

COMPREHENSIVE ANNUAL FINANCIAL REPORT

For the Fiscal Year Ended June 30, 2014



County of Currituck, North Carolina

Prepared by the Currituck County Finance Department

County of Currituck, North Carolina
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BOARD OF COMMISSIONERS

S. Paul O'Neal., Chairman
David L. Griggs, Vice-Chairman
O. Vance Aydlett, Jr.
Paul Beaumont
Marion Gilbert
Michael D. Hall
Michael H. Payment

COUNTY OF CURRITUCK

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Currituck, North Carolina 27929
Telephone (252) 232-2075 / Fax (252) 232-3551

Daniel F. Scanlon II
County Manager
Donald Ike McRee
County Attorney
Leeann Walton
Clerk to the Board

January 8, 2015

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, 2014. 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 7.87 percent from 2005 to 2014.

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 decreased from \$8,364,320,626 to \$5,667,042,041, a decrease of 32.25 percent. The octennial revaluation as required by the North Carolina General Statutes became effective on January 1, 2013. The county-wide tax rate for the fiscal year ending June 30, 2014 was \$0.485 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 work with the Board of Education to maintain the current facilities. The primary focus has been redesigning the entrance, road connections and parking to Central Elementary School, design and construction of a bus parking lot and replacing roofs and HVAC systems in several schools. (The Currituck County Board of Education is a separate reporting entity apart from the County; a detailed discussion of their activities and initiatives can be found in their Comprehensive Annual Financial Report.)

The County also had several initiatives in process throughout this year. Design of an animal shelter at Maple is in process and expansion of the infrastructure at the airport continues. Once the animal shelter is complete, Airport Road will be closed for further expansion of the runway system. A shooting range for use by the Sheriff's department and continued expansion of the athletic fields and facilities in Maple are 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 savings accounts, 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 91 days to three years. The average yield on investments was 0.640% for savings accounts, 0.738% for commercial paper and .591% for federal agencies.

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, 2014 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 fourteenth 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, 2013. 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

Daniel F. Scanlon II
County Manager

Sandra L. Hill

Sandra L. Hill
Finance Director



Government Finance Officers Association

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

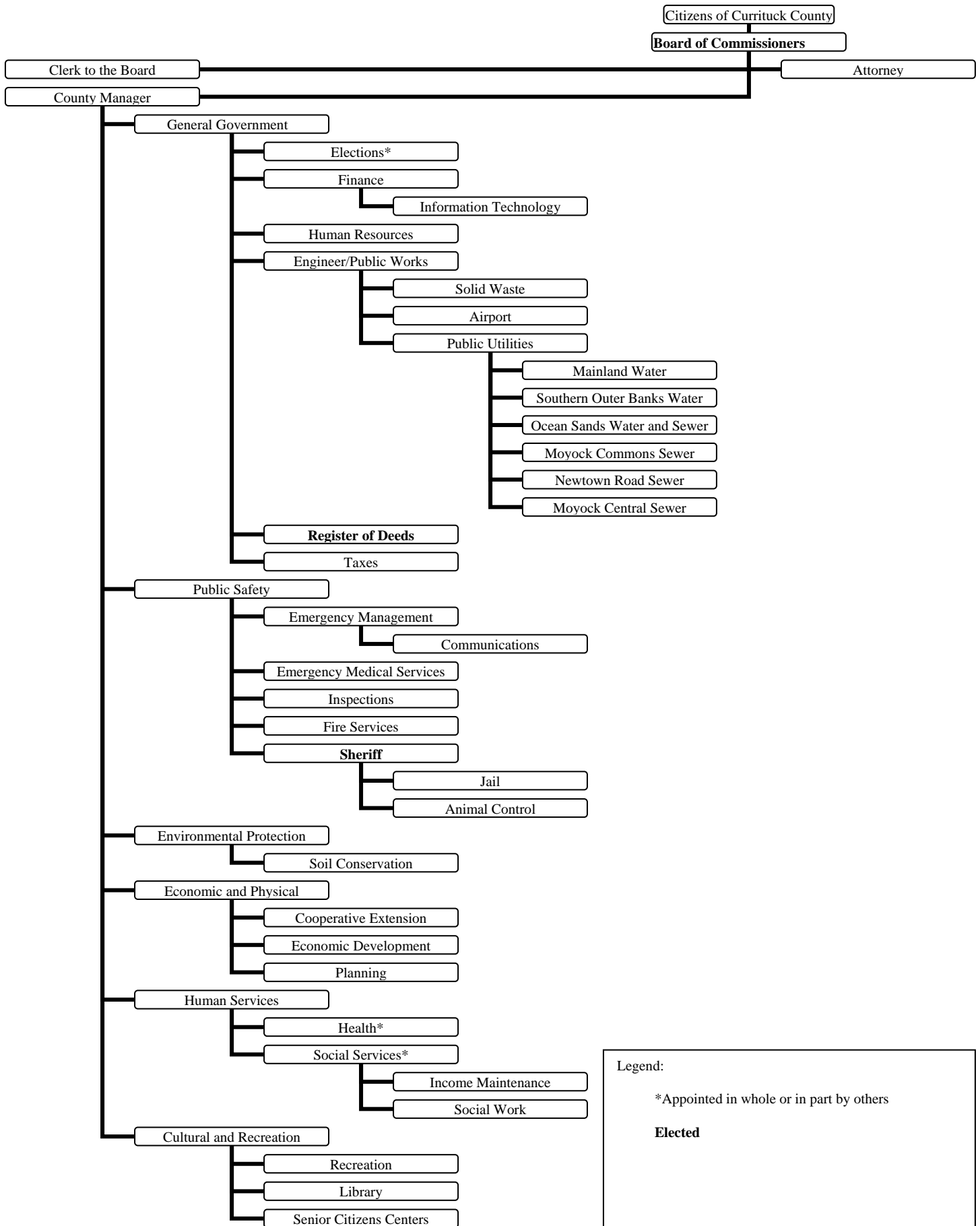
Presented to

**County of Currituck
North Carolina**

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

June 30, 2013

Executive Director/CEO



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

CURRITUCK, NORTH CAROLINA

S. Paul O’Neal, Chairman

David Griggs, Vice-Chairman

O. Vance Aydlett, Jr.

Paul Beaumont

Marion Gilbert

Michael D. Hall

Michael H. Payment

OFFICIALS

County Manager	Daniel F. Scanlon, II
County Attorney	Donald “Ike” McRee
Clerk to the Board	Leeann Walton
Board of Elections	Rachel Raper
Sheriff	Susan Johnson
Register of Deeds	Denise Hall
Airport.....	Russell Haddad
Cooperative Extension.....	Cameron Lowe
Economic Development	Peter Bishop
Emergency Management	Mary Beth Newns
Emergency Medical Services, Interim.....	Kevin Old
Finance Director	Sandra L. Hill
Human Resources Director.....	Sarah Tyson
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



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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, 2014, 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, 2014, 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 January 8, 2015 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
January 8, 2015

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, 2014. 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.

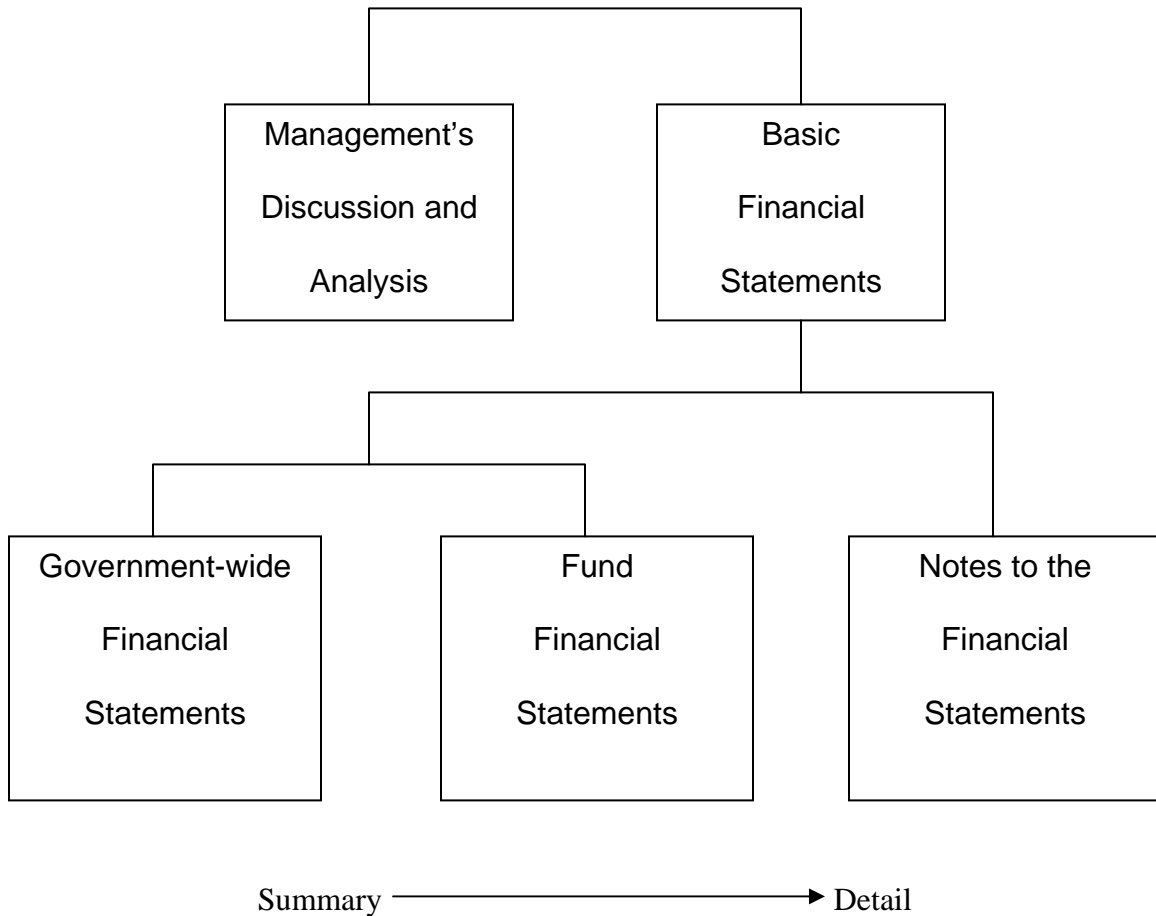
Financial Highlights

- The assets of Currituck County exceeded its liabilities and deferred inflows of resources at the close of the fiscal year by \$182,153,971 (*net position*).
- The government's total net position increased by \$3,206,349 primarily due to management's focus on monitoring spending and maximizing revenue collection; a decrease of \$109,335 in the business-type activities and an increase of \$3,315,684 in the governmental activities.
- As of the close of the current fiscal year, Currituck County's governmental funds reported combined ending fund balances of \$48,422,620, an increase of \$2,131,739 in comparison with the prior year. Approximately 59.29% of this total amount, or \$28,710,313, is restricted or nonspendable.
- At the end of the current fiscal year, unassigned fund balance for the General Fund was \$1,657,309 or 3.65% of total general fund expenditures for the fiscal year.
- Currituck County's total debt decreased by \$5,571,980 or 13.40% during the current fiscal year, which included the final payment for the Shawboro Elementary School.

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 three categories: governmental funds, proprietary funds, and fiduciary 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 \$182,153,971 as of June 30, 2014. The County's net position increased by \$3,206,349 for the fiscal year ended June 30, 2014. One of the largest portions \$132,525,895 (72.75%) reflects the County's net investment in capital assets (e.g. land, buildings, machinery, and equipment). As of June 30, 2014, long-term debt in governmental activities was for the Currituck County High 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 \$21,530,373 (11.82%) represents resources that are subject to external restrictions on how they may be used. The remaining balance of \$28,097,703(15.43%) is unrestricted.

Currituck County's Net Position

Figure 2

	Governmental Activities		Business-type Activities		Total	
	2014	2013	2014	2013	2014	2013
Current and other assets	\$ 52,922,524	\$ 53,084,993	\$ 12,315,912	\$ 15,073,353	\$ 65,238,436	\$ 68,158,346
Capital assets	113,565,111	113,787,396	57,591,656	57,062,060	171,156,767	170,849,456
Total assets	\$ 166,487,635	\$ 166,872,389	\$ 69,907,568	\$ 72,135,413	\$ 236,395,203	\$ 239,007,802
Long-term liabilities outstanding	\$ 23,406,563	\$ 24,900,542	\$ 26,448,302	\$ 28,167,787	\$ 49,854,865	\$ 53,068,329
Other liabilities	3,690,881	5,898,599	666,448	1,065,473	4,357,329	6,964,072
Total liabilities	27,097,444	30,799,141	27,114,750	29,233,260	54,212,194	60,032,401
Total deferred inflows of resources	29,038	27,779	-	-	29,038	27,779
Net position:						
Net investment in capital assets	104,063,563	101,478,868	28,462,332	29,352,060	132,525,895	130,830,928
Restricted	21,530,373	16,509,722	-	-	21,530,373	16,509,722
Unrestricted	13,767,217	18,056,879	14,330,486	13,550,093	28,097,703	31,606,972
Total net position	\$ 139,361,153	\$ 136,045,469	\$ 42,792,818	\$ 42,902,153	\$ 182,153,971	\$ 178,947,622

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 98.57%, higher than the statewide average of 97.05%.
- Increases in Franchise taxes of \$103,432 and Article 39 Sales Tax of \$102,803.
- Management's proactive stance on monitoring spending across County departments to ensure compliance with the budget.
- 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
	2014	2013	2014	2013	2014	2013
Revenues:						
Program revenues:						
Charges for services	\$ 3,627,967	\$ 4,675,873	\$ 11,268,950	\$ 11,537,028	\$ 14,896,917	\$ 16,212,901
Operating grants and contributions	3,281,652	2,499,496	75,844	168,867	3,357,496	2,668,363
Capital grants and contributions	512,725	1,431,408	72,527	206,491	585,252	1,637,899
General revenues:						
Property taxes	29,305,427	27,912,650	363,067	116,393	29,668,494	28,029,043
Other taxes	22,746,261	21,808,029	-	-	22,746,261	21,808,029
Investment earnings, unrestricted	357,310	327,131	83,032	115,260	440,342	442,391
Total revenues	59,831,342	58,654,587	11,863,420	12,144,039	71,694,762	70,798,626
Expenses:						
General government	6,607,468	7,999,138	-	-	6,607,468	7,999,138
Public safety	20,161,974	19,305,733	-	-	20,161,974	19,305,733
Transportation	1,000,818	1,079,075	-	-	1,000,818	1,079,075
Economic and physical development	761,700	3,531,181	-	-	761,700	3,531,181
Environmental protection	8,490,835	3,174,699	-	-	8,490,835	3,174,699
Human services	4,688,478	4,492,638	-	-	4,688,478	4,492,638
Cultural and recreation	3,131,488	1,982,118	-	-	3,131,488	1,982,118
Education	10,782,180	10,100,754	-	-	10,782,180	10,100,754
Interest on long-term debt	290,717	364,671	-	-	290,717	364,671
Solid Waste	-	-	4,135,657	4,274,049	4,135,657	4,274,049
Water and sewer	-	-	8,437,098	8,295,709	8,437,098	8,295,709
Total expenses	55,915,658	52,030,007	12,572,755	12,569,758	68,488,413	64,599,765
Increase in net position before transfers, special item and capital contributions	3,915,684	6,624,580	(709,335)	(425,719)	3,206,349	6,198,861
Loss on sale of capital assets	-	(99,618)	-	(11,036)	-	-
Capital contributions	-	-	-	-	-	-
Transfers	(600,000)	(900,461)	600,000	900,461	-	-
Increase in net position	3,315,684	5,624,501	(109,335)	463,706	3,206,349	6,198,861
Net position, July 1	136,045,469	130,420,968	42,902,153	42,438,447	178,947,622	172,859,415
Net position, June 30	\$ 139,361,153	\$ 136,045,469	\$ 42,792,818	\$ 42,902,153	\$ 182,153,971	\$ 179,058,276

Governmental activities. Governmental activities increased the County's net position by \$3,315,684. 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 decreased Currituck County’s net position by \$109,335. Key elements of this decrease are as follows:

- Completion of roadway in the Walnut Island Sewer district with funds received in a prior year.
- Initial start-up costs for the Moyock Central Sewer system.
- Costs related to closing down the Newtown Road Sewer system.

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 \$5,696,112, while total fund balance reached \$11,084,315. The County currently has an available fund balance of 12.54% of general fund expenditures, while total fund balance represents 24.40% 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

	2014 Total	2013 Total	Change in Fund Balances
General	\$ 11,084,315	\$ 10,095,098	\$ 989,217
County Governmental Facilities	7,634,895	8,984,201	(1,349,306)
School Facilities	5,539,568	5,507,828	31,740
Tourism Development Authority	10,476,130	9,292,689	1,183,441
Other Governmental	13,687,712	12,411,065	1,276,647
	<u>\$ 48,422,620</u>	<u>\$ 46,290,881</u>	<u>\$ 2,131,739</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 \$1,183,441 increase over the prior year due to increase in Occupancy Tax

revenue receipts and repayment of intra-fund loan from the Southern Outer Banks Water System.

At June 30, 2014, the governmental funds of Currituck County reported a combined fund balance of \$48,422,620, a 4.61% increase over last year. This increase is primarily due to increases in Occupancy Tax and Sales Tax revenues.

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	\$ 27,067,037	\$ 28,311,694	\$ 1,244,657
Other taxes and licenses	5,517,390	5,815,654	298,264
Restricted intergovernmental	158,200	154,237	(3,963)
Unrestricted intergovernmental	3,006,768	2,930,440	(76,328)
Permits and fees	2,159,171	2,161,343	2,172
Sales and services	747,667	816,158	68,491
Investment earnings	79,000	68,987	(10,013)
Miscellaneous	213,809	313,190	99,381
Total revenues	<u>38,949,042</u>	<u>40,571,703</u>	<u>1,622,661</u>
Expenditures:			
General government	6,040,520	5,575,334	465,186
Public safety	18,720,745	17,555,607	1,165,138
Transportation	579,377	502,692	76,685
Environmental protection	214,871	182,135	32,736
Economic and physical development	1,530,373	1,433,301	97,072
Human services	4,735,431	4,416,362	319,069
Cultural and recreational	2,296,538	1,671,756	624,782
Education	10,190,218	10,145,291	44,927
Debt service	3,946,660	3,942,697	3,963
Total expenditures	<u>48,254,733</u>	<u>45,425,175</u>	<u>2,829,558</u>
Revenues over (under) expenditures	(9,305,691)	(4,853,472)	4,452,219
Other financing sources (uses):			
Transfers to other funds	(1,210,731)	(1,182,935)	27,796
Transfers from other funds	7,350,393	6,620,867	(729,526)
Total other financing sources (uses)	<u>6,139,662</u>	<u>5,437,932</u>	<u>(701,730)</u>
Revenues and other financing sources over expenditures and other financing uses	(3,166,029)	584,460	3,750,489
Appropriated fund balance	<u>3,166,029</u>	<u>-</u>	<u>(3,166,029)</u>
Revenues, appropriated fund balance, and other financing sources over expenditures and other financing uses	<u>\$ -</u>	<u>\$ 584,460</u>	<u>\$ 584,460</u>

Total amendments to the General Fund increased revenues by \$1,215,935. 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, and reduction of various Human

Services grant funds. The overall actual General fund revenues were \$1,622,661 greater than budget. The final budget for expenditures was \$48,254,733, which was a \$741,813 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 \$4,030,098, and those for the Water and Sewer Districts totaled \$10,300,388. The total change in net position for the proprietary funds is shown in Figure 6, below.

Figure 6
Changes in Net Position for Proprietary Funds

	June 30 2014	June 30 2013	Change in Net Position
Solid Waste	\$ 4,509,310	\$ 5,160,105	\$ (650,795)
Ocean Sands Water and Sewer	7,551,708	7,218,354	333,354
Mainland Water	8,196,088	8,855,270	(659,182)
Southern Outer Banks Water	14,106,003	12,642,223	1,463,780
Moyock Central Sewer	2,490,159	2,648,086	(157,927)
Non-Major Proprietary Funds			
Newtown Road Sewer	284,921	308,524	(23,603)
Maple Commerce Park Sewer	1,806,417	1,889,762	(83,345)
Moyock Commons Sewer	351,593	609,071	(257,478)
Walnut Island Sewer	3,496,619	3,570,758	(74,139)
Total	<u>\$ 42,792,818</u>	<u>\$ 42,902,153</u>	<u>\$ (109,335)</u>

Capital Asset and Debt Administration

Capital assets. Currituck County’s capital assets for its governmental and business – type activities as of June 30, 2014, totals \$171,156,767, 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:

- Construction of a public access facility in Corolla
- Continued construction of distribution lines for the Moyock Central Sewer
- Expansion of the Southern Outer Banks Water System
- 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	
	2014	2014	2014	2014	2014	2013
Land	\$ 19,721,045	\$ 1,970,953	\$ 21,691,998	\$ 21,539,657		
Buildings and system	64,237,882	39,674,509	103,912,391	107,403,556		
Computer Equipment	784,356	249,762	1,034,118	1,242,074		
Furniture & Fixtures	15,123,998	164,846	15,288,844	15,410,559		
Equipment	7,507,861	11,605,464	19,113,325	15,095,257		
Vehicles and motorized equipment	4,285,383	176,492	4,461,875	2,302,698		
Construction in progress	1,904,586	3,749,630	5,654,216	7,855,656		
Total	\$ 113,565,111	\$ 57,591,656	\$ 171,156,767	\$ 170,849,457		

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, 2014, Currituck County had total bonded debt outstanding of \$17,805,000. Of that amount, \$730,000 is debt backed by the full faith and credit of the County while the remaining \$17,075,000 is backed by certain revenues of the Mainland Water System. The County also had installment purchase agreements 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 \$4,644,405, \$4,857,143, \$2,340,000, and \$6,375,000, 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	
	2014	2013	2014	2013	2014	2013
Installment Purchase	\$ 9,501,548	\$ 12,308,528	\$ 8,715,000	\$ 9,745,000	\$ 18,216,548	\$ 22,053,528
Revenue bonds	-	-	15,915,000	16,475,000	15,915,000	16,475,000
General obligation bonds	730,000	1,575,000	1,160,000	1,490,000	1,890,000	3,065,000
Total debt	\$ 10,231,548	\$ 13,883,528	\$ 25,790,000	\$ 27,710,000	\$ 36,021,548	\$ 41,593,528

Figure 8

Currituck County's total debt decreased by \$5,571,980 (13.40%) 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 \$426,303,444. The County has no bonds authorized but un-issued at June 30, 2014.

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, 2014, Currituck County had the lowest unemployment rate in the State with a rate of 4.2%, compared to the State average of 6.4%.
- Property values decreased as a result of the octennial revaluation.

Budget Highlights for the Fiscal Year Ending June 30, 2015

Governmental Activities: Currituck County's octennial revaluation became effective for the 2014 fiscal year. Governmental fund revenues are budgeted conservatively with a 3.09% increase from the actual revenues received for the year ended June 30, 2014, while the business fund revenues are projected to increase by 5.70% over the prior year which is attributed to increases of the customer bases of the water and sewer funds once as expansion of these systems continue throughout the year.

Budgeted expenditures in the General Fund are anticipated to be \$47,157,632 before transfers to other funds, approximately 3.59% increase over the prior year.

Business – type Activities: For the upcoming fiscal year, the County will continue to 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 has been completed and merging the Newtown Road and the Moyock Commons sewer systems into one central system should be complete by June 30, 2016. 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 101, 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, 2014

	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	\$ 43,898,664	\$ 14,261,225	\$ 58,159,889	\$ 540,532	\$ 676,650
Restricted Cash	1,071,377	78,239	1,149,616	-	-
Receivables (net)	699,933	4,417	704,350	206,449	-
Other receivables (net)	116,566	1,311,335	1,427,901	-	-
Due from other governments	3,559,730	-	3,559,730	-	-
Due from component unit	73,592	-	73,592	-	-
Due from other funds	3,339,304	(3,339,304)	-	-	-
Inventories	809	-	809	65,493	583,427
Prepaid items	82,498	-	82,498	52,401	4,130
Prepaid pension costs	80,051	-	80,051	-	-
Endowment fund	-	-	-	23,096	-
Non-endowed funds	-	-	-	4,975	-
Capital assets:					
Land, improvements, non-depreciable collections and construction in progress	21,625,631	5,720,583	27,346,214	894,123	425,900
Other capital assets, net of depreciation	91,939,480	51,871,073	143,810,553	144,253	1,730,320
Total capital assets	113,565,111	57,591,656	171,156,767	1,038,376	2,156,220
Total assets	166,487,635	69,907,568	236,395,203	1,931,322	3,420,427
LIABILITIES					
Accounts payable and accrued expenses	3,142,583	588,209	3,730,792	76,119	280,777
Customer deposits	-	78,239	78,239	-	-
Deposits held in trust	548,298	-	548,298	-	-
Due to primary government	-	-	-	-	73,592
Long-term liabilities:					
Due within one year	2,921,527	1,960,000	4,881,527	-	-
Due in more than one year	20,485,036	24,488,302	44,973,338	-	-
Total long-term liabilities	23,406,563	26,448,302	49,854,865	-	-
Total liabilities	27,097,444	27,114,750	54,212,194	76,119	354,369
DEFERRED INFLOWS OF RESOURCES					
Prepaid taxes	29,038	-	29,038	-	-
Total deferred inflows of resources	29,038	-	29,038	-	-
NET POSITION					
Net investment in capital assets	104,063,563	28,462,332	132,525,895	1,038,376	2,156,220
Restricted for:					
Stabilization by State Statute	7,654,166	-	7,654,166	-	-
Public Safety	294,893	-	294,893	-	-
Education	1,724,261	-	1,724,261	-	-
Working capital	-	-	-	-	163,366
Capital assets	11,857,053	-	11,857,053	415,129	-
Unrestricted (deficit)	13,767,217	14,330,486	28,097,703	401,698	746,472
Total net position	\$ 139,361,153	\$ 42,792,818	\$ 182,153,971	\$ 1,855,203	\$ 3,066,058

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, 2014

Program Revenues

Functions/Programs	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Primary government:				
Governmental Activities:				
General government	\$ 6,607,468	\$ 1,500,025	\$ 154,237	\$ -
Public safety	20,161,974	1,495,000	458,824	41,714
Transportation	1,000,818	461,021	-	73,511
Economic and physical development	761,700	85,482	13,547	77,500
Environmental protection	8,490,835	-	273,267	-
Human services	4,688,478	14,063	2,354,571	-
Cultural and recreation	3,131,488	72,376	27,206	50,000
Education	10,782,180	-	-	270,000
Interest on long-term debt	290,717	-	-	-
Total governmental activities	<u>55,915,658</u>	<u>3,627,967</u>	<u>3,281,652</u>	<u>512,725</u>
Business-type activities:				
Solid Waste	4,135,657	2,715,259	26,860	-
Water and Sewer	8,437,098	8,553,691	48,984	72,527
Total business-type activities	<u>12,572,755</u>	<u>11,268,950</u>	<u>75,844</u>	<u>72,527</u>
	<u>\$ 68,488,413</u>	<u>\$ 14,896,917</u>	<u>\$ 3,357,496</u>	<u>\$ 585,252</u>
Component units:				
Whalehead Preservation Trust	\$ 1,260,465	\$ 536,934	\$ 800,000	\$ -
ABC Board	3,324,342	3,622,831	-	-
Total component units	<u>\$ 4,584,807</u>	<u>\$ 4,159,765</u>	<u>\$ 800,000</u>	<u>\$ -</u>

General revenues:

Taxes:

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

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	
\$ (4,953,206)		\$ (4,953,206)			
(18,166,436)		(18,166,436)			
(466,286)		(466,286)			
(585,171)		(585,171)			
(8,217,568)		(8,217,568)			
(2,319,844)		(2,319,844)			
(2,981,906)		(2,981,906)			
(10,512,180)		(10,512,180)			
(290,717)		(290,717)			
<u>(48,493,314)</u>	<u>-</u>	<u>(48,493,314)</u>			
-	(1,393,538)	(1,393,538)			
-	238,104	238,104			
<u>-</u>	<u>(1,155,434)</u>	<u>(1,155,434)</u>			
<u>(48,493,314)</u>	<u>(1,155,434)</u>	<u>(49,648,748)</u>			
			\$ 76,469	\$ -	
			-	298,489	
			<u>76,469</u>	<u>298,489</u>	
28,255,914	-	28,255,914	-	-	
-	363,067	363,067	-	-	
1,049,513	-	1,049,513	-	-	
8,310,581	-	8,310,581	-	-	
2,831,474	-	2,831,474	-	-	
10,581,198	-	10,581,198	-	-	
12,254	-	12,254	-	-	
640,451	-	640,451	-	-	
370,303	-	370,303	-	-	
357,310	83,032	440,342	1,683	213	
-	-	-	(1,067)	(1,976)	
-	-	-	2,140	-	
<u>(600,000)</u>	<u>600,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	
<u>51,808,998</u>	<u>1,046,099</u>	<u>52,855,097</u>	<u>2,756</u>	<u>(1,763)</u>	
3,315,684	(109,335)	3,206,349	79,225	296,726	
136,045,469	42,902,153	178,947,622	1,775,978	2,769,332	
<u>\$ 139,361,153</u>	<u>\$ 42,792,818</u>	<u>\$ 182,153,971</u>	<u>\$ 1,855,203</u>	<u>\$ 3,066,058</u>	

**County of Currituck, North Carolina
Balance Sheet
Governmental Funds
June 30, 2014**

	Major				Nonmajor	
	General	County	School	Tourism	Other Governmental Funds	Total Governmental Funds
		Facilities Fund	Facilities Fund	Development Authority Fund		
ASSETS						
Cash and cash equivalents	\$ 10,238,218	\$ 7,893,992	\$ 5,441,002	\$ 7,518,484	\$ 12,806,968	\$ 43,898,664
Restricted Cash	784,445	-	286,932	-	-	1,071,377
Taxes receivable, net	695,703	-	-	-	4,230	699,933
Other receivables, net	88,860	-	-	-	27,706	116,566
Due from other governments	2,245,827	114,996	16,587	12,427	1,169,893	3,559,730
Due from component unit	73,592	-	-	-	-	73,592
Due from other funds	32,584	-	-	3,339,304	-	3,371,888
Prepaid insurance	82,498	-	-	-	-	82,498
Inventories	809	-	-	-	-	809
Total assets	\$ 14,242,536	\$ 8,008,988	\$ 5,744,521	\$ 10,870,215	\$ 14,008,797	\$ 52,875,057
LIABILITIES AND FUND BALANCES						
Liabilities:						
Accounts payable and accrued liabilities	\$ 2,433,480	\$ 374,093	\$ 204,953	\$ 394,084	\$ 284,271	\$ 3,690,881
Due to other funds	-	-	-	-	32,584	32,584
Total liabilities	2,433,480	374,093	204,953	394,084	316,855	3,723,465
DEFERRED INFLOWS OF RESOURCES						
Property taxes receivable	695,703	-	-	-	4,230	\$ 699,933
Prepaid taxes	29,038	-	-	-	-	29,038
Total deferred inflows (outflows) of resources	724,741	-	-	-	4,230	728,971
Fund balances:						
Nonspendable:						
Inventories	809	-	-	-	-	809
Restricted:						
Stabilization by State Statute	3,107,528	114,996	16,587	3,351,731	1,063,324	7,654,166
Emergency Telephone System	-	-	-	-	294,893	294,893
County Governmental Assets	2,519,576	-	-	-	9,337,477	11,857,053
School Capital Assets	-	-	286,932	-	1,214,581	1,501,513
Tourism	-	-	-	6,704,364	-	6,704,364
Watershed Improvements	-	-	-	-	566,361	566,361
Whalehead Beach Solid Waste	-	-	-	-	131,154	131,154
Committed:						
Carova Beach Service District	-	-	-	74,731	-	74,731
Fire Protection	484,517	-	-	-	-	484,517
Fire Equipment Replacement	-	-	-	-	356,112	356,112
County Governmental Assets	-	7,519,899	-	-	-	7,519,899
School Capital Assets	-	-	5,236,049	-	-	5,236,049
Enterprise Internal Loan	-	-	-	-	-	-
Tax Revaluation	236,147	-	-	-	-	236,147
Assigned:						
Subsequent year's expenditures	3,078,429	-	-	345,304	652,251	4,075,984
CDBG project	-	-	-	-	71,559	71,559
Unassigned:						
	1,657,309	-	-	-	-	1,657,309
Total fund balances	11,084,315	7,634,895	5,539,568	10,476,130	13,687,712	48,422,620
Total liabilities, deferred inflows of resources, and fund balances	\$ 14,242,536	\$ 8,008,988	\$ 5,744,521	\$ 10,870,214	\$ 14,008,797	

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	80,051
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.	113,565,111
Other long-term assets are not available to pay for current-period expenditures and therefore are unavailable in the funds.	699,934
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).	(23,406,563)
Net position of governmental activities	\$ 139,361,153

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, 2014

	Major				Nonmajor	
	General Fund	County	School	Tourism	Other	Total
		Governmental	Facilities Fund	Development		
				Authority	Funds	Funds
REVENUES						
Ad valorem taxes	\$ 28,311,694	\$ -	\$ -	\$ -	\$ 1,049,513	\$ 29,361,207
Other taxes and licenses	5,815,654	-	-	10,581,198	6,521,262	22,918,114
Unrestricted intergovernmental	154,237	-	-	-	-	154,237
Restricted intergovernmental	2,930,440	73,511	270,000	-	238,689	3,512,640
Permits and fees	2,161,343	-	-	29,450	-	2,190,793
Sales and services	816,158	-	-	25,277	-	841,435
Investment earnings	87,587	73,359	45,103	59,320	91,941	357,310
Miscellaneous	313,190	10,657	50,000	186,487	-	560,334
Total revenues	<u>40,590,303</u>	<u>157,527</u>	<u>365,103</u>	<u>10,881,732</u>	<u>7,901,405</u>	<u>59,896,070</u>
EXPENDITURES						
Current:						
General government	5,605,177	-	-	-	111,750	5,716,927
Public safety	17,555,607	317,580	-	-	336,280	18,209,467
Transportation	502,692	19,934	-	-	-	522,626
Environmental protection	182,135	-	-	-	1,839,339	2,021,474
Economic and physical development	1,438,301	742,411	-	5,434,179	193,569	7,808,460
Human services	4,416,362	-	-	-	-	4,416,362
Cultural and recreational	1,671,756	2,072,382	-	-	-	3,744,138
Intergovernmental:						
Education	10,145,291	(3,981)	640,870	-	-	10,782,180
Debt service:						
Principal	3,651,980	-	-	-	-	3,651,980
Interest	290,717	-	-	-	-	290,717
Total expenditures	<u>45,460,018</u>	<u>3,148,326</u>	<u>640,870</u>	<u>5,434,179</u>	<u>2,480,938</u>	<u>57,164,331</u>
Excess (deficiency) of revenues over expenditures	<u>(4,869,715)</u>	<u>(2,990,799)</u>	<u>(275,767)</u>	<u>5,447,553</u>	<u>5,420,467</u>	<u>2,731,739</u>
OTHER FINANCING SOURCES (USES)						
Transfers from other funds	7,041,867	1,641,493	410,000	-	267,000	9,360,360
Transfers to other funds	(1,182,935)	-	(102,493)	(4,264,112)	(4,410,820)	(9,960,360)
Total other financing sources and uses	<u>5,858,932</u>	<u>1,641,493</u>	<u>307,507</u>	<u>(4,264,112)</u>	<u>(4,143,820)</u>	<u>(600,000)</u>
Net change in fund balance	989,217	(1,349,306)	31,740	1,183,441	1,276,647	2,131,739
Fund balances-beginning	10,095,098	8,984,201	5,507,828	9,292,689	12,411,065	46,290,881
Fund balances-ending	<u>\$ 11,084,315</u>	<u>\$ 7,634,895</u>	<u>\$ 5,539,568</u>	<u>\$ 10,476,130</u>	<u>\$ 13,687,712</u>	<u>\$ 48,422,620</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, 2014

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

Net changes in fund balances - total governmental funds	\$ 2,131,739
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 outlay exceeded depreciation in the current period	(213,337)
Cost of capital asset disposed of during the year, not recognized on modified accrual basis	(8,948)
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds	(55,780)
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.	3,651,980
Actuarial decrease in prepaid pension costs that do not use current financial resources and are not reported as revenues in the funds	(31,969)
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>(2,158,001)</u>
Total changes in net position of governmental activities	<u><u>\$3,315,684</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, 2014

	General Fund				
	2014			Variance With Final Positive (Negative)	2013
	Original Budget	Final Budget	Actual		Actual
Revenues:					
Ad valorem taxes	\$ 26,414,836	\$ 27,067,037	\$ 28,311,694	\$ 1,244,657	\$ 26,943,147
Other taxes and licenses	5,287,500	5,517,390	5,815,654	298,264	5,567,834
Unrestricted intergovernmental	156,500	158,200	154,237	(3,963)	138,398
Restricted intergovernmental	2,856,192	3,006,768	2,930,440	(76,328)	2,932,397
Permits and fees	2,132,529	2,159,171	2,161,343	2,172	2,393,320
Sales and services	703,550	747,667	816,158	68,491	773,340
Investment earnings	79,000	79,000	68,987	(10,013)	62,700
Miscellaneous	103,000	213,809	313,190	99,381	617,053
Total revenues	<u>37,733,107</u>	<u>38,949,042</u>	<u>40,571,703</u>	<u>1,622,661</u>	<u>39,428,189</u>
Expenditures					
Current:					
General government	5,880,278	6,040,520	5,575,334	465,186	5,552,530
Public safety	18,397,579	18,720,745	17,555,607	1,165,138	16,713,279
Transportation	578,178	579,377	502,692	76,685	569,809
Environmental protection	214,791	214,871	182,135	32,736	195,678
Economic and physical development	1,507,420	1,530,373	1,433,301	97,072	1,418,678
Human services	4,487,570	4,735,431	4,416,362	319,069	4,236,116
Cultural and recreational	2,294,500	2,296,538	1,671,756	624,782	1,683,185
Intergovernmental:					
Education	10,190,218	10,190,218	10,145,291	44,927	10,100,754
Debt service	3,962,386	3,946,660	3,942,697	3,963	3,727,876
Total expenditures	<u>47,512,920</u>	<u>48,254,733</u>	<u>45,425,175</u>	<u>2,829,558</u>	<u>44,197,905</u>
Revenues over (under) expenditures	<u>(9,779,813)</u>	<u>(9,305,691)</u>	<u>(4,853,472)</u>	<u>4,452,219</u>	<u>(4,769,716)</u>
Other financing sources (uses):					
Transfers to other funds	(1,015,796)	(1,210,731)	(1,182,935)	27,796	(1,588,879)
Transfers from other funds	7,338,393	7,350,393	6,620,867	(729,526)	6,296,592
Total other financing sources (uses)	<u>6,322,597</u>	<u>6,139,662</u>	<u>5,437,932</u>	<u>(701,730)</u>	<u>4,707,713</u>
Revenues and other financing sources over expenditures and other financing uses	<u>(3,457,216)</u>	<u>(3,166,029)</u>	584,460	3,750,489	(62,003)
Appropriated fund balance	<u>3,457,216</u>	<u>3,166,029</u>	-	<u>(3,166,029)</u>	-
Revenues, appropriated fund balance, and other financing sources over expenditures and other financing uses	<u>\$ -</u>	<u>\$ -</u>	584,460	<u>\$ 584,460</u>	(62,003)
Fund balances:					
Beginning of year, July 1			7,744,132		7,806,135
End of year, June 30			<u>\$ 8,328,592</u>		<u>\$ 7,744,132</u>

Tourism Development Authority				
2014				2013
Original Budget	Final Budget	Actual	Variance With Final Positive (Negative)	Actual
\$ -	\$ -	\$ -	\$ -	\$ -
9,900,000	10,108,939	10,581,198	472,259	10,046,807
-	-	-	-	-
180,802	180,802	-	(180,802)	-
30,040	30,040	29,450	(590)	35,150
12,000	21,050	25,277	4,227	28,003
50,000	50,000	58,471	8,471	42,728
113,987	286,487	186,487	(100,000)	3,463
<u>10,286,829</u>	<u>10,677,318</u>	<u>10,880,883</u>	<u>203,565</u>	<u>10,156,151</u>
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
5,738,462	6,732,143	5,387,433	1,344,710	5,106,742
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
<u>5,738,462</u>	<u>6,732,143</u>	<u>5,387,433</u>	<u>1,344,710</u>	<u>5,106,742</u>
4,548,367	3,945,175	5,493,450	1,548,275	5,049,409
(4,792,263)	(4,804,263)	(4,264,112)	540,151	(4,427,720)
113,987	113,987	-	(113,987)	71,445
<u>(4,678,276)</u>	<u>(4,690,276)</u>	<u>(4,264,112)</u>	<u>426,164</u>	<u>(4,356,275)</u>
(129,909)	(745,101)	1,229,338	1,974,439	693,134
243,896	859,088	-	(859,088)	-
<u>\$ 113,987</u>	<u>\$ 113,987</u>	1,229,338	<u>\$ 1,115,351</u>	693,134
		9,172,061		8,478,927
		<u>\$ 10,401,399</u>		<u>\$ 9,172,061</u>

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

	General Fund				
	2014		2013		
	Original Budget	Final Budget	Actual	Variance With Final Positive (Negative)	Actual
General Fund ending fund balance, June 30			\$ 8,328,592		\$ 7,744,132
Revaluation Fund					
Investment earnings			1,096		1,886
Transfer-in from General Fund			121,000		121,000
Expenditures			(29,843)		(309,368)
Beginning Fund Balance, Revaluation			143,894		330,376
Fire District Fund					
Investment earnings			-		-
Transfer-out to General Fund			-		-
Expenditures			-		-
Beginning Fund Balance, Fire District			-		-
Land Banking Fund					
Investment earnings			17,504		15,332
Transfer-out to General Fund			-		-
Transfer-out to Moyock Central Sewer Fund			-		-
Transfer-in from Transfer Tax Capital Fund			300,000		300,000
Expenditures			(5,000)		-
Beginning Fund Balance, Land Banking Fund			2,207,072		1,891,740
Carova Beach Service District Fund					
Investment earnings			-		-
Expenditures			-		-
Beginning Fund Balance, School Capital Construction Fund			-		-
Ending Fund Balance, June 30 (Exhibit 4)			<u>\$ 11,084,315</u>		<u>\$ 10,095,098</u>

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

County of Currituck, North Carolina
Statement of Net Position
Proprietary Funds
June 30, 2014

	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, 2014	June 30, 2013
ASSETS								
Current assets:								
Cash and cash equivalents	\$ 4,261,886	\$ 5,148,926	\$ 2,644,139	\$ 2,047,928	\$ 47,858	\$ 110,488	\$ 14,261,225	\$ 18,229,314
Restricted cash	-	400	72,445	4,894	-	500	78,239	15,804
Taxes receivable, net	2,175	161	-	-	-	2,081	4,417	5,957
Receivables, net	103,798	196,788	389,372	513,208	8,411	99,758	1,311,335	1,259,581
Deferred charges - bond issuance	-	-	-	-	-	-	-	-
Deferred charges - refunding	-	-	-	-	-	-	-	-
Total current assets	4,367,859	5,346,275	3,105,956	2,566,030	56,269	212,827	15,655,216	19,510,656
Noncurrent assets:								
Restricted cash, cash equivalents, and investments:								
Cash, revenue bond proceeds	-	-	-	-	-	-	-	-
Capital assets:								
Land, improvements, and construction in progress	62,962	1,052,178	5,150	3,703,064	688,914	208,315	5,720,583	2,822,170
Other capital assets, net of depreciation	416,250	1,249,803	22,622,812	17,901,809	4,090,530	5,589,869	51,871,073	54,239,890
Total capital assets	479,212	2,301,981	22,627,962	21,604,873	4,779,444	5,798,184	57,591,656	57,062,060
Total noncurrent assets	479,212	2,301,981	22,627,962	21,604,873	4,779,444	5,798,184	57,591,656	57,062,060
Total assets	4,847,071	7,648,256	25,733,918	24,170,903	4,835,713	6,011,011	73,246,872	76,572,716
LIABILITIES								
Current liabilities:								
Accounts payable	337,761	91,389	7,284	16,329	5,554	70,961	529,278	877,709
Due to other funds	-	-	-	1,125,429	-	-	1,125,429	1,211,966
Customer deposits	-	400	72,445	4,894	-	500	78,239	73,082
Accrued salaries	-	3,345	23,016	32,570	-	-	58,931	51,606
General obligation bonds payable	-	-	345,000	-	-	-	345,000	315,000
Revenue bonds payable	-	-	585,000	-	-	-	585,000	540,000
Notes payable	-	-	-	850,000	180,000	-	1,030,000	1,030,000
Premium on debt issued	-	-	-	-	-	-	-	-
Total current liabilities	337,761	95,134	1,032,745	2,029,222	185,554	71,461	3,751,877	4,099,363
Noncurrent liabilities:								
Liabilities payable from restricted assets:								
Accrued vacation	-	1,414	34,437	27,394	-	-	63,245	63,076
Due to other funds	-	-	-	2,213,875	-	-	2,213,875	3,225,337
General obligation bonds payable	-	-	815,000	-	-	-	815,000	1,490,000
Revenue bonds payable	-	-	15,330,000	-	-	-	15,330,000	15,620,000
Notes payable	-	-	-	5,525,000	2,160,000	-	7,685,000	8,715,000
Other postemployment benefits	-	-	325,648	269,409	-	-	595,057	457,787
Total noncurrent liabilities	-	1,414	16,505,085	8,035,678	2,160,000	-	26,702,177	29,571,200
Total liabilities	337,761	96,548	17,537,830	10,064,900	2,345,554	71,461	30,454,054	33,670,563
NET POSITION								
Net investment in capital assets	479,212	2,301,981	5,552,962	11,890,569	2,439,444	5,798,184	28,462,352	29,352,060
Unrestricted	4,030,098	5,249,727	2,643,126	2,215,434	50,715	141,366	14,330,466	13,550,093
Total net position	\$ 4,509,310	\$ 7,551,708	\$ 8,196,088	\$ 14,106,003	\$ 2,490,159	\$ 5,939,550	\$ 42,792,818	\$ 42,902,153

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, 2014

	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, 2014	June 30, 2013
OPERATING REVENUES								
Charges for services	\$ 2,715,259	\$ 1,147,422	\$ 2,894,105	\$ 2,757,467	\$ 90,819	\$ 269,121	\$ 9,874,193	\$ 9,886,502
Water and sewer taps	-	4,800	405,200	969,920	11,000	-	1,390,920	1,603,372
Miscellaneous	-	2,485	-	-	-	1,352	3,837	47,154
Total operating revenues	<u>2,715,259</u>	<u>1,154,707</u>	<u>3,299,305</u>	<u>3,727,387</u>	<u>101,819</u>	<u>270,473</u>	<u>11,268,950</u>	<u>11,537,028</u>
OPERATING EXPENSES								
Administration	166,207	39,693	372,791	353,531	21,980	92,387	1,046,589	1,165,422
Water operations	-	477,726	960,687	844,635	-	-	2,283,048	2,209,037
Sewer operations	-	390,631	-	-	80,132	228,006	698,769	526,250
Landfill operations	3,933,805	-	-	-	-	-	3,933,805	4,072,593
Depreciation	35,645	172,101	1,901,152	852,541	311,614	246,515	3,519,568	3,466,714
Total operating expenses	<u>4,135,657</u>	<u>1,080,151</u>	<u>3,234,630</u>	<u>2,050,707</u>	<u>413,726</u>	<u>566,908</u>	<u>11,481,779</u>	<u>11,440,016</u>
Operating income (loss)	<u>(1,420,398)</u>	<u>74,556</u>	<u>64,675</u>	<u>1,676,680</u>	<u>(311,907)</u>	<u>(296,435)</u>	<u>(212,829)</u>	<u>97,012</u>
NONOPERATING REVENUES (EXPENSES)								
Tax revenue	106,254	238,721	-	-	-	18,092	363,067	116,393
Contributed capital	-	-	-	-	-	66,225	66,225	-
Grant	-	-	-	-	-	-	-	206,491
Sale of capital assets	-	-	-	6,302	-	-	6,302	1,475
Rent	-	-	-	47,085	-	-	47,085	96,819
Unrestricted intergovernmental revenues	26,860	-	-	-	-	-	26,860	59,537
Restricted intergovernmental revenues	-	1,899	-	-	-	-	1,899	-
Investment earnings	36,489	18,178	9,756	14,598	458	3,553	83,032	115,260
Interest expenses	-	-	(733,613)	(280,885)	(76,478)	-	(1,090,976)	(1,118,706)
Loss on disposition of assets	-	-	-	-	-	-	-	(11,036)
Total nonoperating revenue (expenses)	<u>169,603</u>	<u>258,798</u>	<u>(723,857)</u>	<u>(212,900)</u>	<u>(76,020)</u>	<u>87,870</u>	<u>(496,506)</u>	<u>(533,677)</u>
Income (loss) before contributions and	<u>(1,250,795)</u>	<u>333,354</u>	<u>(659,182)</u>	<u>1,463,780</u>	<u>(387,927)</u>	<u>(208,565)</u>	<u>(709,335)</u>	<u>(436,755)</u>
Transfers from (to) other funds	600,000	-	-	-	230,000	(230,000)	600,000	900,461
Change in net position	(650,795)	333,354	(659,182)	1,463,780	(157,927)	(438,565)	(109,335)	463,706
Total net position - beginning	5,160,105	7,218,354	8,855,270	12,642,223	2,648,086	6,378,115	42,902,153	42,438,447
Total net position - ending	<u>\$ 4,509,310</u>	<u>\$ 7,551,708</u>	<u>\$ 8,196,088</u>	<u>\$ 14,106,003</u>	<u>\$ 2,490,159</u>	<u>\$ 5,939,550</u>	<u>\$ 42,792,818</u>	<u>\$ 42,902,153</u>

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

County of Currituck, North Carolina
Statement of Cash Flows
Enterprise Fund
For The Fiscal Year Ended June 30, 2014

							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, 2014	June 30, 2013
Cash flows from operating activities:								
Cash received from customers	\$ 2,726,854	\$ 1,114,824	\$ 3,278,129	\$ 3,669,570	\$ 184,440	\$ 242,017	\$ 11,215,834	\$ 11,027,965
Cash paid for goods and services	(4,157,595)	(816,775)	(652,775)	(896,659)	(100,164)	(254,317)	(6,878,285)	(7,025,946)
Cash paid to employees for services	-	(50,308)	(638,095)	(599,209)	-	-	(1,287,612)	(1,200,758)
Customer deposits received	-	-	4,395	762	-	-	5,157	22,410
Customer deposits returned	-	-	-	-	-	-	-	(150)
Other operating revenue	-	-	-	-	-	1,352	1,352	47,154
Net cash provided (used) by operating activities	(1,430,741)	247,741	1,991,654	2,174,464	84,276	(10,948)	3,056,446	2,870,675
Cash flows from noncapital financing activities:								
Tax revenues	107,998	238,603	-	-	-	18,015	364,616	125,626
Rental Income	-	-	-	47,085	-	-	47,085	96,819
Loan from other funds	-	-	-	-	-	-	-	5,577,844
Transfer from (to) other funds	600,000	-	-	-	230,000	-	830,000	971,906
Net cash provided by noncapital financing	707,998	238,603	-	47,085	230,000	18,015	1,241,701	6,772,195
Cash flows from capital and related financing activities:								
Acquisition and construction of capital assets	(10,774)	(407,313)	(80,010)	(3,274,451)	(138,918)	(137,678)	(4,049,144)	(4,728,958)
Principal paid on bond maturities and installment purchase contracts	-	-	(890,000)	(1,947,999)	(180,000)	-	(3,017,999)	(3,025,521)
Interest paid on bond maturities and installment purchase contracts	-	-	(733,613)	(280,885)	(76,478)	-	(1,090,976)	(1,111,837)
Transfer from (to) other funds	-	-	-	-	-	(230,000)	(230,000)	(71,445)
Grants	-	1,899	-	6,302	-	-	8,201	59,537
Sale of capital assets	26,860	-	-	-	-	-	26,860	1,475
Capital contributions	-	-	-	-	-	66,225	66,225	206,491
Proceeds from debt issuance	-	-	-	-	-	-	-	-
Net cash provided (used) by capital and related financing activities	16,086	(405,414)	(1,703,623)	(5,497,033)	(395,396)	(301,453)	(8,286,833)	(8,670,258)
Cash flows from investing activities:								
Interest on investments	36,489	18,178	9,756	14,598	458	3,553	83,032	115,260
Net increase (decrease) in cash and cash equivalents	(670,168)	99,108	297,787	(3,260,886)	(80,662)	(290,833)	(3,905,654)	1,087,872
Cash and cash equivalents, July 1	4,932,054	5,050,218	2,418,797	5,313,708	128,520	401,821	18,245,118	17,157,246
Cash and cash equivalents, June 30	<u>\$ 4,261,886</u>	<u>\$ 5,149,326</u>	<u>\$ 2,716,584</u>	<u>\$ 2,052,822</u>	<u>\$ 47,858</u>	<u>\$ 110,988</u>	<u>\$ 14,339,464</u>	<u>\$ 18,245,118</u>
Reconciliation of operating income to net cash provided by operating activities:								
Operating income (loss)	\$ (1,420,398)	\$ 74,556	\$ 64,675	\$ 1,676,680	\$ (311,907)	\$ (296,435)	\$ (212,829)	\$ 97,012
Adjustments to reconcile operating income to net cash provided (used) by operating activities:								
Depreciation	35,645	172,101	1,901,152	852,541	311,614	246,515	3,519,568	3,466,714
Changes in assets and liabilities:								
(Increase) decrease in accounts receivable	11,595	(39,873)	(21,176)	(57,817)	82,621	(27,104)	(51,754)	(461,869)
Increase (decrease) in accounts payable and accrued liabilities	(57,583)	39,950	(23,729)	(367,797)	1,948	66,076	(341,135)	(396,461)
(Increase) decrease in accrued vacation	-	1,007	4,877	(5,715)	-	-	169	5,749
Increase in post employment benefits	-	-	61,460	75,810	-	-	137,270	137,270
Increase (decrease) in customer deposits	-	-	4,395	762	-	-	5,157	22,260
Total adjustments	<u>(10,343)</u>	<u>173,185</u>	<u>1,926,979</u>	<u>497,784</u>	<u>396,183</u>	<u>285,487</u>	<u>3,269,275</u>	<u>2,773,663</u>
Net cash provided (used) by operating activities	<u>\$ (1,430,741)</u>	<u>\$ 247,741</u>	<u>\$ 1,991,654</u>	<u>\$ 2,174,464</u>	<u>\$ 84,276</u>	<u>\$ (10,948)</u>	<u>\$ 3,056,446</u>	<u>\$ 2,870,675</u>

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, 2014

	Pension Trust Fund	Agency Funds
Assets		
Cash and cash equivalents	\$ 1,125,833	\$ 11,936
Due from other governments	-	19,711
Total assets	1,125,833	31,647
Liabilities and Net Position		
Liabilities:		
Accounts payable	27,302	8,835
Due to other governments	-	22,812
Total liabilities	27,302	31,647
Net position:		
Assets held for pension benefits	\$ 1,098,531	\$ -

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, 2014

	Post-employment Benefits Fund	
	June 30 2014	June 30 2013
Additions:		
Employer contributions		
Law enforcement separation allowance	\$ 61,186	\$ 37,535
Postemployment benefits	164,413	113,073
	<u>225,599</u>	<u>150,608</u>
Investment income:		
Interest	8,201	6,961
Total additions	<u>233,800</u>	<u>157,569</u>
Deductions:		
Benefits		
Law enforcement separation allowance	4,201	2,543
Postemployment benefits	143,350	121,089
Administrative expense	5,044	265
Total deductions	<u>152,595</u>	<u>123,897</u>
Change in net position	81,205	33,672
Net position:		
Beginning of year, July 1		
Law enforcement separation allowance	453,930	417,950
Postemployment benefits	563,396	565,704
Beginning of year, totals	<u>1,017,326</u>	<u>983,654</u>
End of year, June 30		
Law enforcement separation allowance	507,348	453,930
Postemployment benefits	591,183	563,396
Net position - end of year, totals	<u>\$ 1,098,531</u>	<u>\$ 1,017,326</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, 2014

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 all financial resources associated with Occupancy Tax. House Bill 555, ratified on May 18, 1987, established an Occupancy Tax for the County. There have been amendments throughout the years and the latest amendment to this legislation was House Bill 1721, ratified July 13, 2004. This names the sitting Board of Commissioners as the Tourism Development Authority Board with the Director of Travel and Tourism and the County Finance Director as ex officio members and is also presented as a blended component unit. The Carova Beach Service District 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 is a multi-year fund that accumulates resources and accounts for financial resources for construction of governmental facilities that will span more than one fiscal year.

School Facilities Fund. This is a multi-year fund that accumulates resources and accounts for financial resources for construction of school facilities that will span more than one fiscal year.

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 Fund. This fund is used to account for the operations of the sewer system 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 Agency Fund. The County maintains a Pension Agency Fund for Postemployment benefits - the Law Enforcement Officers' (LEO) Special Separation Allowance and the Other Postemployment Benefits. Pension agency funds are used to report resources that are held in a separate for the members and beneficiaries of defined benefit pension plans, defined contribution plans, or other postemployment benefit plans. The LEO Special Separation Allowance Fund accounts for the Law Enforcement Officers' Special Separation Allowance, a single-employer, public employee retirement system. The Other Postemployment Benefits Fund accounts 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 Carolina County Board of Education; the Jail Agency Fund, which accounts for moneys deposited with the Detention Center for the benefit of certain individuals; 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 is remitted to the State Treasurer on a monthly basis.

Non-major Funds. The County maintains sixteen legally budgeted funds. The multi-year Grant Fund, Emergency Telephone System Fund, Guinea Mill Watershed Improvement Fund, Hog Bridge Ditch Watershed Improvement Fund, Moyock Watershed Improvement Fund, Northwest Watershed Improvement Fund, Whalehead Watershed Improvement Fund, and the Whalehead Beach Solid Waste Service District Fund are reported as non-major special revenue funds. The Fire Equipment Replacement Fund, Capital Improvements Fund, School Capital Projects Fund, and Transfer Tax Capital Fund are reported as non-major capital projects funds. The Newtown Road Sewer Fund, the Maple Commerce Park Sewer Fund, the Moyock Commons Sewer Fund and the Walnut Island Sewer Fund are reported as non-major proprietary funds.

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 revenue because the amount is not susceptible to accrual. At June 30, taxes receivable for property other than motor vehicles are materially past due and are not considered to be an available resource to finance the operations of the current year. As of September 1, 2013, 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 the law, the State of North Carolina is responsible for billing and collecting the property taxes on registered motor vehicles on behalf of all municipalities and special tax districts. Property taxes are due when vehicles are registered. The billed taxes are applicable to the fiscal year in which they are received. Uncollected taxes that were billed in periods prior to September 1, 2013 and for limited registration plates are shown as a receivable in 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 is 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 general revenues.

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

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.

Currituck County Restricted Cash		
Governmental Activities		
General Fund	Tax Revaluation	\$ 236,148
General Fund	Deposits Held in Trust	548,297
School Facilities Fund	Grant Funds	286,932
Total Governmental Activities		<u>\$ 1,071,377</u>
Business-Type Activities		
Ocean Sands Water & Sewer District	Customer deposits	400
Mainland Water Fund	Customer deposits	72,445
Southern Outer Banks Water Fund	Customer deposits	4,894
Newtown Road Sewer Fund	Customer deposits	350
Moyock Commons Sewer Fund	Customer deposits	150
Total Business-Type Activities		<u>\$ 78,239</u>
Total Restricted Cash		<u>\$ 1,149,616</u>

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, 2013. As allowed by State law, the County has established a schedule of discounts that apply to taxes that are paid prior to the due date. In the County's General Fund, ad valorem tax revenues are reported net of such discounts.

5. Allowances for Doubtful Accounts

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

6. Inventories and Prepaid Items

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

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

7. Capital Assets

Purchased or constructed capital assets are reported at cost or estimated historical cost. Donated capital assets are recorded at their estimated fair value at the date of donation. Certain items acquired before July 1, 1970 are recorded at an estimated historical cost. The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend assets' lives are not capitalized.

The capitalization threshold for County assets is \$5,000. Capital assets of the County are depreciated on a straight-line basis over the following estimated useful lives:

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

The County holds title to Shawboro Elementary School, which is included in the County's capital assets. This property has been deeded to the County to permit installment purchase financing of acquisition and construction costs and to permit the County to receive refunds of sales tax paid for construction costs. Agreements between the County and the Board of Education give the Board of

Education full use of the facilities, full responsibility for maintenance of the facilities, and provide that the County will convey title to the property back to the Board of Education, once all restrictions of the financing agreements and all sales tax reimbursement requirements have been met.

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

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

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

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

8. Deferred outflows/inflows of resources

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflow of resources. This separate financial statement element, Deferred Outflows of Resources, represents a consumption of net position that applies to a future period and so will not be recognized as an expense or expenditure until then. The County has one item that meets this criterion - a charge on refunding that had previously been classified as an asset.

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 special assessments 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 other financing sources.

The ABC Board and the Whalehead Preservation Trust had no long-term liabilities as of June 30, 2014.

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, 2014 and June 30, 2013, amounted to approximately \$13,807 and \$19,619, 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, 2014 and 2013 amounted to approximately \$4,179 and \$2,715, respectively, and is all considered current.

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

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 Emergency Telephone System – portion of fund balance this is restricted by revenue source to pay for 911 services.

Restricted for County Governmental Assets – portion of fund balance that is restricted by revenue source for construction or purchase of governmental assets.

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 – portion of fund balance than can only be used for Tourism promotion or Tourism related expenditures.

Restricted for Watershed Improvements – portion of fund balance that can only be used for watershed improvements in certain special revenue districts.

Restricted for Whalehead Beach Solid Waste – portion of fund balance that can only be used for solid waste activities in the Whalehead Beach service district.

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. The governing body approves the appropriation through the annual budget ordinance; any changes of specific purposes requires majority action by the governing body.

Committed for Carova Beach Service District – portion of fund balance that can only be used in the Carova Beach service district.

Committed to Fire Protection Services – portion of fund balance that can only be used for fire protection throughout the County.

Committed to Fire Equipment Replacement – portion of fund balance that can only be used for purchase or replacement of capital assets for fire protection.

Committed to School Capital Assets – portion of fund balance that can only be used for School Capital assets.

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.

Assigned for 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 CDBG – portion of fund balance that has been budgeted by the board for use in the Community Development Block Grant Scattered Site program.

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 \$90,938,533 consists of several elements as follows:

Description	Amount
Prepaid pension costs resulting from actuarial study, which are not reported in the funds	\$ 80,051
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)	159,385,176
Less accumulated depreciation	(45,820,065)
Net capital assets	<u>113,565,111</u>
Liabilities for deferred inflows of resources reported in the fund statement but not the government-wide	699,934
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	(10,231,548)
Compensated absences	(1,151,099)
Other postemployment benefits	(12,023,916)
Total adjustment	<u>\$ 90,938,533</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 \$1,183,945 as follows:

Description	Amount
Capital outlay expenditures recorded in the fund statements but capitalized as assets in the statement of activities	\$ 6,276,785
Cost of disposed capital asset not recorded on fund statement	(8,948)
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.	(6,490,122)
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	-
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	3,651,980
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	(17,588)
Other postemployment benefits	(2,140,413)
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 7/1/13	(755,714)
Recording of tax receipts deferred in the fund statements as of 6/30/14	699,934
Change in prepaid pension cost for law enforcement separation allowance	(31,969)
Total adjustment	<u>\$ 1,183,945</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, 2014, the County's deposits had a carrying amount of \$38,975,194 and a bank balance of \$39,673,863. Of the bank balance, \$750,000 was covered by federal depository insurance and \$38,362,550 in interest bearing deposits were covered by collateral held under the Pooling Method.

At June 30, 2014, the County had \$2,050 and the Whalehead Preservation Trust had \$1,200 cash on hand.

At June 30, 2014, the carrying amount of deposits for Currituck County ABC Board was \$676,650. At June 30, 2014 the ABC Board's deposits had a bank balance of \$756,418. 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, 2014, the Whalehead Preservation Trust's deposits had a carrying amount of \$539,332 and a bank balance of \$566,504. The Trust maintains its cash balances at three banks. Of this amount, \$504,616 was covered by federal depository insurance and \$61,888 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, 2014, 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	2,978,061	\$ -	\$ -	2,978,061	\$ -
Federal agencies	\$ 18,373,327	-	3,000,000	15,373,327	-
NC Capital Management Trust:					
Cash Portfolio	\$ 118,642	N/A	N/A	N/A	N/A
Total Investments	\$ 21,470,030	\$ -	\$ 3,000,000	\$ 18,351,388	\$ -

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, 2014, 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, 2014.

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, 2014, 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 Federal Farm Credit Bank, Fannie Mae. Kookmin Bank Commercial Paper, Federal Home Loan Bank and Freddie Mac. These investments are 9.38%, 14.02%, 14.05%, 21.41%, and 39.13% 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
2011	953,649	312,320	1,265,969
2012	972,196	230,897	1,203,093
2013	934,695	137,868	1,072,563
2014	1,167,080	67,107	1,234,187
Total	\$ 4,027,620	\$ 748,192	\$ 4,775,812

4. Receivables

Receivables at the government-wide level at June 30, 2014, were as follows:

	Taxes and Related Accrued			Due from Other Governments	Total
	Accounts	Interest			
Governmental Activities:					
General	\$ 88,860	\$ 712,908	\$ 2,245,827		\$ 3,047,595
County Governmental Facilities	-	-	114,996		114,996
School Facilities	-	-	16,587		16,587
Tourism Development Authority	-	-	12,427		12,427
Other Governmental	27,706	4,230	1,169,893		1,201,829
Total receivables	116,566	717,138	3,559,730		4,393,434
Allowance for doubtful accounts	-	(17,205)	-		(17,205)
Total-governmental activities	\$ 116,566	\$ 699,933	\$ 3,559,730		\$ 4,376,229
Business-type Activities					
Solid Waste	\$ 103,798	\$ 2,577	\$ -		\$ 106,375
Ocean Sands Water and Sewer	196,986	161	-		197,147
Mainland Water	421,070	-	-		421,070
Southern Outer Banks Water	513,208	-	-		513,208
Moyock Central Sewer	8,411	-	-		8,411
Other Proprietary	99,758	2,081	-		101,839
Total receivables	1,343,231	4,819	-		1,348,050
Allowance for doubtful accounts	(31,896)	(402)	-		(32,298)
Total - business-type activities	\$ 1,311,335	\$ 4,417	\$ -		\$ 1,315,752

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

Currituck Schools – SRO Officer	\$ 148,316
Local option sales tax	2,349,296
NC Dept of Revenue DMV taxes	91,812
NC Dept of Commerce – CDBG	122,866
Sales and use tax refund	387,624
NC Administrative Office of the Courts fees	30,941
NC DOT – State Aid to Airports	13,995
NC Div Health & Human Services	130,562
E911 PSAP	11,677
NC Controller – Ambulance cost settlement	272,641
Total	<u>\$3,559,730</u>

5. Capital Assets

Capital asset activity for the year ended June 30, 2014, was as follows:

	Beginning Balances	Increases	Decreases	Ending Balances
Governmental activities:				
Capital assets not being depreciated:				
Land	\$ 19,568,704	152,341	-	\$ 19,721,045
Construction in progress	7,004,439	1,676,317	6,776,170	1,904,586
Total capital assets not being depreciated	26,573,143	1,828,658	6,776,170	21,625,631
Capital assets being depreciated:				
Buildings	88,081,120	722,367	-	88,803,487
Computer equipment	4,074,446	109,005	69,190	4,114,261
Furniture and fixtures	21,350,390	692,512	664,112	21,378,790
Equipment	4,399,135	5,805,165	11,453	10,192,847
Vehicles and motor equipment	9,374,912	3,895,248	-	13,270,160
Total capital assets being depreciated	127,280,003	11,224,297	744,755	137,759,545
Less accumulated depreciation for:				
Buildings	21,729,791	2,835,814	-	24,565,605
Computer equipment	3,106,625	291,789	68,509	3,329,905
Furniture and fixtures	5,989,066	929,838	664,112	6,254,792
Equipment	2,016,715	671,457	3,186	2,684,986
Vehicles and motor equipment	7,223,553	1,761,224	-	8,984,777
Total accumulated depreciation	40,065,750	6,490,122	735,807	45,820,065
Total capital assets being depreciated, net	87,214,253			91,939,480
Governmental activity capital assets, net	\$ 113,787,396			\$ 113,565,111

Primary Government

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

General government	\$ 2,005,121
Public safety	2,110,042
Transportation	498,264
Environmental protection	441,684
Economic and physical development	290,049
Human services	71,281
Cultural and recreational	1,073,681
Total depreciation expense	<u>\$ 6,490,122</u>

Proprietary Funds

Business-type activities:

Solid Waste

Capital assets not being depreciated:

Land	\$ 62,962	-	-	\$ 62,962
Total capital assets not being depreciated	62,962	-	-	62,962

Capital assets being depreciated:

Buildings	825,133	10,774	-	835,907
Equipment	230,957	-	-	230,957
Vehicles and motor equipment	12,736	-	-	12,736
Total capital assets being depreciated	1,068,826	10,774	-	1,079,600

Less accumulated depreciation for:

Buildings	495,943	27,864	-	523,807
Equipment	119,025	7,782	-	126,807
Vehicles and motor equipment	12,736	-	-	12,736
Total accumulated depreciation	627,704	35,646	-	663,350

Total capital assets being depreciated, net

	441,122			416,250
Solid Waste capital assets, net	\$ 504,084			\$ 479,212

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	82,166	-	89,166
Total capital assets not being depreciated	970,012	82,166	-	1,052,178
Capital assets being depreciated:				
Plant and distribution systems	4,021,896	175,467	-	4,197,363
Computer equipment	547,804	-	-	547,804
Furniture and maintenance equipment	439,797	149,680	-	589,477
Vehicles and motor equipment	59,892	-	-	59,892
Total capital assets being depreciated	5,069,389	325,147	-	5,394,536
Less accumulated depreciation for:				
Plant and distribution systems	3,169,139	84,943	-	3,254,082
Computer equipment	401,673	41,831	-	443,504
Furniture and maintenance equipment	390,562	34,069	-	424,631
Vehicles and motor equipment	11,259	11,258	-	22,517
Total accumulated depreciation	3,972,633	172,101	-	4,144,734
Total capital assets being depreciated, net	1,096,756			1,249,802
Ocean Sands Water and Sewer District capital assets, net	\$ 2,066,768			\$ 2,301,980

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	104,099	-	-	104,099
Equipment	20,283,879	45,807	-	20,329,686
Vehicles	359,207	34,203	40,369	353,041
Total capital assets being depreciated	39,310,779	80,010	40,369	39,350,420
Less accumulated depreciation for:				
Buildings	4,226,575	614,067	-	4,840,642
Computer equipment	57,528	8,979	-	66,507
Equipment	10,272,930	1,261,359	-	11,534,289
Vehicles	309,792	16,747	40,369	286,170
Total accumulated depreciation	14,866,825	1,901,152	40,369	16,727,608
Total capital assets being depreciated, net	24,443,954			22,622,812
Mainland Water capital assets, net	\$ 24,449,104			\$ 22,627,962

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	353,209	16,954	-	370,163
Total accumulated depreciation	353,209	16,954	-	370,163
Total capital assets being depreciated, net	155,413			138,459
Newtown Road Sewer District capital assets, net	\$ 242,413			\$ 225,459

	Beginning Balances	Increases	Decreases	Ending Balances
Maple Commerce Park Sewer Fund				
Capital assets being depreciated:				
Buildings	\$ 1,932,639	-	-	\$ 1,932,639
Total capital assets being depreciated	1,932,639	-	-	1,932,639
Less accumulated depreciation for:				
Buildings	\$ 64,422	64,421	-	\$ 128,843
Total accumulated depreciation	64,422	64,421	-	128,843
Total capital assets being depreciated, net	1,868,217			1,803,796
Maple Commerce Park Sewer Fund capital assets, net	\$ 1,868,217			1,803,796

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	\$ 64,788	11,535	-	\$ 76,323
Equipment	32,391	2,428	-	34,819
Total accumulated depreciation	97,179	13,963	-	111,142
Total capital assets being depreciated, net	293,498			279,535
Moyock Commons Sewer District capital assets, net	\$ 361,123			\$ 347,160
Southern Outer Banks Water System				
Capital assets not being depreciated:				
Land	\$ 42,600	-	-	\$ 42,600
Construction in Process	844,217	2,816,247	-	3,660,464
Total capital assets not being depreciated	886,817	2,816,247	-	3,703,064
Capital assets being depreciated:				
Buildings	21,883,401	-	-	21,883,401
Computer equipment	254,736	46,898	-	301,634
Other equipment	2,006,193	380,238	-	2,386,431
Vehicles	235,098	31,088	-	266,186
Total capital assets being depreciated	24,379,428	458,224	-	24,837,652
Less accumulated depreciation for:				
Buildings	4,667,697	683,182	-	5,350,879
Computer equipment	173,185	20,579	-	193,764
Other equipment	1,060,613	136,647	-	1,197,260
Vehicles	181,807	12,133	-	193,940
Total accumulated depreciation	6,083,302	852,541	-	6,935,843
Total capital assets being depreciated, net	18,296,126			17,901,809
Southern Outer Banks Water Fund capital assets, net	\$ 19,182,943			\$ 21,604,873
Moyock Central Sewer System				
Capital assets not being depreciated:				
Land	\$ 688,914	-	-	\$ 688,914
Total capital assets not being depreciated	688,914	-	-	688,914
Capital assets being depreciated:				
Buildings	\$ 3,157,705	138,918	-	\$ 3,296,623
Equipment	1,412,087	-	-	1,412,087
Total capital assets being depreciated	4,569,792	138,918	-	4,708,710
Less accumulated depreciation for:				
Buildings	\$ 104,839	109,888	-	\$ 214,727
Equipment	201,727	201,726	-	403,453
Total accumulated depreciation	306,566	311,614	-	618,180
Total capital assets being depreciated, net	4,263,226			4,090,530
Moyock Central Sewer System capital assets, net	\$ 4,952,140			\$ 4,779,444
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	303,839	137,678	-	441,517
Total capital assets being depreciated	3,528,166	137,678	-	3,665,844
Less accumulated depreciation for:				
Plant and distribution systems	109,120	106,978	-	216,098
Other equipment	37,468	44,199	-	81,667
Total accumulated depreciation	146,588	151,177	-	297,765
Total capital assets being depreciated, net	3,381,578			3,368,079
Walnut Island Sewer System capital assets, net	\$ 3,435,268			\$ 3,421,769
Business-type activities capital assets, net	\$ 57,062,060			\$ 57,591,656

Construction commitments

Currituck County has active construction projects as of June 30, 2014, as listed below. At June 30, 2014, the government's commitments with contractors are as follows:

Project	Spent-to-date	Remaining Commitment
Airport parallel taxiway	\$ 1,265,323	\$ 8,011
Airport taxiway	1,112,902	18,660
Airport Southern parallel taxiway	17,972	105,073
Animal Shelter	113,517	2,386,483
COA Apron	104,875	5,155
Corolla multi-use path/pocket park	1,282,895	77,654
Crawford VFD Addition	159,000	-
Maple Commerce Park - roads	6,219,133	457,244
Maple Baseball/Softball Fields	55,185	144,815
Maple Soccer Fields	2,906,565	493,581
Maple Maintenance Building	61,944	438,056
Maple Field Equipment	268,705	6,295
Public Safety 800 MHz System	3,703,204	149,824
Total	<u>\$ 17,271,220</u>	<u>\$ 4,290,851</u>

Discretely presented component units

Activity for the ABC Board for the year ended June 30, 2014, 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>692,991</u>	<u>-</u>	<u>(267,091)</u>	<u>425,900</u>
Capital assets being depreciated:				
Buildings	1,842,303	342,720	(2,096)	2,182,927
Furniture and equipment	198,462	73,895	(27,966)	244,391
Vehicles	34,827	-	-	34,827
Leasehold improvements	5,631	21,075	-	26,706
Total capital assets being depreciated	<u>2,081,223</u>	<u>437,690</u>	<u>(30,062)</u>	<u>2,488,851</u>
Less accumulated depreciation:				
Buildings	473,291	66,967	(2,096)	538,162
Furniture and equipment	182,490	23,327	(25,994)	179,823
Vehicles	34,827	-	-	34,827
Leasehold improvements	5,631	88	-	5,719
Total accumulated depreciation	<u>696,239</u>	<u>90,382</u>	<u>(28,090)</u>	<u>758,531</u>
ABC capital assets, net	<u>\$ 2,077,975</u>			<u>\$ 2,156,220</u>

Activity for the Whalehead Preservation Trust and Currituck Wildlife Museum as of June 30, 2014, was as follows:

	Beginning Balances	Increases	Decreases	Ending Balances
Capital assets not being depreciated:				
Museum collection	\$ 884,697	\$ 9,426	\$ -	\$ 894,123
Total capital assets not being depreciated	884,697	9,426	-	894,123
Capital assets being depreciated:				
Furniture, fixtures and equipment	332,095	51,434	(2,143)	381,386
Total capital assets being depreciated	332,095	51,434	(2,143)	381,386
Less accumulated depreciation for:				
Furniture, fixtures and equipment	191,255	46,951	(1,073)	237,133
Total accumulated depreciation	191,255	46,951	(1,073)	237,133
Total capital assets being depreciated, net	140,840			144,253
Whalehead Preservation Trust capital assets, net	<u>\$ 1,025,537</u>			<u>\$ 1,038,376</u>

B. Liabilities

1. Payables

Payables at the government-wide level at June 30, 2014, were as follows:

	Vendors	Other	Total
Governmental Activities:			
General	\$ 1,697,184	\$ 736,296	\$ 2,433,480
County Governmental Facilities	374,093	-	374,093
School Facilities	204,953	-	204,953
Tourism Development Authority	372,036	22,048	394,084
Other Governmental	284,271	-	284,271
Total-governmental activities	<u>\$ 2,932,537</u>	<u>\$ 758,344</u>	<u>\$ 3,690,881</u>
Business-type Activities			
Solid Waste	\$ 337,761	-	\$ 337,761
Ocean Sands Water and Sewer	91,389	3,345	94,734
Mainland Water	7,284	23,016	30,300
Southern Outer Banks Water	16,329	32,570	48,899
Moyock Central Sewer	5,554	-	5,554
Other Proprietary	70,961	-	70,961
Total - business-type activities	<u>\$ 529,278</u>	<u>\$ 58,931</u>	<u>\$ 588,209</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 7.07% and 7.28%, 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, 2014, 2013, and 2012 were \$1,091,528, \$1,038,986, and \$1,046,340, respectively. The ABC Board's contributions to LGERS for the years ended June 30, 2014, 2013, and 2012 were \$15,112, \$13,301, and \$16,674, 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, 2014, the Separation Allowance's membership consisted of:

Retirees receiving benefits	1
Active plan members	63
Total	<u>64</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 \$61,186, or 2.16% 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, 2013 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, 2013, was 17 years.

Ten Year Trend Information			
For Year Ended June 30	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
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)
2014	93,155	65.68%	(80,051)

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 84 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	\$ 89,629
Interest on net pension obligation	(5,601)
Adjustment to annual required contribution	9,127
Annual pension cost	<u>\$ 93,155</u>
Employer contributions made for fiscal year	<u>61,186</u>
Decrease in net pension obligation	\$ 31,969
Net pension obligation beginning of fiscal year	(112,020)
Net pension obligation end of fiscal year	<u><u>\$ (80,051)</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, 2014, were \$195,528, which consisted of \$158,764 from the County and \$36,764 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, 2014 were \$839,792 which consisted of \$632,017 from the County and \$207,775 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, 2014, the County's required and actual contributions were \$3,492.

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	1
Active plan members	<u>284</u>	<u>63</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 16.13% of annual covered payroll. For the current year, the County contributed \$147,383 or 0.986% 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 \$12,618,973. 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:	413,652
d)	Amortization Factor	26.1695
e)	Adjustment to ARC:	399,281
f)	Annual OPEB Cost: (a) + (c) - (e)	<u>2,425,066</u>
g)	Employer Contributions made for current fiscal year	<u>147,383</u>
h)	Increase (decrease) in Net OPEB Obligation: (f) - (g)	2,277,683
i)	Net OPEB Obligation Beginning of Fiscal Year	<u>10,341,290</u>
j)	Net OPEB Obligation Ending of Fiscal Year: (h) + (i)	<u><u>\$ 12,618,973</u></u>

The County's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for 2014 were as follows:

<u>For Year Ended June 30</u>	<u>Annual OPEB Cost</u>	<u>Percentage of Annual OPEB Cost Contributed</u>	<u>Net OPEB Obligation</u>
2012	2,346,839	2.4%	\$8,039,655
2013	2,425,066	5.1%	\$10,341,290
2014	2,425,066	6.1%	\$12,618,973

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)	\$ -	\$ 29,038
Taxes receivable, net (General)	695,703	-
Taxes receivable, net (Special Revenue)	4,230	-
	\$ 699,933	\$ 29,038

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, 2014, 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:

\$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 2014 through 2023 interest at 1.95%. 3,420,000

\$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, \$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. 1,224,405

\$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 2015; \$971,429 2016; \$971,429 2017; \$1,942,855 2018 through 2019 interest at 1.66%. 4,857,143

Total serviced by the General Fund

\$9,501,548

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 2015 through 2027; interest at 3.09%. 2,340,000

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 2015 through 2021 and \$425,000 2022; interest at 2.38%.

Total Installment Purchase Debt

6,375,000
\$18,216,548

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
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	1,580,312	51,924	1,030,000	114,415
2020-2024	1,635,825	67,622	3,025,000	235,770
2025-2027	-	-	540,000	29,201
	\$ 9,501,548	\$ 598,435	\$ 8,715,000	\$ 1,094,966

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, 2014, 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, interest at 4%, \$730,000 2015; interest at 5%.

\$ 730,000

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, \$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%.

Total General Obligation Bond debt

1,160,000
<u>\$1,890,000</u>

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

Year Ending June 30	<u>Governmental Activities</u>		<u>Business-type Activities</u>	
	Principal	Interest	Principal	Interest
2015	\$730,000	\$36,500	\$345,000	\$46,585
2016	-	-	275,000	29,335
2017	-	-	270,000	19,710
2018	-	-	270,000	9,990
	<u>\$730,000</u>	<u>\$36,500</u>	<u>\$1,160,000</u>	<u>\$105,620</u>

At June 30, 2014, Currituck County had no bonds authorized but un-issued and a legal debt margin of \$426,303,444.

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

	15,915,000
	\$15,915,000

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

Year Ending June 30	Business-type Activities	
	Principal	Interest
2015	585,000	650,924
2016	695,000	626,997
2017	735,000	598,572
2018	775,000	568,510
2019	1,090,000	536,813
2020-2024	6,150,000	1,978,128
2025-2028	5,885,000	613,704
Total	\$ 15,915,000	\$ 5,573,648

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, 2014:

	Balance			Balance		Current Portion
	June 30, 2013	Increases	Decreases	June 30, 2014	of Balance	
Governmental activities:						
General obligation debt	\$ 1,575,000	\$ -	\$ 845,000	\$ 730,000	\$ 845,000	
Unamortized premium on General Obligation debt	-	-	-	-	-	
Installment purchase	12,308,528	-	2,806,980	9,501,548	1,566,092	
Compensated absences	1,133,511	513,085	495,497	1,151,099	510,435	
Other postemployment benefits	9,883,503	2,287,796	147,383	12,023,916	-	
Total governmental activities	<u>\$ 24,900,542</u>	<u>\$ 2,800,881</u>	<u>\$ 4,294,860</u>	<u>\$ 23,406,563</u>	<u>\$ 2,921,527</u>	
Business-type activities:						
General obligation debt	\$ 1,490,000	\$ -	\$ 330,000	\$ 1,160,000	\$ 345,000	
Unamortized premium on General Obligation debt	-	-	-	-	-	
Revenue bonded debt	16,475,000	-	560,000	15,915,000	585,000	
Installment purchase	9,745,000	-	1,030,000	8,715,000	1,030,000	
Compensated absences	63,076	109,028	108,859	63,245	-	
Other postemployment benefits	457,787	140,270	-	595,057	-	
Total business-type activities	<u>\$ 28,230,863</u>	<u>\$ 249,298</u>	<u>\$ 2,028,859</u>	<u>\$ 26,448,302</u>	<u>\$ 1,960,000</u>	
Discretely presented component units:						
Compensated absences - Whalehead Pres. Trust	\$ 18,719	\$ 13,687	\$ 3,184	\$ 29,222	\$ 3,750	
Computer Loan - Whalehead Pres. Trust	3,847	-	6,626	(2,779)	3,847	
Compensated absences - ABC Board	2,715	1,740	867	3,588	2,715	
Total discretely presented component units long-term liabilities	<u>\$ 25,281</u>	<u>\$ 15,427</u>	<u>\$ 10,677</u>	<u>\$ 30,031</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, 2014, 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	600,000
From the General fund to the Multi-year Grant fund for Moyock VFD equipment	155,935
From the General fund to the County Governmental Facilities fund for loan to Crawford VFD	39,000
Total transfers from the General fund	<u>\$ 1,182,935</u>
From the Tourism Development Authority to the General fund for Economic Development	239,244
From the Tourism Development Authority to the General fund for Airport promotions	17,395
From the Tourism Development Authority to the General fund for Administrative Fee	115,793
From the Tourism Development Authority to the General fund for Sheriff Deputies, Vehicle Purchase	1,093,103
From the Tourism Development Authority to the General fund for Emergency Medical Services Personnel	1,121,084
From the Tourism Development Authority to the General fund the Currituck Rural Center	177,493
From the Tourism Development Authority fund to the Co Governmental Facilities fund for Maple Multi-use fields	1,500,000
Total transfers from the Tourism Development Authority Fund	<u>\$ 4,264,112</u>
From the School Construction fund to the County Governmental Construction fund for County match for COA airport apron	102,493
Total transfers from the School Facilities Construction Fund	<u>\$ 102,493</u>
From the Whalehead Subdivision Drainage District fund to the General fund for debt service payment	515,491
From the Emergency Telephone System fund to the General fund for eligible items paid from operating fund	10,625
From the Capital Improvements fund to the General fund for capital assets purchased in operating fund	648,304
From the Capital Improvements fund to the General fund for debt on the COA Aviation and Technical Training Facility	1,064,149
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	618,186
From the School Capital fund to the School Construction fund for bus parking behind Central Elementary School	410,000
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>\$ 4,566,755</u>
From the Moyock Commons Sewer fund to the Moyock Central Sewer Operating fund for operations	230,000
From the Ocean Sands Water & Sewer Operating fund to the Ocean Sands Water & Sewer Construction fund for phase I of the sewer replacement	239,000
Total transfers from enterprise funds	<u>\$ 469,000</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	\$ 11,084,315
Less:	
Inventories	809
County Governmental Assets	2,519,576
Stabilization by State Statute	3,107,528
Appropriated Fund Balance in 2015 budget	3,078,429
Fire Protection	484,517
Tax Revaluation	236,147
Remaining Fund Balance	1,657,309

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, 2014, 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, 2014. 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, 2014. 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 \$59,531 to the Authority during the fiscal year ended June 30, 2014, 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, 2014. 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, 2014, expenditures were \$510,222. 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, 2014. 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 \$15,368 to the Commission during the fiscal year ended June 30, 2014.

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	\$ 62,299	\$ -
Medicaid	10,809,579	5,896,175
Food stamp program	3,479,408	-
LINKS	3,489	-
Adoption assistance	69,911	18,242
Adult assistance	-	124,105
Title IV-E, foster care	16,076	4,060
CWS Adoption	-	134,485
State foster care	-	25,406
NC Health Choice	254,702	80,353
Total	<u>\$ 14,695,464</u>	<u>\$ 6,282,826</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 made payments of \$39,799 for landscaping to McCord’s Landscaping from July 1, 2013 through June 30, 2014. Commissioner Kevin McCord is a principal owner of this business.

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)
12/31/2004	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	51.78%	3,131,076	12.39%
12/31/2013	513,716	904,106	390,390	56.82%	3,095,826	12.61%

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
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%
2014	93,155	65.68%

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	12/31/2013
Actuarial cost method	Projected unit credit
Amortization method	Level percent of pay closed
Remaining amortization period	17 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%
12/31/2013	-	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	2,410,695	5.12%
2014	2,410,695	6.11%

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, 2014

	2014			Variance with Final Budget Positive (Negative)	2013
	Budgeted Amounts		Actual		Actual
	Original	Final			
Revenues:					
Ad valorem taxes:					
Taxes	\$ -	\$ -	\$ 28,195,114	\$ -	\$ 26,830,937
Interest	-	-	116,580	-	112,210
Total	<u>26,414,836</u>	<u>27,067,037</u>	<u>28,311,694</u>	<u>1,244,657</u>	<u>26,943,147</u>
Other taxes and licenses:					
Sexually oriented business license	-	-	1,850	-	2,825
Animal tax	-	-	12,254	-	12,290
Marriage license	-	-	29,880	-	29,100
Franchise tax	-	-	370,303	-	266,871
Deed stamp excise tax	-	-	640,451	-	611,557
Article 39 local option sales tax	-	-	4,421,349	-	4,318,546
Article 44 local option sales tax	-	-	2,734	-	3,931
Medicaid hold harmless funds	-	-	336,833	-	322,714
Total	<u>5,287,500</u>	<u>5,517,390</u>	<u>5,815,654</u>	<u>298,264</u>	<u>5,567,834</u>
Unrestricted intergovernmental:					
Gasoline tax refund	-	-	1,596	-	2,186
Payments in lieu of taxes-outside sources	-	-	46,936	-	40,754
Beer and wine tax	-	-	105,705	-	95,458
Total	<u>156,500</u>	<u>158,200</u>	<u>154,237</u>	<u>(3,963)</u>	<u>138,398</u>
Restricted intergovernmental:					
Federal and State grants	-	-	2,724,817	-	2,719,378
Safe roads act	-	-	4,729	-	4,594
Crime control act	-	-	11,624	-	10,500
Court facility fees	-	-	67,730	-	65,754
Jail fees	-	-	17,685	-	24,043
Officer fees	-	-	92,969	-	95,833
ABC bottles taxes	-	-	10,886	-	12,295
Total	<u>2,856,192</u>	<u>3,006,768</u>	<u>2,930,440</u>	<u>(76,328)</u>	<u>2,932,397</u>
Permits and fees:					
Ambulance service fees	-	-	895,027	-	1,001,294
Administration and filing fees	-	-	598,582	-	663,575
Register of deeds fees	-	-	202,890	-	255,577
Building permit fees	-	-	390,390	-	396,671
Re-inspection fees	-	-	26,950	-	28,300
Planning fees	-	-	27,009	-	29,253
Payment in Lieu of Open Space	-	-	2,222	-	-
Land disturbance permit	-	-	-	-	2,400
Zoning violation fees	-	-	600	-	1,500
Homeowners' recovery fees	-	-	4,060	-	3,800
CAMA permits	-	-	6,550	-	10,255
Street naming fees	-	-	-	-	75
Pawn broker permit	-	-	500	-	-
Sheriff fees	-	-	5,228	-	-
Animal control fees	-	-	1,335	-	620
Total	<u>2,132,529</u>	<u>2,159,171</u>	<u>2,161,343</u>	<u>2,172</u>	<u>2,393,320</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, 2014

	2014			Variance with Final Budget Positive (Negative)	2013
	Budgeted Amounts		Actual		Actual
	Original	Final			
Sales and services:					
Rents	-	-	245,237	-	185,665
Airport fees	-	-	100,694	-	97,515
Vending sales	-	-	7,062	-	10,837
Senior meals	-	-	84	-	505
EMS revenues	-	-	2,150	-	7,032
Jail housing	-	-	-	-	440
Sale of materials	-	-	1,076	-	1,885
Aviation fuel sales	-	-	360,327	-	390,231
Sale of fixed assets	-	-	37,017	-	13,638
Recreation concessions	-	-	-	-	40
Recreation fees	-	-	62,511	-	65,552
Total	<u>703,550</u>	<u>747,667</u>	<u>816,158</u>	<u>68,491</u>	<u>773,340</u>
Investment earnings	<u>79,000</u>	<u>79,000</u>	<u>68,987</u>	<u>(10,013)</u>	<u>62,700</u>
Miscellaneous:					
Donations	-	-	20,687	-	22,499
Insurance recoveries	-	-	66,320	-	179,427
ABC Education distribution	-	-	21,208	-	20,684
ABC Law enforcement distribution	-	-	15,148	-	14,775
ABC profits	-	-	98,572	-	323,433
Other	-	-	91,255	-	56,235
Total	<u>103,000</u>	<u>213,809</u>	<u>313,190</u>	<u>99,381</u>	<u>617,053</u>
Total revenues	<u>37,733,107</u>	<u>38,949,042</u>	<u>40,571,703</u>	<u>1,622,661</u>	<u>39,428,189</u>
Expenditures:					
General government:					
Administration:					
Salaries and employee benefits	-	-	457,222	-	398,997
Other operating expenditures	-	-	75,600	-	82,914
Capital Outlay	-	-	28,207	-	-
Total	<u>552,848</u>	<u>613,660</u>	<u>561,029</u>	<u>52,631</u>	<u>481,911</u>
Legal:					
Salaries and employee benefits	-	-	239,784	-	269,006
Other operating expenditures	-	-	36,913	-	51,939
Total	<u>313,477</u>	<u>280,816</u>	<u>276,697</u>	<u>4,119</u>	<u>320,945</u>
Governing body:					
Salaries and employee benefits	-	-	109,803	-	109,608
Other operating expenditures	-	-	17,768	-	24,449
Capital Outlay	-	-	-	-	3,938
Total	<u>134,233</u>	<u>144,233</u>	<u>127,571</u>	<u>16,662</u>	<u>137,995</u>
Elections:					
Salaries and employee benefits	-	-	119,127	-	109,201
Other operating expenditures	-	-	51,315	-	77,923
Total	<u>178,967</u>	<u>186,718</u>	<u>170,442</u>	<u>16,276</u>	<u>188,840</u>
Finance					
Salaries and employee benefits	-	-	352,901	-	305,315
Other operating expenditures	-	-	68,727	-	61,627
Total	<u>416,314</u>	<u>436,299</u>	<u>421,628</u>	<u>14,671</u>	<u>366,942</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, 2014

	2014			Variance with Final Budget Positive (Negative)	2013
	Budgeted Amounts		Actual		Actual
	Original	Final			
Information Technology:					
Salaries and employee benefits	-	-	328,640	-	312,711
Other operating expenditures	-	-	207,287	-	202,412
Capital outlay	-	-	83,113	-	73,400
Total	642,339	645,529	619,040	26,489	588,523
Human resources:					
Salaries and employee benefits	-	-	131,048	-	127,727
Other operating expenditures	-	-	11,464	-	9,880
Total	150,971	157,671	142,512	15,159	137,607
Taxes:					
Salaries and employee benefits	-	-	376,636	-	402,562
Other operating expenditures	-	-	101,374	-	72,519
Total	514,490	553,770	478,010	75,760	475,081
Public works:					
Salaries and employee benefits	-	-	639,773	-	622,986
Other operating expenditures	-	-	369,215	-	329,892
Capital outlay	-	-	93,052	-	142,475
Total	1,158,428	1,187,716	1,102,040	85,676	1,095,353
Public utilities:					
Salaries and employee benefits	-	-	179,127	-	185,232
Operating expenditures	-	-	22,406	-	21,210
Capital outlay	-	-	-	-	25,750
Total	225,716	227,051	201,533	25,518	232,192
Register of deeds:					
Salaries and employee benefits	-	-	245,232	-	272,084
Other operating expenditures	-	-	420,962	-	388,927
Capital outlay	-	-	3,260	-	22,544
Total	613,309	685,131	669,454	15,677	683,555
Court facilities:					
Operating expenditures	-	-	125,226	-	171,924
Capital outlay	-	-	35,940	-	32,169
Total	224,465	202,205	161,166	41,039	204,093
Agency appropriations:					
Operating expenditures	-	-	37,800	-	37,500
Total	41,200	41,200	37,800	3,400	37,500
Central services:					
Operating expenditures	-	-	606,412	-	601,993
Total	713,521	678,521	606,412	72,109	601,993
Total general government	5,880,278	6,040,520	5,575,334	465,186	5,552,530

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, 2014

	2014			Variance with Final Budget Positive (Negative)	2013
	Budgeted Amounts		Actual		Actual
	Original	Final			
Public safety:					
Sheriff:					
Salaries and employee benefits	-	-	4,555,425	-	4,308,175
Other operating expenditures	-	-	783,953	-	810,331
Capital outlay	-	-	566,959	-	550,457
Total	<u>6,179,987</u>	<u>6,202,488</u>	<u>5,906,337</u>	<u>296,151</u>	<u>5,668,963</u>
Jail:					
Salaries and employee benefits	-	-	1,507,899	-	1,455,322
Other operating expenditures	-	-	453,746	-	468,715
Capital outlay	-	-	82,941	-	45,477
Total	<u>2,089,092</u>	<u>2,126,975</u>	<u>2,044,586</u>	<u>82,389</u>	<u>1,969,514</u>
Animal control:					
Salaries and employee benefits	-	-	190,206	-	179,259
Other operating expenditures	-	-	200,085	-	201,004
Capital outlay	-	-	-	-	25,460
Total	<u>400,304</u>	<u>400,611</u>	<u>390,291</u>	<u>10,320</u>	<u>405,723</u>
Jury commission:					
Operating expenditures	-	-	1,900	-	1,900
Total	<u>2,450</u>	<u>2,450</u>	<u>1,900</u>	<u>550</u>	<u>1,900</u>
Emergency medical services:					
Salaries and employee benefits	-	-	5,095,293	-	4,900,788
Other operating expenditures	-	-	741,819	-	589,622
Capital outlay	-	-	330,475	-	159,411
Total	<u>6,554,383</u>	<u>6,709,744</u>	<u>6,167,587</u>	<u>542,157</u>	<u>5,649,821</u>
Emergency management:					
Salaries and employee benefits	-	-	95,746	-	92,404
Other operating expenditures	-	-	32,231	-	38,901
Capital outlay	-	-	7,603	-	6,993
Total	<u>137,155</u>	<u>168,317</u>	<u>135,580</u>	<u>32,737</u>	<u>138,298</u>
Communications:					
Salaries and employee benefits	-	-	664,785	-	656,212
Other operating expenditures	-	-	158,760	-	94,332
Capital outlay	-	-	13,540	-	-
Total	<u>889,516</u>	<u>912,227</u>	<u>837,085</u>	<u>75,142</u>	<u>750,544</u>
Building inspections:					
Salaries and employee benefits	-	-	404,894	-	424,115
Other operating expenditures	-	-	49,744	-	45,781
Capital outlay	-	-	25,804	-	26,628
Total	<u>554,378</u>	<u>556,020</u>	<u>480,442</u>	<u>75,578</u>	<u>496,524</u>
Fire prevention:					
Other operating expenditures	-	-	26,006	-	-
Capital outlay	-	-	-	-	17,740
Total	<u>-</u>	<u>28,500</u>	<u>26,006</u>	<u>2,494</u>	<u>17,740</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, 2014

	2014			Variance with Final Budget Positive (Negative)	2013
	Budgeted Amounts		Actual		Actual
	Original	Final			
Volunteer fire departments:					
Carova Beach Volunteer Fire Department	-	-	204,400	-	194,391
Corolla Fire & Rescue Squad	-	-	296,792	-	317,297
Crawford Volunteer Fire Department	-	-	315,675	-	315,675
Lower Currituck Volunteer Fire Department	-	-	341,713	-	347,864
Knotts Island Volunteer Fire Department	-	-	168,945	-	187,497
Moyock Volunteer Fire Department	-	-	229,718	-	229,428
Total	<u>1,570,314</u>	<u>1,593,413</u>	<u>1,557,243</u>	<u>36,170</u>	<u>1,592,152</u>
Medical examiner:					
Contracted services	-	-	8,550	-	22,100
Total	<u>20,000</u>	<u>20,000</u>	<u>8,550</u>	<u>11,450</u>	<u>22,100</u>
Total public safety	<u>18,397,579</u>	<u>18,720,745</u>	<u>17,555,607</u>	<u>1,165,138</u>	<u>16,713,279</u>
Transportation:					
Airport:					
Salaries and employee benefits	-	-	77,062	-	100,005
Other operating expenditures	-	-	372,461	-	417,835
Capital outlay	-	-	1,800	-	-
Total	<u>499,322</u>	<u>502,864</u>	<u>451,323</u>	<u>51,541</u>	<u>517,840</u>
Inter-county transportation:					
Contracted services	-	-	51,369	-	51,969
Total	<u>78,856</u>	<u>76,513</u>	<u>51,369</u>	<u>25,144</u>	<u>51,969</u>
Total transportation	<u>578,178</u>	<u>579,377</u>	<u>502,692</u>	<u>76,685</u>	<u>569,809</u>
Environmental protection:					
Forestry:					
Contracted services	-	-	51,133	-	70,674
Total	<u>76,250</u>	<u>76,250</u>	<u>51,133</u>	<u>25,117</u>	<u>70,674</u>
Soil and water conservation:					
Salaries and employee benefits	-	-	118,698	-	112,055
Other operating expenditures	-	-	12,304	-	12,949
Total	<u>138,541</u>	<u>138,621</u>	<u>131,002</u>	<u>7,619</u>	<u>125,004</u>
Total environmental protection	<u>214,791</u>	<u>214,871</u>	<u>182,135</u>	<u>32,736</u>	<u>195,678</u>
Economic and physical development:					
Cooperative extension:					
Salaries and employee benefits	-	-	98,174	-	112,559
Other operating expenditures	-	-	322,293	-	311,075
Contracted services	-	-	32,232	-	30,280
Capital outlay	-	-	-	-	21,726
Total	<u>491,555</u>	<u>503,206</u>	<u>452,699</u>	<u>50,507</u>	<u>475,640</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, 2014

	2014			Variance with Final Budget Positive (Negative)	2013
	Budgeted Amounts		Actual		Actual
	Original	Final			
Economic development:					
Salaries and employee benefits	-	-	90,743	-	87,837
Other operating expenditures	-	-	148,500	-	144,770
Total	<u>256,073</u>	<u>266,073</u>	<u>239,243</u>	<u>26,830</u>	<u>232,607</u>
Planning and inspections:					
Salaries and employee benefits	-	-	667,643	-	638,511
Other operating expenditures	-	-	73,716	-	71,920
Total	<u>759,792</u>	<u>761,094</u>	<u>741,359</u>	<u>19,735</u>	<u>710,431</u>
Total economic and physical development	<u>1,507,420</u>	<u>1,530,373</u>	<u>1,433,301</u>	<u>97,072</u>	<u>1,418,678</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	-	-	63,163	-	62,611
Total	<u>63,000</u>	<u>65,000</u>	<u>63,163</u>	<u>1,837</u>	<u>62,611</u>
Social services:					
Administration:					
Salaries and employee benefits	-	-	2,171,196	-	2,159,855
Other operating expenditures	-	-	727,223	-	663,075
Capital outlay	-	-	77,009	-	33,654
Total	<u>2,926,053</u>	<u>3,081,524</u>	<u>2,975,428</u>	<u>106,096</u>	<u>2,856,584</u>
Public Assistance:					
Electronic issuance	-	-	2,852	-	3,244
Medical Transportation	-	-	42,997	-	43,319
TANF	-	-	22	-	-
Special assistance for adults	-	-	124,105	-	132,998
Special adoption assistance	-	-	10,408	-	10,068
State foster care and boarding home payments	-	-	133,643	-	98,584
Title IV-E foster care	-	-	24,571	-	14,195
Special assistance for the blind	-	-	881	-	891
Title IV-E adoption assistance	-	-	18,242	-	18,918
Title IV-B adoption assistance	-	-	50,373	-	47,737
Title IV-B adoption assistance vendor payments	-	-	7,039	-	2,400
Child daycare	-	-	612,072	-	618,298
Home care block grant	-	-	62,593	-	52,282
LINKS special assistance	-	-	3,540	-	6,509
Other assistance	-	-	62,032	-	45,816
Total	<u>1,269,638</u>	<u>1,360,028</u>	<u>1,155,370</u>	<u>204,658</u>	<u>1,095,259</u>
Total social services	<u>4,195,691</u>	<u>4,441,552</u>	<u>4,130,798</u>	<u>310,754</u>	<u>3,951,843</u>
Juvenile crime prevention control					
JCPC council and support services	-	-	14,290	-	13,879
Restitution	-	-	74,357	-	56,519
Teen court	-	-	6,754	-	9,372
Total	<u>101,879</u>	<u>101,879</u>	<u>95,401</u>	<u>6,478</u>	<u>94,662</u>
Total human services	<u>4,487,570</u>	<u>4,735,431</u>	<u>4,416,362</u>	<u>319,069</u>	<u>4,236,116</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, 2014

	2014			Variance with Final Budget Positive (Negative)	2013
	Budgeted Amounts		Actual		Actual
	Original	Final			
Cultural and recreational:					
Senior citizens centers:					
Salaries and employee benefits	-	-	183,514	-	166,404
Other operating expenditures	-	-	131,818	-	128,165
Total	<u>329,826</u>	<u>330,276</u>	<u>315,332</u>	<u>14,944</u>	<u>294,569</u>
Libraries:					
Salaries and employee benefits	-	-	437,391	-	388,217
Other operating expenditures	-	-	72,831	-	107,579
Total	<u>531,453</u>	<u>531,453</u>	<u>510,222</u>	<u>21,231</u>	<u>495,796</u>
Recreation:					
Salaries and employee benefits	-	-	409,946	-	389,392
Other operating expenditures	-	-	249,212	-	266,456
Capital outlay	-	-	9,551	-	51,419
Total	<u>740,219</u>	<u>741,807</u>	<u>668,709</u>	<u>73,098</u>	<u>707,267</u>
Rural Center					
Salaries and employee benefits	-	-	120,789	-	123,698
Other operating expenditures	-	-	56,704	-	61,855
Total	<u>693,002</u>	<u>693,002</u>	<u>177,493</u>	<u>515,509</u>	<u>185,553</u>
Total cultural and recreational	<u>2,294,500</u>	<u>2,296,538</u>	<u>1,671,756</u>	<u>624,782</u>	<u>1,683,185</u>
Education:					
Public schools - current	-	-	9,000,218	-	9,025,754
Public schools - capital outlay	-	-	1,000,000	-	1,000,000
Community college	-	-	145,073	-	75,000
Total education	<u>10,190,218</u>	<u>10,190,218</u>	<u>10,145,291</u>	<u>44,927</u>	<u>10,100,754</u>
Debt service:					
Principal retirement	-	-	3,651,727	-	3,363,205
Interest and other charges	-	-	290,970	-	364,671
Total debt service	<u>3,962,386</u>	<u>3,946,660</u>	<u>3,942,697</u>	<u>3,963</u>	<u>3,727,876</u>
Total expenditures	<u>47,512,920</u>	<u>48,254,733</u>	<u>45,425,175</u>	<u>2,829,558</u>	<u>44,197,905</u>
Revenues over (under) expenditures	<u>(9,779,813)</u>	<u>(9,305,691)</u>	<u>(4,853,472)</u>	<u>4,452,219</u>	<u>(4,769,716)</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, 2014

	2014			Variance with Final Budget Positive (Negative)	2013
	Budgeted Amounts		Actual		Actual
	Original	Final			
Other financing sources (uses):					
Transfers to other funds:					
Special Revenue Funds	-	-	(543,935)	-	(388,000)
Capital Projects Funds	-	-	(39,000)	-	(268,973)
Enterprise Funds	-	-	(600,000)	-	(931,906)
Total transfers to other funds	<u>(1,015,796)</u>	<u>(1,210,731)</u>	<u>(1,182,935)</u>	<u>27,796</u>	<u>(1,588,879)</u>
Transfers from other funds:					
Tourism Development Authority	-	-	2,764,112	-	2,982,561
Special Revenue Funds	-	-	526,116	-	262,455
Capital Projects Funds	-	-	3,330,639	-	3,051,576
Total transfers from other funds	<u>7,338,393</u>	<u>7,350,393</u>	<u>6,620,867</u>	<u>729,526</u>	<u>6,296,592</u>
 Total other financing sources (uses)	 <u>6,322,597</u>	 <u>6,139,662</u>	 <u>5,437,932</u>	 <u>(701,730)</u>	 <u>4,707,713</u>
Revenues and other financing sources over (under) expenditures and other financing uses	(3,457,216)	(3,166,029)	584,460	3,750,489	(62,003)
Appropriated fund balance	<u>3,457,216</u>	<u>3,166,029</u>	<u>-</u>	<u>(3,166,029)</u>	<u>-</u>
Revenues, other sources, and appropriated fund balance over (under) expenditures	<u>\$ -</u>	<u>\$ -</u>	584,460	<u>\$ 584,460</u>	(62,003)
Fund balances:					
Beginning of year, July 1			7,744,132		7,806,135
End of year, June 30			<u>\$ 8,328,592</u>		<u>\$ 7,744,132</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, 2014

	2014			Variance with Final Positive (Negative)	2013
	Budgeted Amounts		Actual		Actual
	Original	Final			
Revenues:					
Investment earnings	\$ 2,000	\$ 2,000	\$ 1,096	\$ (904)	\$ 1,886
Expenditures:					
Current:					
General government:					
Contract services	-	-	29,843	-	309,368
Total expenditures	123,000	123,000	29,843	93,157	309,368
Revenues over (under) expenditures	(121,000)	(121,000)	(28,747)	92,253	(307,482)
Other financing sources:					
Operating transfer in:					
General Fund	121,000	121,000	121,000	-	121,000
Revenues and other sources over (under) expenditures	-	-	92,253	92,253	(186,482)
Appropriated fund balance	-	-	-	-	-
Revenues, other sources, and appropriated fund balance over (under) expenditures	\$ -	\$ -	92,253	\$ 92,253	(186,482)
Fund balances:					
Beginning of year, July 1			143,894		330,376
End of year, June 30			<u>\$ 236,147</u>		<u>\$ 143,894</u>

County of Currituck, North Carolina
Land Banking Fund
Schedule of Revenues, Expenditures, and
Changes in Fund Balances - Budget and Actual
For the Fiscal Year Ended June 30, 2014

	2014			Variance with Final Positive (Negative)	2013
	Original Budget	Final Budget	Actual		Actual
Revenues:					
Investment earnings	\$ -	\$ -	\$ 17,504	\$ 17,504	\$ 15,332
Total revenues	<u>-</u>	<u>-</u>	<u>17,504</u>	<u>17,504</u>	<u>15,332</u>
Expenditures:					
Capital outlay	-	-	5,000	(5,000)	-
Total expenditures	<u>300,000</u>	<u>300,000</u>	<u>5,000</u>	<u>(5,000)</u>	<u>-</u>
Revenues over (under) expenditures	<u>(300,000)</u>	<u>(300,000)</u>	<u>12,504</u>	<u>312,504</u>	<u>15,332</u>
Other financing sources (uses):					
Transfers to operating fund	-	-	-	-	-
Transfers to Moyock Central Sewer	-	-	-	-	-
Transfers from transfer tax fund	<u>300,000</u>	<u>300,000</u>	<u>300,000</u>	<u>-</u>	<u>300,000</u>
Revenues and other financing sources (uses)	<u>\$ -</u>	<u>\$ -</u>	<u>312,504</u>	<u>\$ 312,504</u>	<u>315,332</u>
Fund balances:					
Beginning of year, July 1			<u>2,207,072</u>		<u>1,891,740</u>
End of year, June 30			<u>\$ 2,519,576</u>		<u>\$ 2,207,072</u>

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County of Currituck, North Carolina
Combining Balance Sheet
Non-Major Governmental Funds
June 30, 2014

	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	\$ -	\$ 468,461	\$ 100,823	\$ 2,490	\$ 53,782	\$ 16,730
Accounts receivable, net	27,706	-	-	-	-	-
Taxes receivable, net	-	-	380	25	407	153
Due from other governments	133,546	12,822	115	11	169	27
Total assets	<u>\$ 161,252</u>	<u>\$ 481,283</u>	<u>\$ 101,318</u>	<u>\$ 2,526</u>	<u>\$ 54,358</u>	<u>\$ 16,910</u>
LIABILITIES AND FUND BALANCES						
Liabilities:						
Accounts payable and accrued liabilities	\$ 53,580	\$ 4,616	\$ -	\$ -	\$ -	\$ 4
Due to operating fund	32,584	-	-	-	-	-
Total liabilities	<u>86,164</u>	<u>4,616</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>4</u>
DEFERRED INFLOWS OF RESOURCES						
Taxes receivable	-	-	380	25	407	153
Total deferred inflows of resources	<u>-</u>	<u>-</u>	<u>380</u>	<u>25</u>	<u>407</u>	<u>153</u>
Fund balances:						
Restricted:						
Stabilization by State Statute	3,529	32,155	630	25	407	153
Emergency Telephone System	-	294,893	-	-	-	-
Watershed Improvements	-	-	100,308	2,476	53,544	16,600
Whalehead Beach Solid Waste	-	-	-	-	-	-
Capital Assets	-	-	-	-	-	-
Committed:						
Fire Equipment	-	-	-	-	-	-
Assigned:						
Subsequent year's expenditures	-	149,619	-	-	-	-
CDBG Scattered Site Program	71,559	-	-	-	-	-
Total fund balances	<u>75,088</u>	<u>476,667</u>	<u>100,938</u>	<u>2,501</u>	<u>53,951</u>	<u>16,753</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 161,252</u>	<u>\$ 481,283</u>	<u>\$ 101,318</u>	<u>\$ 2,526</u>	<u>\$ 54,358</u>	<u>\$ 16,910</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
\$ 991,347	\$ 141,124	\$ 1,774,757	\$ 356,112	\$ 1,854,598	\$ 1,338,622	\$ 7,482,879	\$ 11,032,211	\$ 12,806,968
-		27,706	-	-	-	-	-	27,706
2,751	514	4,230	-	-	-	-	-	4,230
6,208	43	152,941	-	517,573	499,379	-	1,016,952	1,169,893
<u>\$ 1,000,306</u>	<u>\$ 141,681</u>	<u>\$ 1,959,634</u>	<u>\$ 356,112</u>	<u>\$ 2,372,171</u>	<u>\$ 1,838,001</u>	<u>\$ 7,482,879</u>	<u>\$ 12,049,163</u>	<u>\$ 14,008,797</u>
\$ 216,572	\$ 9,499	\$ 284,271	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 284,271
-		32,584	-	-	-	-	-	32,584
216,572	9,499	316,855	-	-	-	-	-	316,855
2,751	514	4,230	-	-	-	-	-	4,230
2,751	514	4,230	-	-	-	-	-	4,230
8,959	514	46,372	-	517,573	499,379	-	1,016,952	1,063,324
-	-	294,893	-	-	-	-	-	294,893
393,433	-	566,361	-	-	-	-	-	566,361
-	131,154	131,154	-	-	-	-	-	131,154
-	-	-	-	1,854,598	1,214,581	7,482,879	10,552,058	10,552,058
-	-	-	356,112	-	-	-	356,112	356,112
378,591	-	528,210	-	-	124,041	-	124,041	652,251
-	-	71,559	-	-	-	-	-	71,559
780,983	131,668	1,638,549	356,112	2,372,171	1,838,001	7,482,879	12,049,163	13,687,712
<u>\$ 1,000,306</u>	<u>\$ 141,681</u>	<u>\$ 1,959,634</u>	<u>\$ 161,252</u>	<u>\$ 161,252</u>	<u>\$ 161,252</u>	<u>\$ 161,252</u>	<u>\$ 161,252</u>	<u>\$ 14,008,797</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, 2014

	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	\$ -	\$ -	\$ 11,582	\$ 1,250	\$ 17,799	\$ 2,788	\$ 874,980
Other taxes and licenses	-	140,123	-	-	-	-	-
Restricted							
intergovernmental	238,689	-	-	-	-	-	-
Investment earnings	270	3,733	745	14	375	126	5,037
Total revenues	<u>238,959</u>	<u>143,856</u>	<u>12,327</u>	<u>1,264</u>	<u>18,174</u>	<u>2,914</u>	<u>880,017</u>
EXPENDITURES							
Current:							
General government	-	-	-	-	-	-	-
Public safety	161,356	143,924	-	-	-	-	-
Economic and physical development	193,569	-	-	-	-	-	-
Environmental protection	-	-	-	-	3,500	-	1,835,839
Transportation	-	-	-	-	-	-	-
Cultural and recreational	-	-	-	-	-	-	-
Total expenditures	<u>354,925</u>	<u>143,924</u>	<u>-</u>	<u>-</u>	<u>3,500</u>	<u>-</u>	<u>1,835,839</u>
Issuance of debt	-	-	-	-	-	-	-
Transfers (to) from other funds	155,935	(10,625)	-	-	-	-	(515,491)
Total other financing sources and uses	<u>155,935</u>	<u>(10,625)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(515,491)</u>
Net change in fund balances	39,969	(10,693)	12,327	1,264	14,674	2,914	(1,471,313)
Fund balances - beginning	35,119	487,360	88,611	1,237	39,277	13,839	2,252,296
Fund balances - ending	<u>\$ 75,088</u>	<u>\$ 476,667</u>	<u>\$ 100,938</u>	<u>\$ 2,501</u>	<u>\$ 53,951</u>	<u>\$ 16,753</u>	<u>\$ 780,983</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
\$ 141,114	\$ 1,049,513	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,049,513
-	140,123	-	1,826,562	1,723,103	2,831,474	6,381,139	6,521,262
-	238,689	-	-	-	-	-	238,689
1,043	11,343	1,932	20,715	9,321	48,630	80,598	91,941
<u>142,157</u>	<u>1,439,668</u>	<u>1,932</u>	<u>1,847,277</u>	<u>1,732,424</u>	<u>2,880,104</u>	<u>6,461,737</u>	<u>7,901,405</u>
111,750	111,750	-	-	-	-	-	111,750
-	305,280	31,000	-	-	-	31,000	336,280
-	193,569	-	-	-	-	-	193,569
-	1,839,339	-	-	-	-	-	1,839,339
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
<u>111,750</u>	<u>2,449,938</u>	<u>31,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>31,000</u>	<u>2,480,938</u>
-	-	-	-	-	-	-	-
-	(370,181)	267,000	(1,712,453)	(2,028,186)	(300,000)	(3,773,639)	(4,143,820)
-	(370,181)	267,000	(1,712,453)	(2,028,186)	(300,000)	(3,773,639)	(4,143,820)
30,407	(1,380,451)	237,932	134,824	(295,762)	2,580,104	2,657,098	1,276,647
101,261	3,019,000	118,180	2,237,347	2,133,763	4,902,775	9,392,065	12,411,065
<u>\$ 131,668</u>	<u>\$ 1,638,549</u>	<u>\$ 356,112</u>	<u>\$ 2,372,171</u>	<u>\$ 1,838,001</u>	<u>\$ 7,482,879</u>	<u>\$ 12,049,163</u>	<u>\$ 13,687,712</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, 2014

	Project Authorization	Actual		Total to Date	Variance Positive (Negative)
		Prior Year	Current Year		
Revenues					
Restricted intergovernmental:					
CDBG - 2011	\$ 400,000	\$ 19,026	\$ 196,975	\$ 216,001	\$ (183,999)
DPR1 Regional Medical Bus Equipment	45,289	2,520.00	41,714	44,234	(1,055)
Hazard Mitigation Elevation Grant	337,710	-	-	-	(337,710)
Hazard Mitigation Generator Grant	206,000	-	-	-	(206,000)
Investment Earnings	-	1,367	270	1,637	1,637
Total revenues	988,999	22,913	238,959	261,872	(727,127)
Expenditures					
Public safety:					
DPR1 Regional Medical Bus Equipment	45,289	44,234.00	-	44,234	(1,055)
Hazard Mitigation Generator Grant	206,000	-	5,421	5,421	(200,579)
SCBA Equipment, Moyock VFD	155,935	-	155,935	155,935	-
Economic and physical development:					
CDBG scattered site project - 2011	400,000	22,433	193,569	216,002	183,998
Hazard Mitigation Elevation Grant	337,710	-	-	-	337,710
Total expenditures	1,144,934	66,667	354,925	421,592	723,342
Revenues under expenditures	(155,935)	(43,754)	(115,966)	(159,720)	(3,785)
Other financing sources:					
Transfers in:					
General Fund	155,935	-	155,935	155,935	-
Revenues and other financing sources over (under) expenditures	\$ -	\$ (43,754)	39,969	\$ (3,785)	\$ (3,785)
Fund balance:					
Beginning of year, July 1			35,119		
End of Year, June 30			\$ 75,088		

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, 2014

	2014			Variance with Final Positive (Negative)	2013
	Budgeted Amounts		Actual		Actual
	Original	Final			
Revenues					
Other taxes and licenses:					
911 system subscriber fees	\$ 140,124	\$ 140,124	\$ 140,123	\$ (1)	\$ 187,756
Investment earnings	3,000	3,000	3,733	733	3,786
Total revenues	<u>143,124</u>	<u>143,124</u>	<u>143,856</u>	<u>732</u>	<u>191,542</u>
Expenditures					
Public safety	-	-	139,434	-	119,876
Capital Outlay	-	-	4,490	-	104,694
Total expenditures	<u>300,800</u>	<u>339,106</u>	<u>143,924</u>	<u>195,182</u>	<u>224,570</u>
Revenues over (under) expenditures	(157,676)	(195,982)	(68)	195,914	(33,028)
Other financing uses:					
Transfers to general fund	-	-	(10,625)	(10,625)	(19,076)
Revenues and other financing sources over expenditures	(157,676)	(195,982)	(10,693)	185,289	(52,104)
Appropriated fund balance	<u>157,676</u>	<u>195,982</u>	<u>-</u>	<u>(195,982)</u>	<u>-</u>
Revenues, other finance sources and appropriated fund balance over (under) expenditures	<u>\$ -</u>	<u>\$ -</u>	(10,693)	<u>\$ (10,693)</u>	(52,104)
Fund balances:					
Beginning of year, July 1			487,360		539,464
End of year, June 30			<u>\$ 476,667</u>		<u>\$ 487,360</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, 2014

	2014			Variance with Final Positive (Negative)	2013
	Budgeted Amounts		Actual		Actual
	Original	Final			
Revenues:					
Ad valorem taxes:					
Current year	\$ 10,303	\$ 10,303	\$ 10,326	\$ 23	\$ 11,962
Prior years	-	-	1,186	1,186	298
Interest	-	-	70	70	70
Total ad valorem taxes	10,303	10,303	11,582	1,279	12,330
Investment earnings	-	-	745	745	711
Total revenues	10,303	10,303	12,327	2,024	13,041
Expenditures:					
Current:					
Environmental protection:	10,303	10,303	-	10,303	15,200
Total expenditures	10,303	10,303	-	10,303	15,200
Revenues over (under) expenditures	\$ -	\$ -	12,327	\$ 12,327	(2,159)
Fund balances:					
Beginning of year, July 1			88,611		90,770
End of year, June 30			\$ 100,938		\$ 88,611

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, 2014

	2014			Variance with Final Positive (Negative)	2013
	Budgeted Amounts		Actual		Actual
	Original	Final			
Revenues:					
Ad valorem taxes:					
Current year	\$ 1,194	\$ 1,194	\$ 1,245	\$ 51	\$ 1,118
Prior years taxes	-	-	4	4	12
Interest	-	-	1	1	4
Total ad valorem taxes	1,194	1,194	1,250	56	1,134
Miscellaneous grants	-	-	-	-	450
Investment earnings	-	-	14	14	9
Total revenues	1,194	1,194	1,264	70	1,593
Expenditures:					
Current:					
Environmental protection:	1,194	1,194	-	1,194	1,815
Total expenditures	1,194	1,194	-	1,194	1,815
Revenues over (under) expenditures	\$ -	\$ -	1,264	\$ 1,264	(222)
Fund balances:					
Beginning of year, July 1			1,237		1,459
End of year, June 30			\$ 2,501		\$ 1,237

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, 2014

	2014			Variance with Final Positive (Negative)	2013
	Budgeted Amounts		Actual		Actual
	Original	Final			
Revenues:					
Ad valorem taxes:					
Current year	\$ 15,996	\$ 15,996	\$ 17,587	\$ 1,591	\$ 16,480
Prior years taxes	-	-	171	171	169
Interest	-	-	41	41	35
Total ad valorem taxes	<u>15,996</u>	<u>15,996</u>	<u>17,799</u>	<u>1,803</u>	<u>16,684</u>
Investment earnings	-	-	375	375	277
Total revenues	<u>15,996</u>	<u>15,996</u>	<u>18,174</u>	<u>2,178</u>	<u>16,961</u>
Expenditures:					
Current:					
Environmental protection:	15,996	15,996	3,500	12,496	6,450
Total expenditures	<u>15,996</u>	<u>15,996</u>	<u>3,500</u>	<u>12,496</u>	<u>6,450</u>
Revenues over (under) expenditures	<u>\$ -</u>	<u>\$ -</u>	14,674	<u>\$ 14,674</u>	10,511
Fund balances:					
Beginning of year, July 1			39,277		28,766
End of year, June 30			<u>\$ 53,951</u>		<u>\$ 39,277</u>

County of Currituck, North Carolina
Northwest Watershed Improvement Fund
Schedule of Revenues, Expenditures, and
Changes in Fund Balances - Budget and Actual
For the Fiscal Year Ended June 30, 2014

	2014			Variance with Final Positive (Negative)	2013
	Budgeted Amounts		Actual		Actual
	Original	Final			
Revenues:					
Ad valorem taxes:					
Current year	\$ 2,543	\$ 2,543	\$ 2,764	\$ 221	\$ 2,272
Prior years taxes	-	-	9	9	4
Interest	-	-	15	15	3
Total ad valorem taxes	<u>2,543</u>	<u>2,543</u>	<u>2,788</u>	<u>245</u>	<u>2,279</u>
Investment earnings	-	-	126	126	97
Total revenues	<u>2,543</u>	<u>2,543</u>	<u>2,914</u>	<u>371</u>	<u>2,376</u>
Expenditures:					
Current:					
Environmental protection:	2,543	2,543	-	2,543	-
Total expenditures	<u>2,543</u>	<u>2,543</u>	<u>-</u>	<u>2,543</u>	<u>-</u>
Revenues over (under) expenditures	<u>\$ -</u>	<u>\$ -</u>	2,914	<u>\$ 2,914</u>	2,376
Fund balances:					
Beginning of year, July 1			13,839		11,463
End of year, June 30			<u>\$ 16,753</u>		<u>\$ 13,839</u>

County of Currituck, North Carolina
Whalehead Watershed Improvement Fund
Schedule of Revenues, Expenditures, and
Changes in Fund Balances - Budget and Actual
For the Fiscal Year Ended June 30, 2014

	2014			Variance with Final Positive (Negative)	2013
	Budgeted Amounts		Actual		Actual
	Original	Final			
Revenues:					
Ad valorem taxes:					
Current year	\$ 834,211	\$ 844,211	\$ 870,393	\$ 26,182	\$ 865,644
Prior year taxes	-	-	3,579	3,579	1,818
Interest	-	-	1,008	1,008	1,223
Total ad valorem taxes	<u>834,211</u>	<u>844,211</u>	<u>874,980</u>	<u>30,769</u>	<u>868,685</u>
Investment earnings	-	6,000	5,037	(963)	5,134
Total revenues	<u>834,211</u>	<u>850,211</u>	<u>880,017</u>	<u>29,806</u>	<u>873,819</u>
Expenditures:					
Current:					
Environmental protection:	415,095	2,663,095	1,835,839	827,256	2,931,589
Total expenditures	<u>415,095</u>	<u>2,663,095</u>	<u>1,835,839</u>	<u>827,256</u>	<u>2,931,589</u>
Revenues over (under) expenditures	<u>419,116</u>	<u>(1,812,884)</u>	<u>(955,822)</u>	<u>857,062</u>	<u>(2,057,770)</u>
Other financing sources (uses):					
Transfers to operating fund	(515,491)	(515,491)	(515,491)	-	(243,379)
Issuance of debt	-	-	-	-	3,800,000
Total other financing sources (uses)	<u>(515,491)</u>	<u>(515,491)</u>	<u>(515,491)</u>	<u>-</u>	<u>3,556,621</u>
Revenues and other financing sources (uses) over (under) expenditures	<u>(96,375)</u>	<u>(2,328,375)</u>	<u>(1,471,313)</u>	<u>857,062</u>	<u>1,498,851</u>
Appropriated fund balance	<u>96,375</u>	<u>2,328,375</u>	<u>-</u>	<u>(2,328,375)</u>	<u>-</u>
Revenues and appropriated fund balance over (under) expenditures	<u>\$ -</u>	<u>\$ -</u>	<u>(1,471,313)</u>	<u>\$ (1,471,313)</u>	<u>1,498,851</u>
Fund balances:					
Beginning of year, July 1			2,252,296		753,445
End of year, June 30			<u>\$ 780,983</u>		<u>\$ 2,252,296</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, 2014

	2014			Variance with Final Positive (Negative)	2013
	Budgeted Amounts		Actual		Actual
	Original	Final			
Revenues:					
Ad valorem taxes:					
Current year	\$ 134,550	\$ 134,550	\$ 140,025	\$ 5,475	\$ 144,243
Prior year taxes	-	-	922	922	333
Interest	-	-	167	167	206
Total ad valorem taxes	<u>134,550</u>	<u>134,550</u>	<u>141,114</u>	<u>6,564</u>	<u>144,782</u>
Investment earnings	500	500	1,043	543	769
Total revenues	<u>135,050</u>	<u>135,050</u>	<u>142,157</u>	<u>7,107</u>	<u>145,551</u>
Expenditures:					
Current:					
General government	<u>135,050</u>	<u>135,050</u>	<u>111,750</u>	<u>23,300</u>	<u>100,541</u>
Total expenditures	<u>135,050</u>	<u>135,050</u>	<u>111,750</u>	<u>23,300</u>	<u>100,541</u>
Revenues over (under) expenditures	<u>\$ -</u>	<u>\$ -</u>	30,407	<u>\$ 30,407</u>	<u>45,010</u>
Fund balances:					
Beginning of year, July 1			<u>101,261</u>		<u>56,251</u>
End of year, June 30			<u>\$ 131,668</u>		<u>\$ 101,261</u>

County of Currituck, North Carolina
Fire Equipment Replacement Fund
Schedule of Revenues, Expenditures, and
Changes in Fund Balances - Budget and Actual
For the Fiscal Year Ended June 30, 2014

	2014			Variance with Final Positive (Negative)	2013
	Budgeted Amounts		Actual		Actual
	Original	Final			
Revenues:					
Investment earnings	\$ 1,113	\$ 1,113	\$ 1,932	\$ 819	\$ 3,476
Expenditures:					
Current:					
Public safety	268,113	268,113	31,000	237,113	489,526
Total expenditures	268,113	268,113	31,000	237,113	489,526
Revenues over (under) expenditures	(267,000)	(267,000)	(29,068)	237,932	(486,050)
Other financing sources:					
Transfers from general fund	267,000	267,000	267,000	-	267,000
Revenues and other finance sources over (under) expenditures	\$ -	\$ -	237,932	\$ 237,932	(219,050)
Fund balances:					
Beginning of year, July 1			118,180		337,230
End of year, June 30			\$ 356,112		\$ 118,180

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, 2014

	2014			Variance with Final Positive (Negative)	2013
	Budgeted Amounts		Actual		Actual
	Original	Final			
Revenues:					
Other taxes and licenses:					
Article 40 supplemental sales tax	\$ 854,010	\$ 854,010	\$ 948,958	\$ 94,948	\$ 898,334
Article 42 supplemental sales tax	858,443	858,443	877,604	19,161	855,496
Investment earnings	-	-	20,715	20,715	15,216
Total revenues	<u>1,712,453</u>	<u>1,712,453</u>	<u>1,847,277</u>	<u>134,824</u>	<u>1,769,046</u>
Revenues over expenditures	1,712,453	1,712,453	1,847,277	134,824	1,769,046
Other financing uses:					
Transfers to other funds:					
General fund	<u>(1,712,453)</u>	<u>(1,712,453)</u>	<u>(1,712,453)</u>	-	<u>(1,601,576)</u>
Total other financing uses	<u>(1,712,453)</u>	<u>(1,712,453)</u>	<u>(1,712,453)</u>	-	<u>(1,601,576)</u>
Revenues over (under) other financing uses	<u>\$ -</u>	<u>\$ -</u>	134,824	<u>\$ 134,824</u>	167,470
Fund balances:					
Beginning of year, July 1			<u>2,237,347</u>		<u>2,069,877</u>
End of year, June 30			<u>\$ 2,372,171</u>		<u>\$ 2,237,347</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, 2014

	2014			Variance with Final Positive (Negative)	2013
	Budgeted Amounts		Actual		Actual
	Original	Final			
Revenues:					
Other taxes and licenses:					
Article 40 supplemental sales tax	\$ 380,198	\$ 380,198	\$ 406,696	\$ 26,498	\$ 385,000
Article 42 supplemental sales tax	1,237,988	1,237,988	1,316,407	78,419	1,283,244
Investment earnings	-	-	9,321	9,321	13,380
Total revenues	<u>1,618,186</u>	<u>1,618,186</u>	<u>1,732,424</u>	<u>114,238</u>	<u>1,681,624</u>
Other financing uses:					
Transfers to other funds:					
General fund	(1,618,186)	(1,618,186)	(1,618,186)	-	(1,450,000)
School capital projects fund	(410,000)	(410,000)	(410,000)	-	-
Total other financing uses	<u>(2,028,186)</u>	<u>(2,028,186)</u>	<u>(2,028,186)</u>	<u>-</u>	<u>(1,450,000)</u>
Revenues over (under) other financing uses	<u>\$ (410,000)</u>	<u>\$ (410,000)</u>	(295,762)	<u>\$ 114,238</u>	231,624
Appropriated fund balance	410,000	410,000	-	(410,000)	-
Revenues and other financing uses appropriated fund balance over expenditures	<u>\$ -</u>	<u>\$ -</u>	(295,762)	<u>\$ (295,762)</u>	231,624
Fund balances:					
Beginning of year, July 1			2,133,763		1,902,139
End of year, June 30			<u>\$ 1,838,001</u>		<u>\$ 2,133,763</u>

County of Currituck, North Carolina
Transfer Tax Capital Fund
Schedule of Revenues, Expenditures, and
Changes in Fund Balances - Budget and Actual
For the Fiscal Year Ended June 30, 2014

	2014			Variance with Final Positive (Negative)	2013
	Budgeted Amounts		Actual		Actual
	Original	Final			
Revenues:					
Other taxes and licenses					
Land transfer tax	\$ 2,290,700	\$ 2,343,700	\$ 2,831,474	\$ 487,774	\$ 2,803,239
Investment earnings	50,000	50,000	48,630	(1,370)	31,023
Total revenues	<u>2,340,700</u>	<u>2,393,700</u>	<u>2,880,104</u>	<u>486,404</u>	<u>2,834,262</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>2,340,000</u>	<u>2,393,000</u>	<u>2,880,104</u>	<u>487,104</u>	<u>2,834,262</u>
Other financing uses:					
Transfers to general fund	(200,000)	(200,000)	-	200,000	-
Transfers to County government facilities	(2,040,000)	(2,040,000)	-	2,040,000	(2,000,000)
Transfers to land banking fund	(300,000)	(300,000)	(300,000)	-	(300,000)
Transfers to Moyock central sewer fund	-	(53,000)	-	53,000	-
Total other financing uses	<u>(2,540,000)</u>	<u>(2,593,000)</u>	<u>(300,000)</u>	<u>2,293,000</u>	<u>(2,300,000)</u>
Revenues and other financing uses over (under) expenditures	(200,000)	(200,000)	2,580,104	2,780,104	534,262
Appropriated fund balance	<u>200,000</u>	<u>200,000</u>	<u>-</u>	<u>(200,000)</u>	<u>-</u>
Revenues and other financing uses appropriated fund balance over expenditures	<u>\$ -</u>	<u>\$ -</u>	<u>2,580,104</u>	<u>\$ 2,580,104</u>	<u>534,262</u>
Fund balances:					
Beginning of year, July 1			4,902,775		4,368,513
End of year, June 30			<u>\$ 7,482,879</u>		<u>\$ 4,902,775</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, 2014

	Project Authorization	Actual		Total to Date	Variance Positive (Negative)
		Prior Years	Current Year		
Revenues					
Intergovernmental revenues:					
State aid to airports	\$ 2,287,373	\$ 2,505,385	\$ 73,511	\$ 2,578,896	\$ 291,523
Grant - DCA Commerce Park	1,250,000	490,447	-	490,447	(759,553)
Crawford VFD Construction Grant	-	-	10,657	10,657	10,657
EMPG Grant	14,877	14,878	-	14,878	1
PARTF - Maple soccer field project	265,000	-	-	-	(265,000)
PARTF - Corolla multi-use path	500,000	500,000	-	500,000	-
Total	4,317,250	3,506,482	84,168	3,594,878	(722,372)
Investment earnings	3,616,506	3,753,250	73,359	3,826,609	210,103
Total revenues	7,933,756	7,259,732	157,527	7,421,487	(512,269)
Expenditures					
Public safety:					
Animal Shelter	2,500,000	27,802	85,715	113,517	2,386,483
800 MHz Radio project	3,853,028	3,544,436	158,768	3,703,204	149,824
Crawford Fire Department Addition	159,000	85,903	73,097	159,000	-
Total public safety	6,512,028	4,038,606	317,580	3,975,721	2,536,307
Economic and physical development:					
Maple commerce park	6,676,377	5,476,722	742,411	6,219,133	457,244
	6,676,377	5,476,722	742,411	6,219,133	457,244
Transportation:					
Taxiway/Apron	441,562	425,971	(139)	425,832	15,730
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	102,774	2,101	104,875	5,155
Airfield Improvements	166,667	9,350	-	9,350	157,317
Parallel taxiway	1,273,334	1,265,323	-	1,265,323	8,011
Southern Parallel taxiway	123,045	-	17,972	17,972	105,073
Total transportation	3,003,966	2,672,358	19,934	2,670,555	333,411
Cultural and recreational:					
Corolla multi-use path	1,360,549	1,273,637	9,258	1,282,895	77,654
Recreation baseball/softball fields - Maple	200,000	-	55,185	55,185	144,815
Recreation soccer fields - Maple	3,400,146	1,432,501	1,474,064	2,906,565	493,581
Recreation maintenance building - Maple	500,000	-	61,944	61,944	438,056
Recreation maintenance equipment	275,000	-	268,705	268,705	6,295
Recreation facility - Maple	14,542,792	14,298,208	203,226	14,501,434	41,358
Total cultural and recreational	20,278,487	19,453,346	2,072,382	19,076,728	1,201,759
Education					
Bus Garage	37,185	3,981	(3,981)	-	37,185
	37,185	3,981	(3,981)	-	37,185
Total expenditures	36,470,858	31,641,032	3,148,326	31,942,137	4,528,721
Revenues under expenditures	(28,537,102)	(24,381,300)	(2,990,799)	(24,520,650)	4,016,452
Other financing sources (uses):					
Transfers (to) from other funds:					
General fund	1,322,990	2,721,402	39,000	2,760,402	1,437,412
Tourism Development Authority	11,298,815	11,298,151	1,500,000	12,798,151	1,499,336
Capital improvements fund	4,266,432	7,985,310	-	7,985,310	3,718,878
Transfer tax capital fund	10,975,988	10,403,294	-	10,403,294	(572,694)
School construction fund	672,877	582,180	102,493	684,673	11,796
Total other financing sources (uses)	28,537,102	32,990,337	1,641,493	34,631,830	6,094,728
Revenues and other sources over (under) expenditures	\$ -	\$ 8,609,037	(1,349,306)	\$ 10,111,180	\$ 10,111,180
Fund balances:					
Beginning of year, July 1			8,984,201		
End of year, June 30			<u>\$ 7,634,895</u>		

County of Currituck, North Carolina
School Capital Projects Fund
Schedule of Revenues, Expenditures, and
Changes in Fund Balances - Budget and Actual
From Inception and for the Fiscal Year Ended June 30, 2014

	Project Authorization	Actual		Total to Date	Variance Positive (Negative)
		Prior Years	Current Year		
Revenues					
Public School Capital Building Fund	\$ 620,980	\$ 1,077,565	\$ -	\$ 1,077,565	\$ 456,585
State Lottery proceeds	835,962	1,042,262	270,000	1,312,262	476,300
Grants	-	-	50,000	50,000	50,000
Investment earnings	1,714,593	2,724,744	45,103	2,769,847	1,055,254
Total revenues	<u>3,171,535</u>	<u>4,844,571</u>	<u>365,103</u>	<u>5,209,674</u>	<u>2,038,139</u>
Expenditures					
Intergovernmental - education:					
College of the Albemarle - Aviation/Technical Training	6,932,247	6,932,247	-	6,932,247	-
Central Elementary School Parking	750,000	17,339	158,848	176,187	573,813
Central Elementary School - Chiller replacement	129,175	128,515	660	129,175	-
Jarvisburg Elementary School construction	14,348,336	14,348,153	182	14,348,335	1
Knapp Early College Renovations/Bleachers	322,595	322,594	-	322,594	1
Moyock Elementary School, renovation	1,801,833	1,801,832	-	1,801,832	1
Shawboro Elementary School construction	20,127,644	20,127,643	-	20,127,643	1
Knapp Early College - Chiller Replacement	150,000	134,371	-	134,371	15,629
JPK & Moyock Elementary Roof Replacement	159,221	5,500	128,910	134,410	24,811
JPK Gym Roof Replacement	140,000	-	107,238	107,238	32,762
JPK Technology Roof Replacement	30,000	-	12,138	12,138	17,862
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	133,604	11,261	122,343	133,604	-
Currituck Middle School - HVAC lobby	100,000	-	2,880	2,880	97,120
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	107,671	344,470	15,530
Currituck County High School - Chiller replacement	50,171	50,171	-	50,171	-
Total expenditures	<u>45,774,617</u>	<u>44,348,405</u>	<u>640,870</u>	<u>44,989,275</u>	<u>785,342</u>
Revenues over (under) expenditures	<u>(42,603,082)</u>	<u>(39,503,834)</u>	<u>(275,767)</u>	<u>(39,779,601)</u>	<u>2,823,481</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
School Capital Improvements Fund	-	-	410,000	410,000	410,000
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>30,723,631</u>	<u>410,000</u>	<u>31,133,631</u>	<u>2,561,319</u>
Transfers to					
Governmental Construction Fund	(769,230)	(582,180)	(102,493)	(684,673)	84,557
Total other financing sources (uses)	<u>42,603,082</u>	<u>44,941,451</u>	<u>307,507</u>	<u>45,248,958</u>	<u>2,645,876</u>
Revenues, other sources (uses) appropriated fund balance over (under) expenditures	<u>\$ -</u>	<u>\$ 5,437,617</u>	<u>31,740</u>	<u>\$ 5,469,357</u>	<u>\$ 5,469,357</u>
Fund balances:					
Beginning of year, July 1			<u>5,507,828</u>		
End of year, June 30			<u>\$ 5,539,568</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, 2014

	2014			Variance with Final Positive (Negative)	2013
	Budgeted Amounts		Actual		Actual
	Original	Final			
Revenues:					
Occupancy Tax	\$ -	\$ -	\$ 10,579,294	\$ 10,579,294	\$ 10,046,807
Co-op Advertising	-	-	12,650	12,650	20,502
Retail sales	-	-	12,627	12,627	8,653
Penalties and interest	-	-	1,904	1,904	2,311
Tour Permits	-	-	29,450	29,450	35,150
Interest on intra-fund loan	-	-	113,987	113,987	35,150
Investment earnings	-	-	58,471	58,471	42,728
Total revenues	<u>10,286,829</u>	<u>10,677,318</u>	<u>10,880,883</u>	<u>203,565</u>	<u>10,156,151</u>
Expenditures:					
Tourism Promotion:					
Salaries	-	-	542,233	-	548,824
Operating Expenses	-	-	330,484	-	281,245
Retail merchandise	-	-	17,950	-	8,093
Promotions	-	-	2,202,583	-	2,287,922
Capital Outlay	-	-	9,336	-	37,232
Total Tourism Promotions	<u>3,427,294</u>	<u>3,341,344</u>	<u>3,102,586</u>	<u>238,758</u>	<u>3,163,316</u>
Tourism Related Expenditures:					
Utilities	-	-	1,438	-	1,392
Repairs and maintenance	-	-	4,376	-	5,701
Signs	-	-	8,889	-	23,953
Outer Banks access ramps	-	-	30,172	-	47,780
Economic development incentives	-	-	28,848	-	-
Supplies	-	-	2,500	-	5,924
Contracted services	-	-	124,555	-	88,310
Lifeguard services	-	-	612,934	-	630,847
Historic preservation	-	-	30,703	-	112,382
Corolla Wild Horse support	-	-	69,200	-	94,200
Insurance and bonds	-	-	6,835	-	5,485
Professional services	-	-	25,394	-	10,204
Whalehead projects	-	-	822,102	-	800,000
Capital outlay	-	-	516,901	-	117,248
Total tourism related expenditures	<u>2,406,168</u>	<u>3,390,799</u>	<u>2,284,847</u>	<u>1,105,952</u>	<u>1,943,426</u>
Total expenditures	<u>5,833,462</u>	<u>6,732,143</u>	<u>5,387,433</u>	<u>1,344,710</u>	<u>5,106,742</u>
Revenues over (under) expenditures	<u>4,453,367</u>	<u>3,945,175</u>	<u>5,493,450</u>	<u>1,548,275</u>	<u>5,049,409</u>
Other financing sources:					
Transfers (to) from other funds:					
General fund	-	-	-	-	-
General fund	(3,197,263)	(3,304,263)	(2,764,112)	540,151	(2,982,561)
Southern Outer Banks Water Fund	-	-	-	-	71,445
Mainland Water Fund	-	-	-	-	(40,000)
County Governmental Facilities fund	(1,500,000)	(1,500,000)	(1,500,000)	-	(1,405,159)
Total other financing uses	<u>(4,697,263)</u>	<u>(4,804,263)</u>	<u>(4,264,112)</u>	<u>540,151</u>	<u>(4,356,275)</u>

Revenues and other financing sources over (under) expenditures and other financing uses	(243,896)	(859,088)	1,229,338	2,088,426	693,134
Appropriated fund balance	<u>243,896</u>	<u>859,088</u>	<u>-</u>	<u>(859,088)</u>	<u>-</u>
Revenues, other financing sources, and appropriated fund balance over (under) expenditures	<u>\$ -</u>	<u>\$ -</u>	1,229,338	<u>\$ 1,229,338</u>	693,134
Fund balances:					
Beginning of year, July 1			<u>9,172,061</u>		<u>8,478,927</u>
Fund balance: Tourism promotion			6,174,162		5,700,691
Fund balance: Tourism related expenditures			<u>4,227,237</u>		<u>3,471,370</u>
End of year, June 30			<u>\$ 10,401,399</u>		<u>\$ 9,172,061</u>
A legally budgeted Carova Beach Service District Fund is consolidated in the Tourism Development Authority Fund for reporting purposes:					
Investment earnings			849		1,000
Transfer-in Tourism Development Authority Fund			-		-
Expenditures			(46,746)		(13,890)
Beginning Fund Balance, Carova Beach Service District Fund			<u>120,628</u>		<u>133,518</u>
Ending Fund Balance Exhibit 4			<u>\$ 10,476,130</u>		<u>\$ 9,292,689</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, 2014

	2014			Variance with Final Positive (Negative)	2013
	Budgeted Amounts		Actual		Actual
	Original	Final			
Revenues:					
Investment earnings	\$ -	\$ -	\$ 849	\$ 849	\$ 1,000
Expenditures:					
Current:					
Environmental protection	120,000	120,000	46,746	73,254	13,890
Total expenditures	120,000	120,000	46,746	73,254	13,890
Revenues over (under) expenditures	<u>\$ (120,000)</u>	<u>\$ (120,000)</u>	(45,897)	<u>\$ 74,103</u>	(12,890)
Other financing sources:					
Transfers from tourism development authority	-	-	-	-	-
Fund balances:					
Beginning of year, July 1			120,628		133,518
End of year, June 30			<u>\$ 74,731</u>		<u>\$ 120,628</u>

**County of Currituck, North Carolina
Combining Statement of Net Position
Non-Major Proprietary Funds
June 30, 2014**

	Enterprise Funds				Totals	
	Newtown Road Sewer Fund	Maple Commerce Park Sewer Fund	Moyock Commons Sewer Fund	Walnut Island Sewer Fund	June 30, 2014	June 30, 2013
ASSETS						
Current assets:						
Cash and cash equivalents	\$ 48,294	\$ 197	\$ 54,322	\$ 7,675	\$ 110,488	\$ 401,821
Restricted cash	350	-	150	-	500	-
Taxes receivable, net	-	-	2,081	-	2,081	2,004
Receivables, net	11,168	4,208	4,930	79,452	99,758	72,654
Total current assets	<u>59,812</u>	<u>4,405</u>	<u>61,483</u>	<u>87,127</u>	<u>212,827</u>	<u>476,479</u>
Noncurrent assets:						
Capital assets:						
Land, improvements, and construction in progress	87,000	-	67,625	53,690	208,315	208,315
Other capital assets, net of depreciation	138,459	1,803,796	279,535	3,368,079	5,589,869	5,698,707
Total capital assets	<u>225,459</u>	<u>1,803,796</u>	<u>347,160</u>	<u>3,421,769</u>	<u>5,798,184</u>	<u>5,907,022</u>
Total assets	<u>285,271</u>	<u>1,808,201</u>	<u>408,643</u>	<u>3,508,896</u>	<u>6,011,011</u>	<u>6,383,501</u>
LIABILITIES						
Current liabilities:						
Accounts payable	-	1,784	56,900	12,277	70,961	4,886
Customer deposits	350	-	150	-	500	500
Total liabilities	<u>350</u>	<u>1,784</u>	<u>57,050</u>	<u>12,277</u>	<u>71,461</u>	<u>5,386</u>
NET POSITION						
Net investment in capital assets	225,459	1,803,796	347,160	3,421,769	5,798,184	5,907,022
Unrestricted	59,462	2,621	4,433	74,850	141,366	471,093
Total net position	<u>\$ 284,921</u>	<u>\$ 1,806,417</u>	<u>\$ 351,593</u>	<u>\$ 3,496,619</u>	<u>\$ 5,939,550</u>	<u>\$ 6,378,115</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, 2014

	Enterprise Funds				Totals	
	Newtown Road Sewer Fund	Maple Commerce Park Sewer Fund	Moyock Commons Sewer Fund	Walnut Island Sewer Fund	June 30, 2014	June 30, 2013
OPERATING REVENUES						
Charges for services	\$ 21,495	\$ 22,453	\$ 103,008	\$ 122,165	\$ 269,121	\$ 280,125
Miscellaneous	-	-	1,352	-	1,352	884
Total operating revenues	<u>21,495</u>	<u>22,453</u>	<u>104,360</u>	<u>122,165</u>	<u>270,473</u>	<u>281,009</u>
OPERATING EXPENSES						
Administration	2,088	2,850	7,756	79,693	92,387	162,882
Water and sewer district	26,514	38,651	130,332	32,509	228,006	140,657
Depreciation	16,954	64,421	13,963	151,177	246,515	178,478
Total operating expenses	<u>45,556</u>	<u>105,922</u>	<u>152,051</u>	<u>263,379</u>	<u>566,908</u>	<u>482,017</u>
Operating income (loss)	<u>(24,061)</u>	<u>(83,469)</u>	<u>(47,691)</u>	<u>(141,214)</u>	<u>(296,435)</u>	<u>(201,008)</u>
NONOPERATING REVENUES (EXPENSES)						
Tax revenue	-	-	18,092	-	18,092	45,107
Grant	-	-	-	-	-	106,491
Contributed capital	-	-	-	66,225	66,225	-
Sale of capital assets	-	-	-	-	-	1,475
Interest and investment revenue	458	124	2,121	850	3,553	3,160
Total nonoperating revenue (expenses)	<u>458</u>	<u>124</u>	<u>20,213</u>	<u>67,075</u>	<u>87,870</u>	<u>156,233</u>
Income (loss) before transfers	(23,603)	(83,345)	(27,478)	(74,139)	(208,565)	(44,775)
Transfer	-	-	(230,000)	-	(230,000)	35,650
Change in net position	(23,603)	(83,345)	(257,478)	(74,139)	(438,565)	(9,125)
Total net position - beginning	308,524	1,889,762	609,071	3,570,758	6,378,115	6,387,240
Total net position - ending	<u>\$ 284,921</u>	<u>\$ 1,806,417</u>	<u>\$ 351,593</u>	<u>\$ 3,496,619</u>	<u>\$ 5,939,550</u>	<u>\$ 6,378,115</u>

County of Currituck, North Carolina
Combining Statement of Cash Flows
Non-Major Proprietary Fund
For the Year Ended June 30, 2014

	Newtown Road Sewer Fund	Maple Commerce Park Sewer Fund	Moyock Commons Sewer Fund	Walnut Island Sewer Fund	Totals	
					June 30, 2014	June 30, 2013
Cash flows from operating activities:						
Cash received from customers	\$ 13,108	\$ 19,782	\$ 104,792	\$ 104,335	\$ 242,017	\$ 264,961
Cash paid for goods and services	(28,689)	(41,000)	(81,350)	(103,278)	(254,317)	(318,960)
Customer deposits received	-	-	-	-	-	150
Customer deposits returned	-	-	-	-	-	(150)
Other operating revenue	-	-	1,352	-	1,352	884
Net cash provided (used) by operating activities	<u>(15,581)</u>	<u>(21,218)</u>	<u>24,794</u>	<u>1,057</u>	<u>(10,948)</u>	<u>(53,115)</u>
Cash flows from noncapital financing activities:						
Tax revenues	-	-	18,015	-	18,015	50,906
Transfer from operating fund	-	-	-	-	-	35,650
	<u>-</u>	<u>-</u>	<u>18,015</u>	<u>-</u>	<u>18,015</u>	<u>86,556</u>
Cash flows from capital and related financing activities:						
Transfer (to) enterprise fund	-	-	(230,000)	-	(230,000)	-
Sale of capital assets	-	-	-	-	-	1,475
Capital contributions	-	-	-	66,225	66,225	106,491
Acquisition of capital assets	-	-	-	(137,678)	(137,678)	(68,891)
Net cash provided by capital and related financing activities	<u>-</u>	<u>-</u>	<u>(230,000)</u>	<u>(71,453)</u>	<u>(301,453)</u>	<u>39,075</u>
Cash flows from investing activities:						
Interest on investments	<u>458</u>	<u>124</u>	<u>2,121</u>	<u>850</u>	<u>3,553</u>	<u>3,160</u>
Net increase (decrease) in cash and cash equivalents	(15,123)	(21,094)	(185,070)	(69,546)	(290,833)	75,676
Cash and cash equivalents, July 1	63,767	21,291	239,542	77,221	401,821	326,145
Cash and cash equivalents, June 30	<u>\$ 48,644</u>	<u>\$ 197</u>	<u>\$ 54,472</u>	<u>\$ 7,675</u>	<u>\$ 110,988</u>	<u>\$ 401,821</u>
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:						
Operating income (loss)	<u>\$ (24,061)</u>	<u>\$ (83,469)</u>	<u>\$ (47,691)</u>	<u>\$ (141,214)</u>	<u>\$ (296,435)</u>	<u>\$ (201,008)</u>
Adjustments to reconcile operating income to net cash provided by operating activities:						
Depreciation	16,954	64,421	13,963	151,177	246,515	178,478
Changes in assets and liabilities:						
(Increase) decrease in accounts receivable	(8,388)	(2,670)	1,784	(17,830)	(27,104)	(15,164)
Increase (decrease) in accounts payable and accrued liabilities	(86)	500	56,738	8,924	66,076	(15,421)
Total adjustments	<u>8,480</u>	<u>62,251</u>	<u>72,485</u>	<u>142,271</u>	<u>285,487</u>	<u>147,893</u>
Net cash provided (used) by operating activities	<u>\$ (15,581)</u>	<u>\$ (21,218)</u>	<u>\$ 24,794</u>	<u>\$ 1,057</u>	<u>\$ (10,948)</u>	<u>\$ (53,115)</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, 2014

	2014			Variance Positive (Negative)	2013
	Original Budget	Final Budget	Actual		Actual
Revenues:					
Charges for services:					
Sewer charges	\$ -	\$ -	\$ 18,782	\$ -	\$ 11,423
Penalties and interest, sewer	-	-	2,713	-	352
Total, sewer operating revenues	10,605	12,605	21,495	8,890	11,775
Nonoperating revenues:					
Interest earnings	500	500	458	(42)	544
Total revenues	11,105	13,105	21,953	8,848	12,319
Other financing sources (uses):					
Transfer from operating fund	-	-	-	-	-
Rural Center grant	-	-	-	-	-
Appropriated net position	12,305	17,805	-	(17,805)	-
Total revenues and appropriated net position	23,410	30,910	21,953	(8,957)	12,319
Expenditures:					
Administration:					
Telephone and postage	-	-	-	-	72
Administrative expenses	-	-	2,088	-	9,859
	2,088	2,088	2,088	-	9,931
Sewer treatment operations:					
Utilities	-	-	-	-	867
Repairs and maintenance	-	-	-	-	18
Lab tests	-	-	-	-	2,440
System supplies	-	-	-	-	493
Contracted services	-	-	26,514	-	5,973
Total	21,322	28,822	26,514	2,308	9,791
Total expenditures	23,410	30,910	28,602	2,308	19,722
Revenues and appropriated net position over expenditures	\$ -	\$ -	(6,649)	\$ (6,649)	(7,403)
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			\$ (23,603)		\$ (24,357)

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, 2014

	2014			Variance	2013
	Original Budget	Final Budget	Actual	Positive (Negative)	Actual
Revenues:					
Charges for services:					
Sewer charges	\$ -	\$ -	\$ 22,351	\$ -	\$ 20,830
Penalties and interest, sewer	-	-	102	-	-
Total, sewer operating revenues	21,250	21,250	22,453	1,203	20,830
Nonoperating revenues:					
Interest earnings	-	-	124	124	110
Total revenues	21,250	21,250	22,577	1,327	20,940
Other financing sources (uses):					
Transfer from operating fund	-	-	-	-	35,650
	27,796	27,796	-	(27,796)	35,650
Total revenues and other financing sources	49,046	49,046	22,577	(26,469)	56,590
Expenditures:					
Administration:					
Telephone and postage	-	-	1,540	-	1,297
Dues and subscriptions	-	-	1,310	-	1,310
Administrative expenses	-	-	-	-	-
	1,790	3,790	2,850	940	2,607
Sewer treatment operations:					
Utilities	-	-	6,469	-	7,497
Gas, oil, etc.	-	-	-	-	-
Repairs and maintenance	-	-	4,948	-	784
Lab tests	-	-	6,840	-	8,977
System supplies	-	-	14,794	-	5,771
Contracted services	-	-	5,600	-	640
Total	47,256	42,256	38,651	3,605	23,669
Capital outlay	-	3,000	-	3,000	10,000
Total expenditures	49,046	49,046	41,501	7,545	36,276
Revenues and appropriated net assets over expenditures	\$ -	\$ -	(18,924)	\$ (18,924)	20,314
Reconciliation from budgetary basis (modified accrual) to full accrual:					
Reconciling items:					
Capital outlay			-		10,000
Depreciation			(64,421)		(64,421)
Total reconciling items			(64,421)		(54,421)
Change in net position			\$ (83,345)		\$ (34,107)

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, 2014

	2014			Variance Positive (Negative)	2013
	Original Budget	Final Budget	Actual		Actual
Revenues:					
Charges for services:					
Sewer charges	\$ -	\$ -	\$ 103,008	\$ -	\$ 127,027
Penalties and interest	-	-	1,352	-	884
Total, sewer operating revenues	<u>99,961</u>	<u>109,721</u>	<u>104,360</u>	<u>(5,361)</u>	<u>127,911</u>
Nonoperating revenues:					
Tax revenue	-	-	18,092	-	45,107
Interest earnings	-	-	2,121	-	1,730
Total nonoperating revenues	<u>18,737</u>	<u>18,737</u>	<u>20,213</u>	<u>1,476</u>	<u>46,837</u>
Total revenues	<u>118,698</u>	<u>128,458</u>	<u>124,573</u>	<u>(3,885)</u>	<u>174,748</u>
Other financing sources (uses):					
Transfer from operating fund	-	-	-	-	-
Appropriated net position	<u>30,782</u>	<u>260,782</u>	<u>-</u>	<u>(260,782)</u>	<u>-</u>
Total revenues and other financing sources	<u>149,480</u>	<u>389,240</u>	<u>124,573</u>	<u>(264,667)</u>	<u>174,748</u>
Expenditures:					
Administration:					
Telephone and postage	-	-	-	-	410
Administration	-	-	7,756	-	41,003
Supplies	-	-	-	-	14,693
Credit card fees	-	-	-	-	307
Dues and subscriptions	-	-	-	-	1,310
Software license fees	-	-	-	-	20
	<u>7,756</u>	<u>7,756</u>	<u>7,756</u>	<u>-</u>	<u>57,743</u>
Sewer treatment operations:					
Utilities	-	-	-	-	5,177
Repairs and maintenance	-	-	-	-	-
Lab tests	-	-	-	-	5,145
Chemicals	-	-	-	-	3,856
Contracted services	-	-	130,332	-	33,398
Professional services	-	-	-	-	-
Total	<u>138,724</u>	<u>148,484</u>	<u>130,332</u>	<u>18,152</u>	<u>47,576</u>
Capital outlay	<u>3,000</u>	<u>3,000</u>	<u>-</u>	<u>3,000</u>	<u>-</u>
Total expenditures	<u>149,480</u>	<u>159,240</u>	<u>138,088</u>	<u>21,152</u>	<u>105,319</u>
Revenues over expenditures	<u>\$ -</u>	<u>\$ 230,000</u>	<u>\$ (13,515)</u>	<u>\$ (243,515)</u>	<u>\$ 69,429</u>
Other financing uses:					
Transfers to Moyock Central Sewer Fund	-	(230,000)	(230,000)	-	-
Revenues and appropriated net position over (under) expenditures and other financing uses	<u>\$ -</u>	<u>\$ -</u>	<u>(243,515)</u>	<u>\$ (243,515)</u>	<u>69,429</u>
Reconciliation from budgetary basis (modified accrual) to full accrual:					
Depreciation			<u>(13,963)</u>		<u>(17,252)</u>
Change in net position			<u>\$ (257,478)</u>		<u>\$ 52,177</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, 2014

	2014			2013	
	Original Budget	Final Budget	Actual	Variance Positive (Negative)	Actual
Revenues:					
Charges for services:					
Sewer charges	\$ -	\$ -	\$ 104,205	\$ -	\$ 102,909
Tap fees	-	-	2,478	-	11,434
Sale of material	-	-	1,716	-	-
Penalties and interest	-	-	13,766	-	6,150
Total, sewer operating revenues	<u>111,000</u>	<u>111,000</u>	<u>122,165</u>	<u>11,165</u>	<u>120,493</u>
Nonoperating revenues:					
Grant funds	-	-	66,225	-	106,491
Sale of capital assets	-	-	-	-	1,475
Interest earnings	-	-	850	-	776
Total nonoperating revenues	<u>600</u>	<u>66,825</u>	<u>67,075</u>	<u>250</u>	<u>108,742</u>
Total revenues	<u>111,600</u>	<u>177,825</u>	<u>189,240</u>	<u>11,415</u>	<u>229,235</u>
Appropriated net position	-	73,775	-	(73,775)	-
Total revenues and other financing sources	<u>111,600</u>	<u>251,600</u>	<u>189,240</u>	<u>(62,360)</u>	<u>229,235</u>
Expenditures:					
Administration:					
Telephone and postage	-	-	2,584	-	1,821
Administration	-	-	67,192	-	73,599
Supplies	-	-	8,188	-	16,770
Credit card fees	-	-	327	-	305
Software license fees	-	-	92	-	106
Total	<u>78,200</u>	<u>78,930</u>	<u>79,693</u>	<u>(763)</u>	<u>92,601</u>
Sewer treatment operations:					
Utilities	-	-	13,411	-	11,237
Repairs and maintenance	-	-	5,540	-	8,474
Lab tests	-	-	10,081	-	10,284
Chemicals	-	-	-	-	326
Contracted services	-	-	3,477	-	17,095
Professional services	-	-	-	-	12,205
Total	<u>33,400</u>	<u>32,670</u>	<u>32,509</u>	<u>161</u>	<u>59,621</u>
Capital outlay	-	140,000	137,678	2,322	58,891
Total expenditures	<u>111,600</u>	<u>251,600</u>	<u>249,880</u>	<u>1,720</u>	<u>211,113</u>
Revenues over expenditures	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (60,640)</u>	<u>\$ (60,640)</u>	<u>\$ 18,122</u>
Reconciliation from budgetary basis (modified accrual) to full accrual:					
Capital outlays			137,678		58,891
Depreciation			<u>(151,177)</u>		<u>(79,851)</u>
Change in net position			<u>\$ (74,139)</u>		<u>\$ (2,838)</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, 2014

	2014			Variance Positive (Negative)	2013
	Original Budget	Final Budget	Actual		Actual
Revenues:					
Operating revenues:					
Charges for services:					
Solid waste disposal charges	\$ -	\$ -	\$ 2,177,920	\$ -	\$ 2,148,138
Recycling	-	-	35,187	-	26,357
Tipping fees	-	-	502,152	-	516,122
Total	<u>2,746,000</u>	<u>2,746,000</u>	<u>2,715,259</u>	<u>(30,741)</u>	<u>2,690,617</u>
Nonoperating revenues:					
Ad valorem taxes	-	-	14,017	-	11,818
White goods tax	-	-	11,692	-	12,049
White goods disposal tax	-	-	92,237	-	59,468
Tire tax	-	-	15,168	-	43,343
Other solid waste grants	-	-	-	-	-
Investment earnings	-	-	36,489	-	40,800
Total	<u>112,000</u>	<u>112,000</u>	<u>169,603</u>	<u>57,603</u>	<u>167,478</u>
Appropriated net assets	<u>885,681</u>	<u>885,681</u>	<u>-</u>	<u>(885,681)</u>	<u>-</u>
Total revenues	<u>3,743,681</u>	<u>3,743,681</u>	<u>2,884,862</u>	<u>(858,819)</u>	<u>2,858,095</u>
Expenditures:					
Solid waste administration:					
Training & Education	-	-	-	-	-
Telephone and postage	-	-	282	-	281
Other administrative expenditures	-	-	165,925	-	165,889
Total	<u>166,691</u>	<u>166,691</u>	<u>166,207</u>	<u>484</u>	<u>166,170</u>
Solid waste operations:					
Utilities	-	-	4,501	-	4,712
Repair and maintenance	-	-	2,839	-	8,319
Rent	-	-	28,200	-	28,200
Supplies	-	-	3,039	-	9,967
Professional services	-	-	2,630	-	1,200
Contract services, other	-	-	28,034	-	25,073
Contract services, collection	-	-	1,725,650	-	1,786,494
Contract services, disposal	-	-	1,573,774	-	1,650,400
Site work and landscaping	-	-	19,872	-	22,734
White goods disposal	-	-	21,978	-	19,740
White goods disposal tax	-	-	41,700	-	43,384
Tire disposal	-	-	32,908	-	63,253
Monitoring wells	-	-	4,900	-	4,900
Recycling	-	-	443,780	-	404,217
Total	<u>4,168,590</u>	<u>4,168,590</u>	<u>3,933,805</u>	<u>234,785</u>	<u>4,072,593</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, 2014

	2014			2013	
	Original Budget	Final Budget	Actual	Variance Positive (Negative)	Actual
Capital outlays	8,400	8,400	10,774	(2,374)	-
Total expenditures	<u>4,343,681</u>	<u>4,343,681</u>	<u>4,110,786</u>	<u>232,895</u>	<u>4,238,763</u>
Revenues and appropriated net position over expenditures	<u>(600,000)</u>	<u>(600,000)</u>	<u>(1,225,924)</u>	<u>(625,924)</u>	<u>(1,380,668)</u>
Other financing sources (uses):					
Transfers from operating fund	<u>600,000</u>	<u>600,000</u>	<u>600,000</u>	<u>-</u>	<u>896,256</u>
Revenues and appropriated net position over (under) expenditures and other financing uses	<u>\$ -</u>	<u>\$ -</u>	<u>(625,924)</u>	<u>\$ (625,924)</u>	<u>(484,412)</u>
Reconciliation from budgetary basis (modified accrual) to full accrual:					
Reconciling items:					
Capital outlays			10,774		-
Depreciation			<u>(35,645)</u>		<u>(35,286)</u>
Total reconciling items			<u>(24,871)</u>		<u>(35,286)</u>
Change in net position			<u>\$ (650,795)</u>		<u>\$ (519,698)</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, 2014

	2014			Variance Positive (Negative)	2013
	Original Budget	Final Budget	Actual		Actual
Revenues:					
Charges for services:					
Water sales	\$ -	\$ -	\$ 579,216	\$ -	\$ 571,175
Water impact fees	-	-	10,000	-	7,000
Water tap fees	-	-	2,400	-	2,025
Penalties and interest, water	-	-	9,891	-	6,628
Other operating revenues, water	-	-	1,243	-	1,329
Total, water operating revenues	<u>552,750</u>	<u>552,750</u>	<u>602,750</u>	<u>50,000</u>	<u>588,157</u>
Sewer charges	-	-	529,708	-	513,901
Sewer impact fees	-	-	10,000	-	7,000
Sewer tap fees	-	-	2,400	-	2,025
Penalties and interest, sewer	-	-	8,607	-	6,794
Other operating revenues, sewer	-	-	1,243	-	1,329
Total, sewer operating revenues	<u>816,000</u>	<u>848,062</u>	<u>551,958</u>	<u>(296,105)</u>	<u>531,049</u>
Total operating revenues	<u>1,368,750</u>	<u>1,400,812</u>	<u>1,154,707</u>	<u>(246,105)</u>	<u>1,119,205</u>
Nonoperating revenues:					
Tax revenue	-	-	238,721	-	-
Unrestricted intergovernmental revenues	-	-	-	-	-
Insurance recovery	-	-	1,899	-	-
Interest earnings	-	-	18,178	-	40,947
Total nonoperating revenues	<u>253,736</u>	<u>237,857</u>	<u>258,798</u>	<u>20,941</u>	<u>40,947</u>
Total revenues	<u>1,622,486</u>	<u>1,638,669</u>	<u>1,413,505</u>	<u>(225,164)</u>	<u>1,160,152</u>
Appropriated net assets	-	14,138	-	(14,138)	-
Total revenues and appropriated net assets	<u>1,622,486</u>	<u>1,652,807</u>	<u>1,413,505</u>	<u>(239,302)</u>	<u>1,160,152</u>
Expenditures:					
Administration:					
Telephone and postage	-	-	7,485	-	9,368
Travel and training	-	-	4,383	-	11,158
Fees paid to officials	-	-	400	-	900
Advertising	-	-	-	-	229
Supplies	-	-	23,066	-	32,329
Uniforms	-	-	841	-	-
Loss on sales of capital assets	-	-	-	-	11,036
Dues and subscriptions	-	-	3,090	-	2,180
Software license fees	-	-	428	-	392
Refunds	-	-	-	-	-
Contract services	-	-	-	-	30,083
	<u>562,087</u>	<u>84,825</u>	<u>39,693</u>	<u>45,132</u>	<u>97,675</u>
Water treatment operations:					
Utilities	-	-	9,579	-	10,698
Repairs and maintenance	-	-	9,888	-	23,858
Lab tests	-	-	2,849	-	2,512

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, 2014

	2014			Variance Positive (Negative)	2013
	Original Budget	Final Budget	Actual		Actual
System supplies	-	-	13,465	-	13,250
Chemicals	-	-	-	-	3,240
Contracted services	-	-	441,945	-	393,930
Professional services	-	-	-	-	-
Total	<u>444,500</u>	<u>448,500</u>	<u>477,726</u>	<u>(29,226)</u>	<u>447,488</u>
Sewer treatment operations:					
Salaries & benefits	-	-	50,736	-	36,067
Utilities	-	-	48,623	-	54,017
Repairs and maintenance	-	-	78,236	-	50,205
Gas	-	-	7,181	-	1,827
Lab tests	-	-	36,166	-	39,599
System supplies	-	-	26,784	-	26,327
Chemicals	-	-	9,109	-	8,406
Contracted services	-	-	117,301	-	136,471
Professional services	-	-	15,488	-	8,195
Total	<u>525,899</u>	<u>533,265</u>	<u>389,624</u>	<u>143,641</u>	<u>361,114</u>
Capital outlay	<u>90,000</u>	<u>347,217</u>	<u>325,147</u>	<u>22,070</u>	<u>258,011</u>
Total expenditures	<u>1,622,486</u>	<u>1,413,807</u>	<u>1,232,190</u>	<u>181,617</u>	<u>1,164,288</u>
Revenues and appropriated net position over expenditures	<u>\$ -</u>	<u>\$ 239,000</u>	<u>\$ 181,315</u>	<u>\$ (57,685)</u>	<u>\$ (4,136)</u>
Other financing uses:					
Transfer to Ocean Sands Construction	-	(239,000)	(239,000)	-	(3,578,312)
Revenues and appropriated net position over (under) expenditures and other financing uses:	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (57,685)</u>	<u>\$ (57,685)</u>	<u>\$ (3,582,448)</u>
Reconciliation from budgetary basis (modified accrual) to full accrual:					
Reconciling items:					
Capital outlays			325,147		258,011
Accrued vacation			(1,007)		(407)
Loss on disposal of assets			-		(11,036)
Transfer to Ocean Sands Construction			239,000		3,578,312
Depreciation			(172,101)		(185,753)
Total reconciling items			<u>391,039</u>		<u>3,639,127</u>
Change in net position			<u>\$ 333,354</u>		<u>\$ 56,679</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, 2014

	Project Authorization	Actual		Total to Date	Variance Positive (Negative)
		Prior Years	Current Year		
Revenues					
Intergovernmental revenues:					
Investment earnings	\$ -	\$ -	\$ 25,339	\$ 25,339	\$ 25,339
Total revenues	-	-	25,339	25,339	25,339
Expenditures					
Contract services	3,000,000	-	-	-	3,000,000
Professional services	437,812	7,000	107,505	114,505	323,307
Contingency	140,500	-	-	-	140,500
Total expenditures	3,578,312	7,000	107,505	114,505	3,463,807
Revenues under expenditures	(3,578,312)	(7,000)	(82,166)	(89,166)	3,489,146
Other financing sources (uses):					
Transfers (to) from other funds:					
Ocean Sands Water & Sewer fund	3,578,312	3,578,312	239,000	3,817,312	239,000
Total other financing sources (uses)	3,578,312	3,578,312	239,000	3,817,312	239,000
Revenues and other sources over (under) expenditures	\$ -	\$ 3,571,312	\$ 156,834	\$ 3,728,146	\$ 3,728,146

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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, 2014

	2014			Variance Positive (Negative)	2013
	Original Budget	Final Budget	Actual		Actual
Revenues:					
Charges for services:					
Water sales	\$ -	\$ -	\$ 2,740,701	\$ -	\$ 2,783,586
Water tap fees	-	-	405,200	-	291,013
Reconnection fees	-	-	52,375	-	55,350
Penalties and interest	-	-	85,169	-	75,114
Billing services	-	-	-	-	-
Sale of materials	-	-	15,860	-	15,954
Total	<u>2,995,349</u>	<u>3,051,240</u>	<u>3,299,305</u>	<u>248,065</u>	<u>3,221,017</u>
Nonoperating revenues:					
Interest earnings	-	-	9,756	-	7,690
Other nonoperating revenues	-	-	-	-	4,145
Total nonoperating revenues	<u>6,000</u>	<u>6,000</u>	<u>9,756</u>	<u>3,756</u>	<u>11,835</u>
Total revenues	<u>3,001,349</u>	<u>3,057,240</u>	<u>3,309,061</u>	<u>251,821</u>	<u>3,232,852</u>
Appropriated net position	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total revenues and appropriated net position	<u>3,001,349</u>	<u>3,057,240</u>	<u>3,309,061</u>	<u>251,821</u>	<u>3,232,852</u>
Expenditures:					
Administration:					
Salaries and benefits	-	-	50,855	-	51,714
Administrative support	-	-	195,000	-	193,734
Credit card fees	-	-	13,540	-	13,182
Telephone and postage	-	-	39,024	-	36,460
Travel	-	-	1,112	-	1,571
Training and education	-	-	1,749	-	3,278
Advertising	-	-	-	-	-
Supplies	-	-	58,235	-	57,812
Dues and subscriptions	-	-	4,880	-	6,440
Software license fees	-	-	2,191	-	2,122
Other administration	-	-	6,205	-	34,510
Total	<u>370,848</u>	<u>383,014</u>	<u>372,791</u>	<u>10,223</u>	<u>400,823</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, 2014

	2014			Variance	2013
	Original Budget	Final Budget	Actual	Positive (Negative)	Actual
Water treatment operations:					
Salaries and benefits	-	-	579,977	-	596,283
Utilities	-	-	161,406	-	183,128
Repairs and maintenance	-	-	6,383	-	16,367
Fuel	-	-	31,834	-	36,310
Lab tests	-	-	13,694	-	7,149
Chemicals	-	-	41,302	-	55,664
Uniforms	-	-	30	-	822
Contracted services	-	-	59,744	-	13,752
Professional services	-	-	-	-	-
Total	<u>970,735</u>	<u>964,402</u>	<u>894,370</u>	<u>70,032</u>	<u>909,475</u>
Debt service:					
Interest and other charges	-	-	733,613	-	771,449
Debt principal	-	-	890,000	-	855,000
Total	<u>1,623,613</u>	<u>1,623,613</u>	<u>1,623,613</u>	<u>-</u>	<u>1,626,449</u>
Capital outlay	<u>36,153</u>	<u>86,211</u>	<u>80,010</u>	<u>6,201</u>	<u>168,605</u>
Total expenditures	<u>3,001,349</u>	<u>3,057,240</u>	<u>2,970,784</u>	<u>86,456</u>	<u>3,105,352</u>
Revenues and appropriated net assets over (under) expenditures	<u>-</u>	<u>-</u>	<u>338,277</u>	<u>338,277</u>	<u>127,500</u>
Other financing sources:					
Transfers from Tourism Development Authority Fund	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>40,000</u>
Revenues and appropriated net position over (under) expenditures	<u>\$ -</u>	<u>\$ -</u>	<u>338,277</u>	<u>\$ 338,277</u>	<u>167,500</u>
Reconciliation from budgetary basis (modified accrual) to full accrual:					
Reconciling items:					
Capital outlays			80,010		168,605
Debt principal			890,000		855,000
Depreciation			(1,901,152)		(1,905,130)
Amortization of issuance costs, refunding costs and premium			-		(6,869)
Postemployment benefits			(61,460)		(61,460)
Accrued vacation			(4,857)		1,578
Total reconciling items			<u>(997,459)</u>		<u>(948,276)</u>
Change in net position			<u>\$ (659,182)</u>		<u>\$ (780,776)</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, 2014

	2014			2013	
	Original Budget	Final Budget	Actual	Variance Positive (Negative)	Actual
Revenues:					
Charges for services:					
Water sales	\$ -	\$ -	\$ 2,279,063	\$ -	\$ 2,472,673
Water tap fees	-	-	969,920	-	1,092,128
Administration	-	-	431,254	-	388,302
Billing services	-	-	3,780	-	3,780
Penalties and interest	-	-	29,773	-	30,137
Other operating revenues	-	-	13,597	-	13,476
Total, water operating revenues	<u>3,546,920</u>	<u>3,569,607</u>	<u>3,727,387</u>	<u>157,780</u>	<u>4,000,496</u>
Nonoperating revenues:					
Rent	-	-	47,085	-	96,819
Insurance recovery	-	-	6,302	-	-
Interest earnings	-	-	14,598	-	22,354
Total nonoperating revenues	<u>182,001</u>	<u>188,303</u>	<u>67,985</u>	<u>(120,318)</u>	<u>119,173</u>
Total revenues	<u>3,728,921</u>	<u>3,757,910</u>	<u>3,795,372</u>	<u>37,462</u>	<u>4,119,669</u>
Other financing sources (uses):					
Loan proceeds from Tourism Development Authority	-	-	-	-	5,577,844
Transfer to Occupancy Tax fund	-	-	-	-	(71,445)
Transfer to Southern Outer Banks Water Construction fund	-	-	-	-	(5,577,844)
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(71,445)</u>
Total revenues and other financing sources	<u>3,728,921</u>	<u>3,757,910</u>	<u>3,795,372</u>	<u>37,462</u>	<u>4,048,224</u>
Expenditures:					
Administration:					
Salaries and benefits	-	-	170,871	-	150,160
Telephone and postage	-	-	20,410	-	19,168
Advertising	-	-	345	-	-
Supplies	-	-	51,515	-	12,065
Dues and subscriptions	-	-	7,045	-	4,580
Other administrative expenditures	-	-	103,345	-	144,625
Total administration expenditures	<u>264,081</u>	<u>444,555</u>	<u>353,531</u>	<u>91,024</u>	<u>330,598</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, 2014

	2014			2013	
	Original Budget	Final Budget	Actual	Variance Positive (Negative)	Actual
Water treatment operations:					
Salaries and benefits	-	-	442,518	-	372,114
Utilities	-	-	136,058	-	152,153
Gas, oil, etc	-	-	28,472	-	33,532
Repairs and maintenance	-	-	15,723	-	21,572
Lab tests	-	-	17,564	-	19,229
Chemicals	-	-	103,935	-	109,582
Uniforms	-	-	1,440	-	1,115
Contracted services	-	-	28,831	-	-
Professional services	-	-	-	-	165
Total water treatment operations	<u>964,156</u>	<u>777,170</u>	<u>774,541</u>	<u>2,629</u>	<u>709,462</u>
Debt service:					
Interest and other charges	-	-	280,885	-	258,348
Debt principal	-	-	1,947,999	-	1,990,521
Total	<u>2,228,884</u>	<u>2,210,883</u>	<u>2,228,884</u>	<u>(18,001)</u>	<u>2,248,869</u>
Capital outlays	271,800	325,302	318,134	7,168	222,200
Total expenditures	<u>3,728,921</u>	<u>3,757,910</u>	<u>3,675,090</u>	<u>82,820</u>	<u>3,511,129</u>
Revenues and other financing sources over (under) expenditures	<u>\$ -</u>	<u>\$ -</u>	120,282	<u>\$ 120,282</u>	537,095
Reconciliation from budgetary basis (modified accrual) to full accrual:					
Reconciling items:					
Capital outlays			318,134		222,200
Debt principal			1,947,999		1,990,521
Postemployment benefits			(75,810)		(75,810)
Change in accrued vacation			5,716		(6,920)
Depreciation			(852,541)		(855,501)
Loan proceeds from Tourism Development Authority			-		(5,577,844)
Transfer to (from) construction fund			-		5,577,844
Total reconciling items			<u>1,343,498</u>		<u>1,274,490</u>
Change in net position			<u>\$ 1,463,780</u>		<u>\$ 1,811,585</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, 2014

	Project Authorization	Actual		Total to Date	Variance Positive (Negative)
		Prior Years	Current Year		
Revenues					
Intergovernmental revenues:					
Investment earnings	\$ -	\$ 32,420	\$ 20,299	\$ 52,719	\$ 52,719
Total revenues	-	32,420	20,299	52,719	52,719
Expenditures					
Purchase existing water systems	5,419,385	5,419,384	-	5,419,384	1
.75 MGD reverse osmosis water treatment	3,651,884	1,044,206	2,426,795	3,471,001	180,883
1.5 MG water storage	799,774	799,774	-	799,774	-
Piping/distribution lines	700,000	174,589	339,650	514,239	185,761
Carolina water wells	500,000	-	53,495	53,495	446,505
Paint existing tanks	199,140	199,139	-	199,139	1
Professional services	642,554	475,730	156,696	632,426	10,128
Contingency	47,081	-	-	-	47,081
Total expenditures	11,959,818	8,112,822	2,976,636	11,089,458	870,360
Revenues under expenditures	(11,959,818)	(8,080,402)	(2,956,337)	(11,036,739)	923,079
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	11,837,662	-	11,837,662	(122,156)
Revenues and other sources over (under) expenditures	\$ -	\$ 3,757,260	\$ (2,956,337)	\$ 800,923	\$ 800,923

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, 2014

	2014			Variance Positive (Negative)	2013
	Original Budget	Final Budget	Actual		Actual
Revenues:					
Charges for services:					
Administration	\$ -	\$ -	\$ 63,646	\$ -	\$ 8,503
Sewer charges	-	-	27,173	-	8,503
Tap fees	-	-	11,000	-	216,181
Total, sewer operating revenues	<u>332,038</u>	<u>114,406</u>	<u>101,819</u>	<u>(12,587)</u>	<u>224,684</u>
Nonoperating revenues:					
Interest earnings	-	-	458	-	309
Total nonoperating revenues	<u>500</u>	<u>500</u>	<u>458</u>	<u>(42)</u>	<u>309</u>
Total revenues	<u>332,538</u>	<u>114,906</u>	<u>102,277</u>	<u>(12,629)</u>	<u>224,993</u>
Other financing sources (uses):					
Expenditures:					
Administration:					
Telephone and postage	-	-	418	-	280
Administration	-	-	5,000	-	1,053
Supplies	-	-	14,925	-	5,927
Credit card fees	-	-	304	-	14
Dues and subscriptions	-	-	1,310	-	-
Software license fees	-	-	23	-	-
	<u>15,500</u>	<u>20,975</u>	<u>21,980</u>	<u>(1,005)</u>	<u>7,274</u>
Sewer treatment operations:					
Utilities	-	-	19,954	-	8,110
Data Transmission	-	-	418	-	-
Repairs and maintenance	-	-	4,481	-	-
Lab tests	-	-	9,305	-	2,795
Chemicals	-	-	8,010	-	6,327
Contracted services	-	-	24,321	-	5,050
Professional services	-	-	13,643	-	1,790
Total	<u>60,560</u>	<u>120,453</u>	<u>80,132</u>	<u>40,321</u>	<u>24,072</u>
Debt service:					
Interest and other charges	-	-	76,478	-	82,040
Debt principal	-	-	180,000	-	180,000
Total	<u>256,478</u>	<u>256,478</u>	<u>256,478</u>	<u>-</u>	<u>262,040</u>
Capital outlay			30,186	(30,186)	-
Total expenditures	<u>332,538</u>	<u>397,906</u>	<u>388,776</u>	<u>9,130</u>	<u>293,386</u>
Revenues over expenditures	<u>-</u>	<u>(283,000)</u>	<u>(286,499)</u>	<u>(3,499)</u>	<u>(68,393)</u>
Other financing sources uses:					
Transfers from Operating fund	-	53,000	-	(53,000)	-
Transfer from Moyock Commons Sewer fund	-	230,000	230,000	-	-
Transfers from Moyock Central Sewer Construction fund	-	-	-	-	50,000
Revenues and appropriated net position over (under) expenditures and other financing sources	<u>\$ -</u>	<u>\$ -</u>	<u>(56,499)</u>	<u>\$ (56,499)</u>	<u>(18,393)</u>
Reconciliation from budgetary basis (modified accrual) to full accrual:					
Capital outlay			30,186		-
Contributed capital			-		100,000
Debt principal			180,000		180,000
Depreciation			(311,614)		(306,566)
Transfer from construction fund			-		(50,000)
Change in net position			<u>\$ (157,927)</u>		<u>\$ (94,959)</u>

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, 2014

	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	-	5,793	-	5,793	5,793
Total intergovernmental revenues	640,000	645,793	-	645,793	5,793
Total revenues	1,207,476	1,214,644	-	1,214,644	7,168
Expenditures					
Reimbursable expenditures	81,628	38,183	497	38,680	42,948
Capital outlay	5,115,244	4,940,968	108,235	5,049,203	66,041
Total expenditures	5,196,872	4,979,151	108,732	5,087,883	108,989
Revenues over (under) expenditures	(3,989,396)	(3,764,507)	(108,732)	(3,873,239)	116,157
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	3,989,396	-	3,989,396	-
Revenues over (under) expenditures and other financing sources	\$ -	\$ 224,889	\$ (108,732)	\$ 116,157	\$ 116,157

County of Currituck, North Carolina
Agency Funds
Combining Statement of Changes in Assets and Liabilities
For the Fiscal Year Ended June 30, 2014

	Balance June 30 2013	Additions	Deductions	Balance June 30 2014
Social Services				
Assets:				
Cash and cash equivalents	\$ 11,859	\$ 104,323	\$ 107,347	\$ 8,835
Liabilities:				
Accounts Payable	\$ 11,859	\$ 104,323	\$ 107,347	\$ 8,835
Fines and Forfeitures				
Assets:				
Cash and cash equivalents	\$ 21,452	\$ 241,879	\$ 263,367	\$ (36)
Due from other governments	-	19,711	-	19,711
Total assets	<u>\$ 21,452</u>	<u>\$ 261,590</u>	<u>\$ 263,367</u>	<u>\$ 19,675</u>
Liabilities:				
Due to other governments	<u>\$ 21,452</u>	<u>\$ 263,331</u>	<u>\$ 265,108</u>	<u>\$ 19,675</u>
Motor Vehicle Tax				
Assets:				
Cash and cash equivalents	\$ 304	\$ -	\$ 304	\$ -
Liabilities:				
Due to other governments	<u>\$ 304</u>	<u>\$ -</u>	<u>\$ 304</u>	<u>\$ -</u>
Deed of Trust Fee				
Assets:				
Cash and cash equivalents	<u>\$ 3,119</u>	<u>\$ 77,968</u>	<u>\$ 77,950</u>	<u>\$ 3,137</u>
Liabilities:				
Due to other governments	<u>\$ 3,119</u>	<u>\$ 77,968</u>	<u>\$ 77,950</u>	<u>\$ 3,137</u>
Totals - All Agency Funds				
Assets:				
Cash and cash equivalents	\$ 36,734	\$ 424,170	\$ 448,968	\$ 11,936
Due from other governments	-	19,711	-	19,711
Total assets	<u>\$ 36,734</u>	<u>\$ 443,881</u>	<u>\$ 448,968</u>	<u>\$ 31,647</u>
Liabilities:				
Accounts payable	11,859	104,323	107,347	8,835
Intergovernmental payable	<u>24,875</u>	<u>341,299</u>	<u>343,362</u>	<u>22,812</u>
Total liabilities	<u>\$ 36,734</u>	<u>\$ 445,622</u>	<u>\$ 450,709</u>	<u>\$ 31,647</u>

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County of Currituck, North Carolina
General Fund
Schedule of Ad Valorem Taxes Receivable
June 30, 2014

Fiscal Year	Uncollected Balance June 30, 2013	Additions	Collections And Credits	Uncollected Balance June 30, 2014
2013-2014	\$ -	\$ 28,169,465	\$ 27,778,323 (b)	\$ 391,142 (c)
2012-2013	416,657	1,598	289,896	128,359
2011-2012	146,638	-	75,083	71,555
2010-2011	75,182	-	40,310	34,872
2009-2010	39,760	-	13,047	26,713
2008-2009	25,134	-	6,988	18,146
2007-2008	14,453	-	1,586	12,867
2006-2007	9,853	-	1,549	8,304
2005-2006	11,101	-	1,771	9,330
2004-2005	18,684	-	2,432	16,252
2003-2004	15,859	-	15,859	-
	773,321	28,171,063	28,226,844 (d)	717,540
Less: allowance for uncollectible accounts:				
				(17,205)
				(402)
Ad valorem taxes receivable - net:				\$ 699,933
<u>Reconciliation with revenues:</u>				
				\$ 28,311,694
				14,017
				28,325,711
Reconciling items:				
				(116,580)
				17,713
				(98,867)
Total collections and credits				\$ 28,226,844 (d)

County of Currituck, North Carolina
Analysis of Current Tax Levy
County - wide Levy
For the Fiscal Year Ended June 30, 2014

	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	\$ 5,763,280,412	0.485	\$ 27,951,910	\$ 27,724,014	\$ 227,896
Motor vehicles taxed at prior year's rate	84,607,808	0.320	270,745	-	270,745
Penalties	-		20,088	20,088	-
Total	5,847,888,220		28,242,743	27,744,102	498,641
Discoveries:					
Current year taxes	539,711	0.485	2,618	2,618	-
Current year taxes	86,687	0.320	277	277	-
Penalties	-		149	149	-
Total	626,398		3,044	3,044	-
Abatements	(15,736,495)		(76,322)	(55,796)	(20,526)
Total property valuation	\$ 5,832,778,123				
Net levy			28,169,465 (a)	27,691,350	478,115
Uncollected taxes at June 30, 2014			391,142 (c)	361,815	29,327
Current year's taxes collected			\$ 27,778,323 (b)	\$ 27,329,535	\$ 448,788
Current levy collection percentage			98.61%	98.69%	93.87%

County of Currituck, North Carolina
Analysis of Current Tax Levy
County - wide Levy
For the Fiscal Year Ended June 30, 2014

Secondary Market Disclosures:

Assessed Valuation:

Assessment Ratio ¹	100 %
Real Property	\$ 5,311,386,349
Personal Property	443,788,918
Public Service Companies ²	<u>77,602,856</u>
Total Assessed Valuation	\$ 5,832,778,123
Tax Rate per \$100	0.485
Levy (includes discoveries, releases and abatements) ³	\$ 28,169,465

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	10,548
Hog Ditch watershed improvement district	1,198
Moyock watershed improvement district	16,660
Northwest watershed improvement district	2,654
Whalehead solid waste district	870,569
Whalehead watershed improvement district	140,415
Ocean Sands water and sewer district	226,546
Moyock Commons sewer district	<u>17,916</u>
Total	<u><u>\$ 29,455,971</u></u>

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, 2014

Taxpayer	Type of Business	2013 Assessed Valuation	Percentage of Total Assessed Valuation
Dominion Power	Utility	\$ 82,296,820	1.45 %
Coastland Properties I LLC	Land Development	22,087,200	0.39
Pine Island Holdings LLC	Land Development	18,942,100	0.33
Coastland Corporation	Land Development	18,463,700	0.33
Pine Island Properties LLC	Land Development	13,216,005	0.23
Corolla Bay LLC	Land Development	10,650,100	0.19
Carolina Telephone & Telegraph Co	Utility	10,049,565	0.18
Currituck Association Golf Partnership	Land Development	8,319,500	0.15
Fincher Patruck Weir LLC	Real Estate Investor	8,090,100	0.14
Monteray Plaza LLC	Real Estate Investor	7,699,672	0.14
Total		<u>\$ 199,814,762</u>	<u>3.53 %</u>

County of Currituck, North Carolina
Emergency Telephone System Unspent Balance
PSAP Reconciliation
June 30, 2014

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	\$ (10,693)
Ineligible 911 expenditures reported in Emergency Telephone System Fund	<u>9,195</u>
Beginning Balance, PSAP Revenue-Expenditure Report	<u>478,165</u>
Ending Balance, PSAP Revenue-Expenditure Report	<u><u>\$ 476,667</u></u>

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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									
	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Governmental activities										
Net investment in capital assets	\$ 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	\$ 104,063,563
Restricted	-	-	-	-	-	-	15,397,965	12,362,081	18,056,879	21,530,373
Unrestricted	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	13,767,217
Total governmental activities net position	\$ 89,084,793	\$ 102,438,456	\$ 113,602,897	\$ 118,568,956	\$ 122,550,171	\$ 122,291,625	\$ 125,663,633	\$ 130,420,968	\$ 136,045,469	\$ 139,361,153
Business-type activities										
Net investment in capital assets	\$ 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	\$ 28,462,332
Unrestricted	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	14,330,486
Total business-type activities net position	\$ 26,450,802	\$ 29,046,157	\$ 31,891,794	\$ 34,014,648	\$ 35,405,601	\$ 36,228,736	\$ 36,953,022	\$ 42,438,447	\$ 42,902,153	\$ 42,792,818
Primary government										
Net investment in capital assets	\$ 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	\$ 132,525,895
Restricted	-	-	-	-	-	-	15,397,965	12,362,081	18,056,879	21,530,373
Unrestricted	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	28,097,703
Total governmental activities net position	\$ 115,535,595	\$ 131,484,613	\$ 145,494,691	\$ 152,583,604	\$ 157,955,772	\$ 158,520,361	\$ 162,616,655	\$ 172,859,415	\$ 178,947,622	\$ 182,153,971

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

	Fiscal Year									
	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Expenses										
Governmental activities:										
General government	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	6,607,468
Public safety	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	20,161,974
Transportation	295,590	791,450	576,920	1,379,504	751,195	783,800	1,726,573	1,222,468	1,079,075	1,000,818
Economic and physical development	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	761,700
Environmental protection	295,732	238,502	303,871	385,879	390,630	568,900	424,447	385,902	3,174,699	8,490,835
Human services	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	4,688,478
Cultural and recreation	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	3,131,488
Education	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	10,782,180
Interest on long-term debt	404,700	354,100	325,600	418,693	492,453	449,982	456,783	359,601	364,671	290,717
Total governmental activities expenses	<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>	<u>\$ 55,915,658</u>
Business-type activities:										
Solid Waste	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	4,135,657
Water and Sewer	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	8,437,098
Total business-type activities expenses	<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>	<u>12,572,755</u>
Total primary government expenses	<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>	<u>\$ 68,488,413</u>
Program Revenues										
Governmental activities:										
Charges for services:										
General government	670,821	596,957	610,955	523,617	732,634	953,864	960,242	1,406,215	2,007,829	1,500,025
Public safety	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	1,495,000
Transportation	141,666	109,221	282,624	299,781	331,208	300,395	400,314	444,744	487,746	461,021
Economic and physical development	54,923	95,206	25,450	93,122	-	18,570	16,878	37,641	99,060	85,482
Environmental protection	-	5,100	-	-	-	-	-	9,400	80,039	-
Human services	-	-	-	-	16,314	-	-	-	-	14,063
Cultural and recreation	33,382	35,771	48,593	39,457	59,983	60,577	188,356	66,700	95,097	72,376
Operating grants and contributions:										
General government	53,482	11,715	898,407	433,683	9,392	854,484	40,909	316,482	-	154,237
Public safety	641,533	458,277	399,120	284,580	388,608	495,545	238,506	810,366	187,756	458,824
Transportation	-	-	-	262,251	-	-	-	-	-	-
Economic and physical development	183,018	-	85,302	141,865	40,000	-	-	16,020	33,904	13,547
Environmental protection	25,094	-	27,965	40,683	16,365	56,690	-	32,282	-	273,267
Human services	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	2,354,571
Cultural and recreation	-	-	21,826	21,345	-	28,098	-	22,978	-	27,206
Education	-	-	-	-	-	-	-	-	-	-
Capital grants and contributions:										
General government	-	147,671	-	-	-	-	-	-	-	-
Public safety	-	186,000	-	-	-	-	-	27,636	2,520	41,714
Transportation	369,256	139,590	888,757	722,136	740,232	-	1,016,192	682,120	476,612	73,511
Economic and physical development	-	80,000	-	-	-	-	-	5,000	500,696	77,500
Environmental protection	-	112,755	-	-	-	-	10,650	-	-	-
Human services	-	4,577	-	-	-	-	-	-	-	-
Cultural and recreation	-	-	-	-	-	294,155	288,824	158,156	53,020	50,000
Education	-	620,980	-	660,325	756,356	-	219,962	-	398,560	270,000
Total governmental activities program revenues	<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>	<u>7,422,344</u>
Business-type activities:										

	Fiscal Year									
	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Charges for services:										
Solid Waste	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	2,715,259
Water and Sewer	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	8,553,691
Operating grants and contributions:										
Solid Waste	1,519,203	1,961,452	1,992,464	139,856	45,481	57,113	67,716	75,477	55,392	26,860
Water and Sewer	389,607	141,663	39,710	1,046	-	-	940	-	113,475	48,984
Capital grants and contributions:										
Solid Waste	-	57,583	-	-	-	-	-	-	-	-
Water and Sewer	-	106,464	-	-	-	329,144	540,000	-	206,491	72,527
Total business-type program revenues	<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>	<u>11,417,321</u>
Total primary government program revenues	<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>	<u>\$ 18,839,665</u>
Net (Expense)/Revenue										
Governmental activities	\$ (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)	\$ (48,493,314)
Business-type activities	<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>	<u>(1,155,434)</u>
Total primary government net expense	<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>	<u>\$ (49,648,748)</u>
General Revenues and Other Changes in Net Position										
Governmental activities:										
Property taxes	\$ 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	\$ 29,305,427
Intergovernmental	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	22,746,261
Investment earnings	1,147,418	2,459,638	3,475,928	3,795,801	2,141,772	678,816	806,637	537,109	327,131	357,310
Miscellaneous	395,381	92,859	-	-	-	-	-	-	-	-
Loss on disposal/sale of capital assets	-	-	-	(22,271)	-	-	-	-	(99,618)	-
Special item	-	-	-	-	-	(324,419)	-	-	-	-
Transfers	(379,513)	(219,040)	(281,367)	(1,742,239)	(1,713,400)	(2,297,456)	(1,436,268)	(677,943)	(900,461)	(600,000)
Total governmental activities	<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>	<u>51,808,998</u>
Business-type activities:										
Property taxes	-	-	-	57,943	109,907	138,053	135,889	131,174	116,393	363,067
Investment earnings	262,625	468,355	672,453	746,480	427,232	148,173	176,875	133,045	115,260	83,032
Miscellaneous	-	-	-	-	-	-	-	-	-	-
Loss on disposal/sale of capital assets	-	-	-	(6,619)	-	-	-	-	(11,036)	-
Special item	-	-	-	-	-	-	-	5,498,458	-	-
Transfers	379,513	219,040	281,367	1,742,239	1,713,400	2,297,456	1,436,268	677,943	900,461	600,000
Total business-type activities	<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>	<u>1,046,099</u>
Total primary government	<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>	<u>\$ 52,855,097</u>
Change in Net Position										
Governmental activities	\$ 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	\$ 3,315,684
Business-type activities	<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>	<u>(109,335)</u>
Total primary government	<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>	<u>\$ 3,206,349</u>

Schedule 3

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

	Fiscal Year									
	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
General Fund										
Reserved	1,860,239	3,274,084	2,582,266	2,561,068	1,761,527	2,148,111	-	-	-	-
Unreserved	22,297,036	24,165,647	21,068,742	22,509,248	8,854,501	6,419,039	-	-	-	-
Nonspendable	-	-	-	-	-	-	982	832	1,257	809
Restricted	-	-	-	-	-	-	4,398,634	2,897,830	3,893,453	5,627,104
Committed	-	-	-	-	-	-	23,214,936	1,132,486	558,516	720,664
Assigned	-	-	-	-	-	-	3,794,562	3,526,932	3,457,216	3,078,429
Unassigned	-	-	-	-	-	-	1,859,873	2,470,171	2,184,656	1,657,309
Total General Fund	<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>	<u>\$ 11,084,315</u>
All Other Governmental Funds										
Reserved	608,390	744,618	769,510	1,220,692	715,021	941,130	-	-	-	-
Unreserved										
Designated										
Special revenue funds	2,057,547	2,365,459	2,195,443	1,770,885	10,006,848	9,768,088	-	-	-	-
Capital project funds	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	23,082,400
Committed	-	-	-	-	-	-	1,704,999	28,090,589	14,086,564	13,186,791
Assigned	-	-	-	-	-	-	1,894,695	279,105	1,137,613	1,069,114
Unassigned	-	-	-	-	-	-	5,445,286	33,140	-	-
Total all other governmental funds	<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>	<u>\$ 37,338,305</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									
	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Revenues										
Ad valorem taxes	\$ 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	\$ 29,361,207
Other taxes and licenses	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	22,918,114
Unrestricted										
intergovernmental	155,552	369,270	380,293	355,499	304,553	237,490	237,129	148,006	138,398	154,237
Restricted										
intergovernmental	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	3,512,640
Permits and fees	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	2,190,793
Sales and services	416,792	386,698	530,740	648,891	652,366	612,201	617,213	803,419	781,993	841,435
Investment earnings	1,147,418	2,459,527	3,475,928	3,795,801	2,158,155	678,816	806,637	537,109	327,131	357,310
Miscellaneous	313,648	113,654	205,215	102,892	934,262	661,855	346,796	558,250	639,866	560,334
Total revenues	<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>	<u>59,896,070</u>
Expenditures										
General government	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	5,716,927
Public safety	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	18,209,467
Transportation	581,917	884,938	1,049,293	1,077,529	4,081,199	624,425	2,236,988	958,277	1,040,638	522,626
Environmental protection	295,125	255,142	302,508	373,132	384,871	1,858,626	598,363	1,408,739	3,150,732	2,021,474
Economic and physical development	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	7,808,460
Human services	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	4,416,362
Cultural and recreation	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	3,744,138
Education	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	10,782,180
Capital outlay	-	-	-	-	-	-	-	-	-	-
Debt service										
Debt issuance cost	-	-	-	-	-	-	-	-	-	-
Principal	950,000	950,000	930,000	2,067,425	2,739,907	2,856,949	2,931,769	2,975,701	3,363,205	3,651,980
Interest	404,700	354,100	325,600	418,693	492,453	449,982	456,783	359,601	364,671	290,717
Total expenditures	<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>	<u>57,164,331</u>
Excess of revenues over (under) expenditures	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)	2,731,739
Other Financing Sources (Uses)										
Bonds issued	-	-	-	-	-	-	-	-	-	-
Refunding bonds issued	-	-	-	-	-	-	-	-	-	-
Premium on debt issued	-	-	-	-	-	-	-	-	-	-
Payments to escrow agent	-	-	-	-	-	-	-	-	-	-
Transfers in	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	9,360,360
Transfers out	(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)	(9,960,360)
Installment purchase proceeds	-	-	-	8,000,000	3,271,375	2,100,000	-	6,800,000	3,800,000	-
Total other financing sources (uses)	<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>	<u>\$ (600,000)</u>
Net change in fund balances	\$ 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)	\$ 2,131,739
Debt service as a percent of noncapital expenditures	3.58%	3.11%	2.28%	4.64%	6.93%	6.88%	7.11%	5.98%	6.56%	8.31%

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					
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%
2014	5,124,668,989	177,970,988	131,595,145	146,457,691	15,067,910	5,565,624,903	0.49	5,667,042,041	98.21%

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, 2013.

¹ Includes tax-exempt property.

Schedule 6

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

	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
County Direct Rates										
General	0.620	0.320	0.320	0.320	0.320	0.320	0.320	0.320	0.320	0.485
<u>Overlapping Rates</u>¹										
Poplar Branch Fire District	0.040	-	-	-	-	-	-	-	-	-
Fruitville Fire District	0.080	-	-	-	-	-	-	-	-	-
Moyock Fire District	0.065	-	-	-	-	-	-	-	-	-
Crawford Fire District	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	0.010
Moyock Watershed Improvement District	0.030	0.015	0.015	0.015	0.015	0.015	0.015	0.015	0.015	0.015
Northwest Watershed Improvement District	0.070	0.020	0.020	0.020	0.020	0.020	0.020	0.020	0.020	0.020
Whalehead Watershed Improvement District	0.070	0.025	0.010	0.040	0.040	0.040	0.040	0.090	0.090	0.155
Whalehead Beach Solid Waste Collection & Disposal Service District	-	-	-	-	-	-	-	0.015	0.015	0.025
Ocean Sands Water and Sewer District	0.150	0.015	-	-	-	-	-	-	-	0.050
Moyock Commons Sewer District	0.500	0.245	0.245	0.245	0.245	0.245	0.245	0.245	0.200	0.100

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 2014			Fiscal Year 2004		
		Assessed Value	Rank	Percentage of Total County Taxable Assessed Value	Assessed Value	Rank	Percentage of Total County Taxable Assessed Value
Dominion Power	Utility	\$ 82,296,820	1	1.45%	\$ 25,047,778	1	0.88%
Coastland Properties 1, LLC	Land Development	22,087,200	2	0.39%	9,524,500	4	0.33%
Pine Island Holdings	Land Development	18,942,100	3	0.33%			
Coastland Corporation	Land Development	18,463,700	4	0.33%	8,448,540	5	0.30%
Pine Island Properties LLC	Land Development	13,216,005	5	0.23%			
Corolla Bay LLC	Land Development	10,650,100	6	0.19%			
Carolina Telephone	Utility	10,049,565	7	0.18%	4,922,434	9	0.17%
Currituck Assoc Golf Partnership	Land Development	8,319,500	8	0.15%	6,109,632	7	0.21%
Fincher Patrick Weir LLC	Real Estate Investor	8,090,100	9	0.14%			
Monteray Plaza LLC	Real Estate Investor	7,699,672	10	0.14%			
Turnpike Properties	Land Development				19,001,921	2	0.67%
Beach Mar IV LLC	Land Development				10,668,899	3	0.37%
Currituck Assoc Residential Partners	Land Development				7,385,785	6	0.26%
Sandler at Mill Run	Land Development				5,778,025	8	0.20%
CLVS Holdings Inc	Land Development				3,942,435	10	0.14%
Total		\$ 199,814,762		3.53%	\$ 100,829,949		3.53%

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
2005	17,729,373	(40,362)	17,689,011	17,253,685	97.32%	498,365	17,752,050	100.36%
2006	24,979,301	(151,120)	24,828,181	24,362,825	97.53%	454,537	24,817,362	99.96%
2007	25,399,676	(103,579)	25,296,097	24,940,030	98.19%	346,865	25,286,895	99.96%
2008	26,009,032	(214,011)	25,795,021	25,322,859	97.36%	459,144	25,782,003	99.95%
2009	26,235,228	(49,467)	26,185,761	25,209,211	96.09%	958,357	26,167,568	99.93%
2010	26,378,391	(42,450)	26,335,941	25,734,726	97.56%	571,691	26,306,417	99.89%
2011	26,474,753	(48,831)	26,425,922	25,941,806	97.99%	450,854	26,392,660	99.87%
2012	26,651,481	(41,274)	26,610,207	26,145,212	98.10%	397,120	26,542,332	99.74%
2013	26,855,308	(75,114)	26,780,194	26,371,383	98.20%	278,396	26,649,779	99.51%
2014	28,242,743	(73,278)	28,169,465	27,778,323	98.36%	-	27,778,323	98.61%

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					
2005	8,720,000	-	3,690,000	-	8,537,182	20,947,182	2.96%	0.78%	\$ 549	\$ 926
2006	7,770,000	-	3,445,000	-	7,658,149	18,873,149	2.49%	0.25%	\$ 476	\$ 800
2007	6,840,000	-	3,195,000	-	6,748,170	16,783,170	2.06%	0.22%	\$ 423	\$ 707
2008	5,920,000	6,852,575	2,935,000	19,000,000	5,806,155	40,513,730	4.80%	0.51%	\$ 1,172	\$ 1,704
2009	5,020,000	8,284,043	2,670,000	18,500,000	4,830,977	39,305,020	4.56%	0.49%	\$ 1,035	\$ 1,553
2010	4,145,000	8,402,094	2,395,000	18,025,000	3,821,469	36,788,563	4.07%	0.46%	\$ 1,043	\$ 1,562
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	4.00%	0.51%	\$ 797	\$ 1,697
2014	730,000	9,501,548	1,160,000	15,915,000	8,715,000	36,021,548	3.46%	0.65%	\$ 730	\$ 1,476

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

	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Assessed Value of Property	\$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	\$5,565,624,903
Debt Limit, 8% of Assessed Value (Statutory Limitation)	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	445,249,992
Amount of Debt Applicable to Limit										
General Obligation Bonds	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	1,890,000
Revenue Bonds	-	-	-	19,000,000	18,500,000	18,025,000	17,525,000	17,015,000	16,475,000	15,915,000
Installment Purchase Agreements	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	18,216,548
Less: General Obligation Bonds paid from Enterprise Funds	(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)	(1,160,000)
Revenue Bonds from Enterprise Funds	-	-	-	(19,000,000)	(18,500,000)	(18,025,000)	(17,525,000)	(17,015,000)	(16,475,000)	(15,915,000)
Total net debt applicable to limit	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	18,946,548
Legal Debt Margin	<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>	<u>\$ 426,303,444</u>
Total net debt applicable to the limit as a percentage of debt limit	0.61%	0.20%	0.17%	0.24%	0.22%	0.20%	0.15%	0.29%	0.29%	0.34%

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	6/30/14
REVENUES							
Water Sales	\$ 2,479,589	\$ 2,724,425	\$ 2,617,547	\$ 2,624,282	\$ 2,583,481	\$ 2,783,856	\$ 2,740,701
Water Impact Fees	193,300	336,500	183,500	361,916	199,000	291,013	405,200
	<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>	<u>\$ 3,145,901</u>
Reconnection Fees	\$ 26,530	\$ 48,530	\$ 47,540	\$ 50,050	\$ 57,685	\$ 55,350	\$ 52,375
Penalties	61,127	72,596	76,446	79,052	86,945	75,114	85,169
Sale of materials	-	24,595	2,684	16,246	14,245	60,099	15,860
Investment Earnings	200,131	26,209	5,302	12,253	8,366	7,690	9,756
	<u>\$ 287,788</u>	<u>\$ 171,930</u>	<u>\$ 131,972</u>	<u>\$ 157,601</u>	<u>\$ 167,241</u>	<u>\$ 198,253</u>	<u>\$ 163,160</u>
TOTAL REVENUES	\$ 2,960,677	\$ 3,232,855	\$ 2,933,019	\$ 3,143,799	\$ 2,949,722	\$ 3,273,122	\$ 3,309,061
EXPENSES							
Personnel	\$ 585,721	\$ 627,810	\$ 610,789	\$ 665,592	\$ 657,654	\$ 647,997	\$ 630,832
Operations	862,531	805,505	673,669	639,345	616,171	786,119	636,330
Capital Outlay	121,959	50,677	114,542	-	35,130	168,605	80,010
TOTAL EXPENSES, EXCLUDING DEBT	\$ 1,570,211	\$ 1,483,992	\$ 1,399,000	\$ 1,304,937	\$ 1,308,955	\$ 1,602,721	\$ 1,347,172
REVENUES AVAILABLE FOR DEBT	\$ 1,390,466	\$ 1,748,863	\$ 1,534,019	\$ 1,838,863	\$ 1,640,767	\$ 1,670,401	\$ 1,961,889
2008 Water Revenue Bonds	-	500,000	475,000	500,000	510,000	540,000	560,000
Interest: 2008 Revenue Bonds	-	736,035	756,650	737,223	716,773	695,914	673,828
TOTAL SENIOR DEBT	\$ -	\$ 1,236,035	\$ 1,231,650	\$ 1,237,223	\$ 1,226,773	\$ 1,235,914	\$ 1,233,828
2004 General Obligation Bond Refunding	\$ 260,000	\$ 265,000	\$ 275,000	\$ 285,000	\$ 305,000	\$ 315,000	\$ 330,000
Interest: 2004 General Obligation Bond Refunding	131,784	123,985	116,035	105,035	90,785	75,535	59,785
TOTAL SUBORDINATE DEBT	\$ 391,784	\$ 388,985	\$ 391,035	\$ 390,035	\$ 395,785	\$ 390,535	\$ 389,785
MINIMUM 1.15 SENIOR DEBT COVERAGE	\$ -	\$ 1,421,440	\$ 1,416,398	\$ 1,422,806	\$ 1,410,789	\$ 1,421,301	\$ 1,418,902
MINIMUM 1.00 SUBORDINANTE DEBT COVERAGE	\$ 391,784	\$ 388,985	\$ 391,035	\$ 390,035	\$ 395,785	\$ 390,535	\$ 389,785
SENIOR DEBT SERVICE COVERAGE	N/A	1.41	1.25	1.49	1.34	1.35	1.59
SUBORDINANT DEBT SERVICE COVERAGE	3.55	1.32	0.77	1.54	1.05	1.11	1.87
TOTAL DEBT SERVICE COVERAGE	3.55	1.08	0.95	1.13	1.01	1.03	1.21

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 (thousands of dollars) ^d	Per Capita Personal Income ^d	Public School Enrollment ^b	Unemployment Rate ^c
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	38,786	3,961	6.20%
2010	23,547	904,438	28,938	3,913	4.90%
2011	23,602	956,983	40,747	4,175	5.60%
2012	23,644	*	43,073	3,923	4.70%
2013	24,506	1,040,343	42,644	4,014	5.80%
2014	24,397	*	*	*	4.20%

* 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	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
General government	44.92	52.50	53.50	56.60	58.00	58.00	59.00	59.00	62.00	62.00
Public safety	146.62	162.42	164.92	181.92	189.92	189.92	189.92	189.92	188.92	192.92
Transportation	1.00	1.00	2.00	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	28.42	28.42	27.42	25.42	24.00	24.00	24.00	22.00	22.00
Cultural & recreation	10.79	14.15	17.60	12.85	16.85	19.10	19.10	19.10	19.60	19.60
Human services	39.75	43.00	42.75	43.75	42.75	42.75	42.75	42.75	41.75	41.75
Proprietary operations	20.10	20.00	20.00	22.00	22.00	23.00	23.00	26.00	28.00	28.00
	290.60	323.49	331.19	348.54	358.94	360.77	361.77	364.77	366.27	370.27

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>2014</u>		<u>2007</u>	
<u>Employer</u>	<u>Employees^a</u>	<u>Rank</u>	<u>Employees^a</u>	<u>Rank</u>
Currituck County Board of Education	500-999	1	500-999	1
Academi Training Center LLC	500-999	2		
County of Currituck	370	3	243	2
Twiddy & Co. of Duck Inc.	100-279	4	100-249	8
Food Lion LLC	100-249	5	100-249	5
Brindley & Brindley Realty & Development	100-249	6	100-249	4
Coastal Staffing	100-249	7		
Corolla Classic Vacations	100-249	8	100-249	6
Sentara Internal Medicaine Physician	100-249	9	100-249	3
Resort Realty	100-249	10		
Southland Trade Corp.	----		100-249	7
Whitecap Linen	----		100-249	9
Sun Realty	----		50-99	10
Total	<u>1,367-2,458</u>		<u>1543-3290</u>	

^a Due to proprietary confidentiality, employment data is available in ranges from the Employment Security C

Schedule 15
Currituck County, North Carolina
Operating Indicators by Function

Function	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Governmental Activities:										
Public Safety										
Law Enforcement ¹										
Deputies	52	59	59	59	63	63	63	63	63	63
Emergency Medical Services ²										
Emergency Medical Technicians	49	55	56	71	71	72	72	72	73	76
Human Services ³										
Number of Physicians	*	3	7	6	*	9	9	10	*	*
Population/physician ratio	*	7,910	3,396	4,218	*	2,616	2,622	2,650	*	*
Education ⁴										
Schools	8	8	8	8	10	10	10	10	10	10
Teachers	254	346	314	315	295	264	264	260	238	248
Student Enrollment	3,854	4,156	4,120	4,070	3,961	3,913	4,175	4,175	4,014	3,871
SAT Scores	1,013	1,502a	1,466	1,465	1,459	1,414	1,471	1,440	1,434	1,445
Enterprise Activities:										
Newtown Road Sewer ⁵										
Treatment capacity (MGD)	*	*	0	0.025	0.025	0.025	0.025	0.115	0.115	-
Annual engineering maximum plant capacity (millions of gallons)	*	*	0	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%	N/A
Residential sewer customers	*	*	24	28	28	27	27	27	27	27
Commercial sewer customers	*	*	-	1	1	1	1	1	1	1
Maple Commerce Park Sewer ⁵										
Treatment capacity (MGD)	*	*	*	*	*	*	*	*	0.080	0.080
Annual engineering maximum plant capacity (millions of gallons)	*	*	*	*	*	*	*	*	0.080	0.080
Amount treated annually (millions of gallons)	*	*	*	*	*	*	*	*	1.880	1.880
Unused capacity (millions of gallons)	*	*	*	*	*	*	*	*	0.750	0.750
Percentage of capacity utilized	*	*	*	*	*	*	*	*	6.00%	6.00%
Number of residential customers	*	*	*	*	*	*	*	*	-	-
Number of commercial customers	*	*	*	*	*	*	*	*	7	8
Moyock Commons Sewer ⁵										
Treatment capacity (MGD)	*	*	0	0.040	0.040	0.040	0.040	0.040	0.040	0.040
Annual engineering maximum plant capacity (millions of gallons)	*	*	0	0.040	0.040	0.040	0.040	0.040	0.040	0.040
Amount treated annually (millions of gallons)	*	*	*	*	*	3	4,560	3,450	3,450	-
Unused capacity (millions of gallons)	*	*	*	*	*	0	0.025	0.031	0.031	-
Percentage of capacity utilized	*	*	*	*	*	0	37.50%	23.75%	23.75%	N/A
Number of residential customers	*	*	-	-	-	-	-	-	-	-
Number of commercial customers	*	*	23	21	23	23	25	25	25	23
Moyock Regional Sewer ⁵										
Treatment capacity (MGD)	*	*	*	*	*	*	*	*	0	0.099
Annual engineering maximum plant capacity (millions of gallons)	*	*	*	*	*	*	*	*	0	0.099

continued

Amount treated annually (millions of gallons)	*	*	*	*	*	*	*	*	*	4.790
Unused capacity (millions of gallons)	*	*	*	*	*	*	*	*	*	0.086
Percentage of capacity utilized	*	*	*	*	*	*	*	*	*	13.00%
Number of residential customers	*	*	*	*	*	*	*	*	*	-
Number of commercial customers	*	*	*	*	*	*	*	*	*	8
Walnut Island Sewer ⁵										
Treatment capacity (MGD)	*	*	*	*	*	*	*	0	0.120	0.120
Annual engineering maximum plant capacity (millions of gallons)	*	*	*	*	*	*	*	0	0.120	0.120
Amount treated annually (millions of gallons)	*	*	*	*	*	*	*	6.49	4.94	4.84
Unused capacity (millions of gallons)	*	*	*	*	*	*	*	0	0.098	0.106
Percentage of capacity utilized	*	*	*	*	*	*	*	0	18.00%	11.00%
Number of residential customers	*	*	*	*	*	*	*	257	253	264
Number of commercial customers	*	*	*	*	*	*	*	-	-	-
Southern Outer Banks Water ⁵										
Average daily usage (in 1,000 gallons)	*	*	240	615	333	437	555	668	623	595
Water storage capacity (MGD)	*	*	*	*	*	*	1.500	4.200	4.200	4.200
Number of water pumping stations	*	*	*	*	*	*	1	5	5	5
Number of residential customers	*	*	1,181	1,179	1,179	1,183	1,217	3,764	2,905	2,758
Number of commercial customers	*	*	2	2	20	22	23	200	197	202
Ocean Sands Water and Sewer ⁵										
Average daily water usage (in 1,000 gallons)	*	*	160	180	171	190	189	166	166	161
Water storage capacity (MGD)	*	*	0	0.150	0.150	0.150	0.150	0.150	0.150	0.150
Sewer treatment capacity (MGD)	*	*	1	0.600	0.600	0.600	0.600	0.600	0.600	0.600
Annual engineering maximum sewer plant capacity (millions of gallons)	*	*	1	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	59
Unused sewer capacity (millions of gallons)	*	*	*	*	*	0	0.100	0.433	0.433	0.438
Percentage of sewer capacity utilized	*	*	*	*	*	1	83.33%	27.85%	27.85%	27.00%
Number of residential water customers	*	*	954	954	955	954	957	959	975	978
Number of commercial water customers	*	*	-	-	8	8	8	8	8	8
Number of residential sewer customers	*	*	953	954	955	954	957	959	975	978
Number of commercial sewer customers	*	*	-	-	8	8	8	8	8	8
Mainland Water ⁵										
Water storage capacity (MGD)	*	*	*	*	*	4	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	5,165
Commercial water customers	*	*	*	397	374	385	385	394	394	417
Solid Waste ⁶										
Total number of households served	12,591	13,217	13,813	14,176	14,192	14,192	14,362	14,469	14,516	14,624
Total tonnage disposed	37,234	34,878	31,374	26,300	26,977	24,602	22,536	22,531	24,576	20,013
Recycling Program:										
Households served by program	12,591	13,217	13,813	14,176	14,192	14,192	14,362	14,469	14,516	14,624
Tonnage recovered	2,009	1,392	1,516	1,713	1,725	1,849	2,186	2,869	2,540	3,368
Mulching/composting program										
Households served by program	12,591	13,217	10,097	10,462	10,477	10,477	14,362	14,469	14,516	14,624
Tonnage recovered	1,780	1,323	1,746	1,023	1,055	1,335	1,405	2,869	1,206	870
Total cost of solid waste program	\$ 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	\$ 3,790,041
Cost per household	\$ 298	\$ 304	\$ 377	\$ 337	\$ 344	\$ 378	\$ 261	\$ 270	\$ 274	\$ 259
Cost per ton - includes recycling & mulch/compost	\$ 91	\$ 107	\$ 110	\$ 121	\$ 121	\$ 143	\$ 143	\$ 138	\$ 140	\$ 156

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
- ⁸The SAT scores include a new writing test this year.
- *Data not available

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

Function	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Governmental Activities:										
General Government										
Buildings ³	53	54	54	57	58	61	61	61	61	65
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	8	11	11	11	11	11	11	11	11	11
Cultural and Recreation										
Libraries	2	2	2	2	2	3	3	3	3	3
Parks	2	2	2	2	3	3	3	3	3	3
Community Recreation Facility	-	-	-	-	-	-	-	1	1	1
Enterprise Activities:										
Newtown Road Sewer ⁴										
Miles of sewer lines	*	*	1	1	1	1	1	1	1	1
Number of treatment plants	*	*	1	1	1	1	1	1	1	1
Maple Commerce Park Sewer ⁴										
Miles of sewer lines	*	*	*	*	*	*	*	1	1.4	1.4
Number of treatment plants	*	*	*	*	*	*	*	1	1	1
Moyock Commons Sewer ⁴										
Miles of sewer lines	*	*	1	1	1	1	4	8	6.9	6.9
Number of treatment plants	*	*	1	1	1	1	1	1	1	1
Moyock Regional Sewer ⁴										
Miles of sewer lines	*	*	*	*	*	*	*	*	1	1.2
Number of treatment plants	*	*	*	*	*	*	*	*	1	1
Walnut Island Sewer ⁴										
Miles of sewer lines	*	*	*	*	*	*	2	4	3.6	3.6
Number of treatment plants	*	*	*	*	*	*	2	1	1	1
Southern Outer Banks Water ⁴										
Miles of water lines	*	*	27	27.07	27.07	27.57	41.75	75.00	75.00	75.00
Number of water wells	*	*	47	47	47	47	28	113	113	113
Ocean Sands Water and Sewer ⁴										
Miles of water lines	*	*	11	11.09	11.09	11.09	11.09	11.09	11.09	11.09
Miles of sewer lines	*	*	12	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	1
Mainland Water ⁴										
Miles of water lines	*	*	*	*	*	261	261	261	262	262
Number of water wells	*	*	*	*	*	31	31	31	31	31
Number of water pumping stations	*	*	*	*	*	7	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



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**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, 2014, which collectively comprises the County of Currituck's basic financial statements, and have issued our report thereon dated January 8, 2015. 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
January 8, 2015



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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

Report on Compliance for Each Major Federal Program

We have audited the County of Currituck, North Carolina, compliance with the types of compliance requirements described in the 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 the County of Currituck's major federal programs for the year ended June 30, 2014. The County of Currituck's major federal 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 federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the County of Currituck's major federal 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 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 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 federal program. However, our audit does not provide a legal determination of the County of Currituck's compliance.

Opinion on Each Major Federal 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 federal programs for the year ended June 30, 2014.

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 federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing our opinion on compliance for each major federal 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 County'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 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. 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 federal 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
January 8, 2015

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CURRITUCK COUNTY, NORTH CAROLINA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the Fiscal Year Ended June 30, 2014

Section I Summary of Auditor's Results

Financial Statements

Type of auditor's report issued: Unmodified

Internal control over financial reporting:

- Material weakness(es) identified? _____ yes __X__ no
- Significant deficiencies 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: Unmodified

Internal control over major federal programs

- Material weakness(es) identified? _____ yes __X__ no
- Significant deficiencies 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
93.767	NC Health Choice
93.558 93.596 93.575 93.658	Child Care Cluster

Dollar threshold used to distinguish between
Type A and Type B Programs \$398,330

Auditee qualified as low-risk auditee? yes no

Section II Financial Statement Findings

None Reported

Section III Federal Award Findings and Questioned Costs

None Reported

COUNTY OF CURRITUCK
SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS

For the Fiscal Year Ending June 30, 2014

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 Progr	10.561	179,439	-	-
Total U.S. Department of Agriculture		<u>179,439</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	74,110	-	-
Total U.S. Department of Housing and Urban Development		<u>74,110</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	62,299	-	-
TANF - Work First	93.558	287,687	-	-
Low Income Home Energy Assistance				
Administration	93.568	93,242	-	-
Crisis Intervention Program	93.568	55,421	-	-
Refugee Assistance	93.566	517	-	-
Family Preservation	93.556	9,189	-	-
Permanency Planning	93.645	13,813	-	-
SSBG	93.667	50,201	4,299	-
LINKS	93.674	1,330	332	-
LINKS - Benefit Payments	93.674	3,489	-	-
NC Health Choice	93.767	21,423	516	-
Child Support Enforcement - Title IV-D	93.563	131,562	-	-
Foster Care and Adoption				
Title IV-E Foster Care - Administration	93.658	74,271	28,755	-
Foster Care - Direct Benefit Payments	93.658	16,076	4,060	-
Adoption - Administration	93.659	5,037	-	-
Adoption Assistance - Direct Payments	93.659	69,911	18,242	-
Total Foster Care and Adoption Cluster		<u>165,295</u>	<u>51,057</u>	<u>-</u>

continued

COUNTY OF CURRITUCK
SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS

For the Fiscal Year Ending June 30, 2014

GRANTOR, PASS THROUGH GRANTOR PROGRAM TITLE	CFDA	AMOUNT EXPENDED		COUNTY
		FEDERAL	STATE	
Division of Child Development: Child Care Development Fund Cluster				
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	198,155	-	-
Child Care and Development Fund - Mandatory	93.596	129,713	-	-
Child Care and Development Fund - Match	93.596	28,850	-	-
Total Child Care Development Fund Cluster		436,718	-	-
Foster Care Title IV-E	93.658	1,319	686	-
TANF	93.558	110,773	-	-
State Appropriations		-	134,948	-
Total Subsidized Child Care		548,810	135,634	-
Centers for Medicare and Medicaid Services:				
Passed-through NC Department of Health and Human Services, Division of Medical Assistance:				
Direct Benefit Payments	93.778	10,809,579	5,896,175	-
Administration	93.778	398,191	9,241	-
NC Health Choice Benefits	93.767	254,702	80,353	-
Total U.S. Department of Health and Human Services		12,906,750	6,177,607	-
U.S. Department of Homeland Security				
Passed through NC Department of Public Safety				
Emergency Management	97.042	35,314	-	-
Homeland Security	97.067	47,461	-	-
Public Assistance Grant for Infrastructure (FEMA)	97.036	34,582	11,527	-
Total U.S. Department of Homeland Security		117,357	11,527	-
TOTAL FEDERAL AWARDS		13,277,656	6,189,134	-
STATE AWARDS -				
North Carolina Department of Health and Human Services				
Division of Social Services:				
State/County Special Assistance for Adults		-	124,105	-
State Foster Care Benefits		-	25,406	-
CWS Adoption Subsidy		-	134,485	-
SFHF Maximization		-	39,019	-
Total North Carolina Department of Health and Human Services		-	323,015	-

continued

COUNTY OF CURRITUCK
SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS

For the Fiscal Year Ending June 30, 2014

GRANTOR, PASS THROUGH GRANTOR PROGRAM TITLE	CFDA	AMOUNT EXPENDED		COUNTY
		FEDERAL	STATE	
NC Department of Public Safety				
Juvenile Crime Prevention Programs		-	75,282	
Total North Carolina Department of Public Safety		<u>-</u>	<u>75,282</u>	<u>-</u>
Public Transportation Division: State Aid to Airports		-	73,511	
Total North Carolina Department of Transportation		<u>-</u>	<u>73,511</u>	<u>-</u>
TOTAL STATE AWARDS		<u>-</u>	<u>471,808</u>	<u>-</u>
TOTAL FEDERAL AND STATE AWARDS		<u>13,277,656</u>	<u>6,660,942</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		-	57,197
JCPC Council Administration		-	14,290

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