1	1	1	1	1
Mainland Water ⁴										
Miles of water lines	*	*	*	*	*	*	261	261	261	262
Number of water wells	*	*	*	*	*	*	31	31	31	31
Number of water pumping stations	*	*	*	*	*	*	7	7	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



Carr, Riggs & Ingram, LLC
3105 Trent Road
New Bern, North Carolina 28563

Mailing Address:
P.O. Box 1547
New Bern, North Carolina 28563-1547

(252) 633-5821
(252) 633-0199 (fax)
www.cricpa.com

**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, 2013, which collectively comprises the County of Currituck's basic financial statements, and have issued our report thereon dated December 9, 2013. 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

Management of the County of Currituck is responsible for establishing and maintaining effective 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*.

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.

Carr, Riggs & Ingram LLC

New Bern, NC
December 9, 2013



Carr, Riggs & Ingram, LLC
3105 Trent Road
New Bern, North Carolina 28563

Mailing Address:
P.O. Box 1547
New Bern, North Carolina 28563-1547

(252) 633-5821
(252) 633-0199 (fax)
www.cricpa.com

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 could have a direct and material effect on each of its major federal programs for the year ended June 30, 2013. 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 could have a direct and material effect on each of its major federal programs for the year ended June 30, 2013.

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.

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 is a deficiency, or a combination of deficiencies, 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.

Carr, Riggs & Ingram LLC

New Bern, NC
December 9, 2013



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New Bern, North Carolina 28563

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P.O. Box 1547
New Bern, North Carolina 28563-1547

(252) 633-5821
(252) 633-0199 (fax)
www.cricpa.com

Report On Compliance For Each Major State Program; Report on Internal Control Over Compliance; In accordance with OMB Circular A-133; and the State Single Audit Implementation Act

Independent Auditor's Report

To the Board of County Commissioners
Currituck County, North Carolina

Report on Compliance for Each Major State Program

We have audited the County of Currituck, North Carolina, compliance with the types of compliance requirements described in the *Audit Manual for Governmental Auditors in North Carolina*, issued by the Local Government Commission, that could have a direct and material effect on each of the County of Currituck's major state programs for the year ended June 30, 2013. The County of Currituck's major state programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its state programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the County of Currituck's major state programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States; and applicable sections of OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, as described in the *Audit Manual for Governmental Auditors in North Carolina*, and the State Single Audit Implementation Act.² 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 state program occurred. An audit includes examining, on a test basis, evidence about the County of Currituck's compliance with those requirements and performing such other procedures, as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major state program. However, our audit does not provide a legal determination of the County of Currituck's compliance.

Opinion on Each Major State Program

In our opinion, the County of Currituck complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major state programs for the year ended June 30, 2013.

Report on Internal Control Over Compliance

Management of the County of Currituck is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the County of Currituck's internal control over compliance with the types of requirements that could have a direct and material effect on a major state program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing our opinion on compliance for each major state program 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 City's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance 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 state program on a timely basis. A material weakness in internal control over compliance is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a state program will not be prevented, or detected and corrected, on a timely basis. A significant deficiency in internal control over compliance is a deficiency, or combination of deficiencies, in internal control over compliance with a type of compliance requirement of a state program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

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 significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of OMB Circular A-133. Accordingly, this report is not suitable for any other purpose.

Carr, Riggs & Ingram LLC

New Bern, NC
December 9, 2013

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CURRITUCK COUNTY, NORTH CAROLINA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the Fiscal Year Ended June 30, 2013

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
93.558 93.596 93.575 93.667	Child Care Cluster

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

\$370,157

Auditee qualified as low-risk auditee?

_____ yes __X__ no

State Awards

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

Unqualified

Internal control over Major State Programs:

- Material weakness identified
- Significant deficiencies identified that are not considered to be material weaknesses

_____ yes __X__ no

_____ yes __X__ no

Any audit findings disclosed that are required to be
reported in accordance with the State Single Audit
Implementation Act

_____ yes __X__ no

Program Name

State Aid to Airports
Industrial Development Fund

Section II

Financial Statement Findings

None Reported

Section III

Federal Award Findings and Questioned Costs

None Reported

COUNTY OF CURRITUCK
SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS
For the Fiscal Year Ending June 30, 2013

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	173,007	-	-
Total U.S. Department of Agriculture		<u>173,007</u>	<u>-</u>	<u>-</u>
U.S. Department of Housing and Urban Development				
Passed through NC Department of Commerce Community Development Block Grant States Program				
	14.228	19,026	-	-
Total U.S. Department of Housing and Urban Development		<u>19,026</u>	<u>-</u>	<u>-</u>
U.S. Department of Transportation				
State aid to airports passed through NC Dept of Transportation Airport Grant				
	20.106	4,920	-	-
Total U.S. Department of Transportation		<u>4,920</u>	<u>-</u>	<u>-</u>
U. S. Elections Assistance Commission				
Passed through NC Department of Administration HAVA grant				
	90.401	11,400	-	-
Total Elections Assistance Commission		<u>11,400</u>	<u>-</u>	<u>-</u>
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	76,153	-	-
TANF - Work First	93.558	307,893	-	-
Low Income Home Energy Assistance				
Administration	93.568	49,511	-	-
Crisis Intervention Program	93.568	86,127	-	-
Family Violence				
Family Preservation	93.671	-	-	-
Permanency Planning	93.556	2,092	-	-
SSBG	93.645	10,335	343	-
LINKS	93.667	56,050	4,299	-
LINKS - Benefit Payments	93.674	1,299	325	-
NC Health Choice	93.674	7,013	-	-
Child Support Enforcement - Title IV-D	93.767	21,039	524	-
	93.563	172,692	-	-
Foster Care and Adoption				
Title IV-E Foster Care - Administration	93.658	75,809	21,128	-
Foster Care - Direct Benefit Payments	93.658	8,558	2,166	-
Adoption - Administration	93.659	4,339	-	-
Adoption Assistance - Direct Payments	93.659	71,682	18,918	-
Total Foster Care and Adoption Cluster		<u>160,388</u>	<u>42,212</u>	<u>-</u>

continued

COUNTY OF CURRITUCK
SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS
For the Fiscal Year Ending June 30, 2013

GRANTOR, PASS THROUGH GRANTOR PROGRAM TITLE	CFDA	AMOUNT EXPENDED		COUNTY
		FEDERAL	STATE	
Division of Child Development: <u>Child Care Development Fund Cluster</u>				
Division of Social Services				
Child Care Development Fund - Administration	93.596	80,000	-	-
Division of Child Development:				
Child Care and Development Block Grant	93.575	199,609	-	-
Child Care and Development Fund - Mandatory	93.596	88,713	-	-
Child Care and Development Fund - Match	93.596	33,899	-	-
Total Child Care Development Fund Cluster		402,221	-	-
Foster Care Title IV-E	93.658	4,976	2,403	-
TANF	93.558	102,274	-	-
SSBG	93.667	8,378	-	-
State Appropriations		-	178,564	-
Total Subsidized Child Care		517,849	180,967	-
Centers for Medicare and Medicaid Services:				
Passed-through NC Department of Health and Human Services, Division of Medical Assistance:				
Direct Benefit Payments	93.778	10,133,259	5,621,518	-
Administration	93.778	338,335	8,474	-
Total U.S. Department of Health and Human Services		11,940,035	5,858,662	-
U.S. Department of Homeland Security				
Passed through NC Department of Public Safety				
Emergency Management	97.042	35,503	-	-
Homeland Security	97.067	94,646	-	-
Public Assistance Grant for Infrastructure (FEMA)	97.036	60,029	-	-
Total U.S. Department of Homeland Security		190,178	-	-
TOTAL FEDERAL AWARDS		12,338,566	5,858,662	-
STATE AWARDS -				
NC Department of Commerce				
Industrial Development Fund		-	490,447	-
Total North Carolina Department of Commerce		-	490,447	-
North Carolina Department of Health and Human Services				
Division of Social Services:				
State/County Special Assistance for Adults		-	159,445	-
State Foster Care Benefits		-	16,958	-
CWS Adoption Subsidy		-	126,464	-
Total North Carolina Department of Health and Human Services		-	302,867	-

continued

COUNTY OF CURRITUCK
SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS
For the Fiscal Year Ending June 30, 2013

GRANTOR, PASS THROUGH GRANTOR PROGRAM TITLE	CFDA	AMOUNT EXPENDED		COUNTY
		FEDERAL	STATE	
NC Department of Public Safety				
Juvenile Crime Prevention Programs		-	79,212	
Total North Carolina Department of Public Safety		<u>-</u>	<u>79,212</u>	<u>-</u>
Public Transportation Division: State Aid to Airports		-	476,612	
Total North Carolina Department of Transportation		<u>-</u>	<u>476,612</u>	<u>-</u>
North Carolina Division of Parks and Recreation				
Parks and Recreation Trust Fund		-	53,020	
Total North Carolina Department of Administration		<u>-</u>	<u>53,020</u>	<u>-</u>
TOTAL STATE AWARDS		<u>-</u>	<u>1,402,158</u>	<u>-</u>
TOTAL FEDERAL AND STATE AWARDS		<u>12,338,566</u>	<u>7,260,820</u>	<u>-</u>

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		-	43,338
Teen Court		-	14,772
JCPC Council Administration		-	13,898

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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