

COMPREHENSIVE ANNUAL FINANCIAL REPORT

For the Fiscal Year Ended June 30, 2015



County of Currituck, North Carolina

Prepared by the Currituck County Finance Department

County of Currituck, North Carolina
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June 30, 2015

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

December 3, 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, 2015. 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 6.33 percent from 2006 to 2015.

Not surprisingly, the largest industries in Currituck County are intimately related to Travel and Tourism: Retail trade, real estate and accommodation/services. The largest employers in Currituck County are Currituck County Board of Education, Academi Training Center and the County Government, followed by employee staffing, health services, a grocery store, retail, realty and fast food.

During the past year, the ad valorem tax base increased from \$5,667,042,041 to \$5,864,064,156, an increase of 9.92 percent, which reflects an increase in construction within the County. 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, 2015 was \$0.48 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. Soccer fields were completed in this fiscal year and baseball and softball fields were in the design phase.

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 to maintain current school HVAC systems and roof maintenance throughout the school system. (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, 2015 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, 2014. 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**

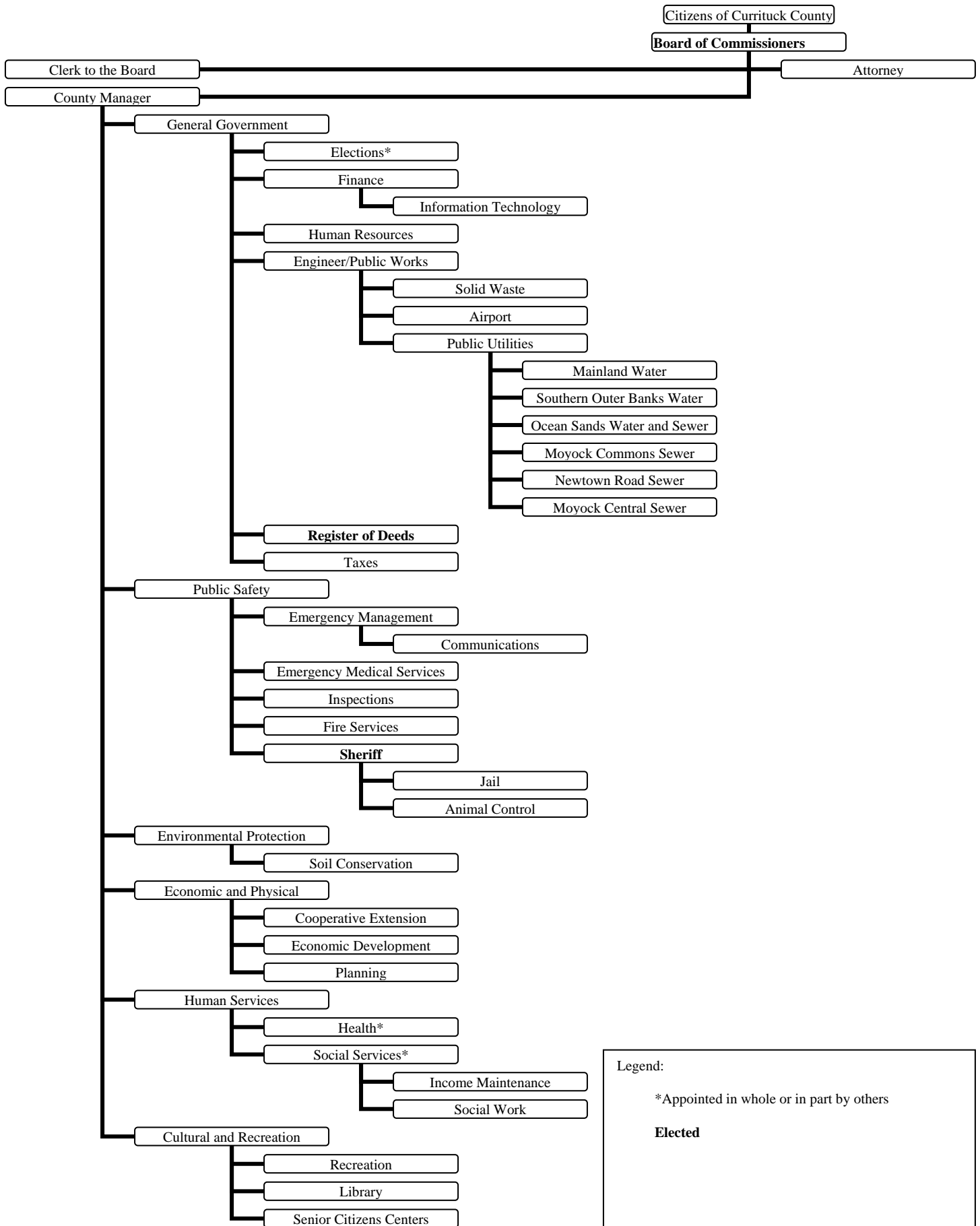
Presented to

**County of Currituck
North Carolina**

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

June 30, 2014

Executive Director/CEO



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

COUNTY OF CURRITUCK, NORTH CAROLINA

BOARD OF COUNTY COMMISSIONERS

S. Paul O’Neal, Chairman

David L. Griggs, Vice Chairman

O.Vance Aydlett

Paul Beaumont

Marion Gilbert

Michael D. Hall

Michael H. Payment

COUNTY OFFICIALS

Daniel F. Scanlon, II

County Manager

Leeann Walton

Clerk to the Board

Donald I. McRee Jr.

County Attorney

Rachel B. Raper

Elections Supervisor

Susan D. Johnson

Sheriff

Denise A. Hall

Register of Deeds

Cameron S. Lowe

Cooperative Extension Director

Peter Bishop

Economic Development Director

Mary Beth Newns

Emergency Management Director

Ralph Melton

Fire and EMS Director

Sandra L. Hill

Finance Director

Sarah Tyson

Human Resources Director

Tina I. Scanlon

Information Technology Director

William Newns

Chief Building Inspector

Ben E. Woody

Planning Director

Jason S. Weeks

Recreation Director

Eric Weatherly

Engineer

Kathlyn S. Romm

Social Services Director

Tracy L. Sample

Tax Administrator

Tameron Kugler

Tourism Director

Laura Salmons

Librarian

Patrick Irwin

Utilities Director



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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, 2015, 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 and 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, 2015, 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, the Law Enforcement Officers' Special Separation Allowance, the other Postemployment Benefits' Schedules of Funding Progress and Employer Contributions, the Local Government Employee's Retirement System Schedules of the County's Proportionate Share of Net Pension Asset and County Contributions, the Register of Deeds' Supplemental Pension Fund Schedule of the County's Proportionate Share of the Net Pension Asset and Schedule of County Contributions and the Firefighters' and Rescue Squad Workers' Pension Fund Schedule of the County's Proportionate Share of the Net Pension Liability (Asset) on pages 19 through 30, 98, 99, 100, 101, and 102, respectively, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We and other auditors have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary and Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements of Currituck County, North Carolina. The combining and individual fund statements, budgetary schedules, other schedules as well as the accompanying Schedule of Expenditures of Federal and State Awards, as required by Office of Management and Budget Circular A-133, *Audits of States*,

Local Governments, and Non-Profit Organizations, and the State Single Audit Implementation Act are presented for purposes of additional analysis and are not a required part of the basic financial statements.

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated December 3, 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
December 3, 2015

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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, 2015. 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.

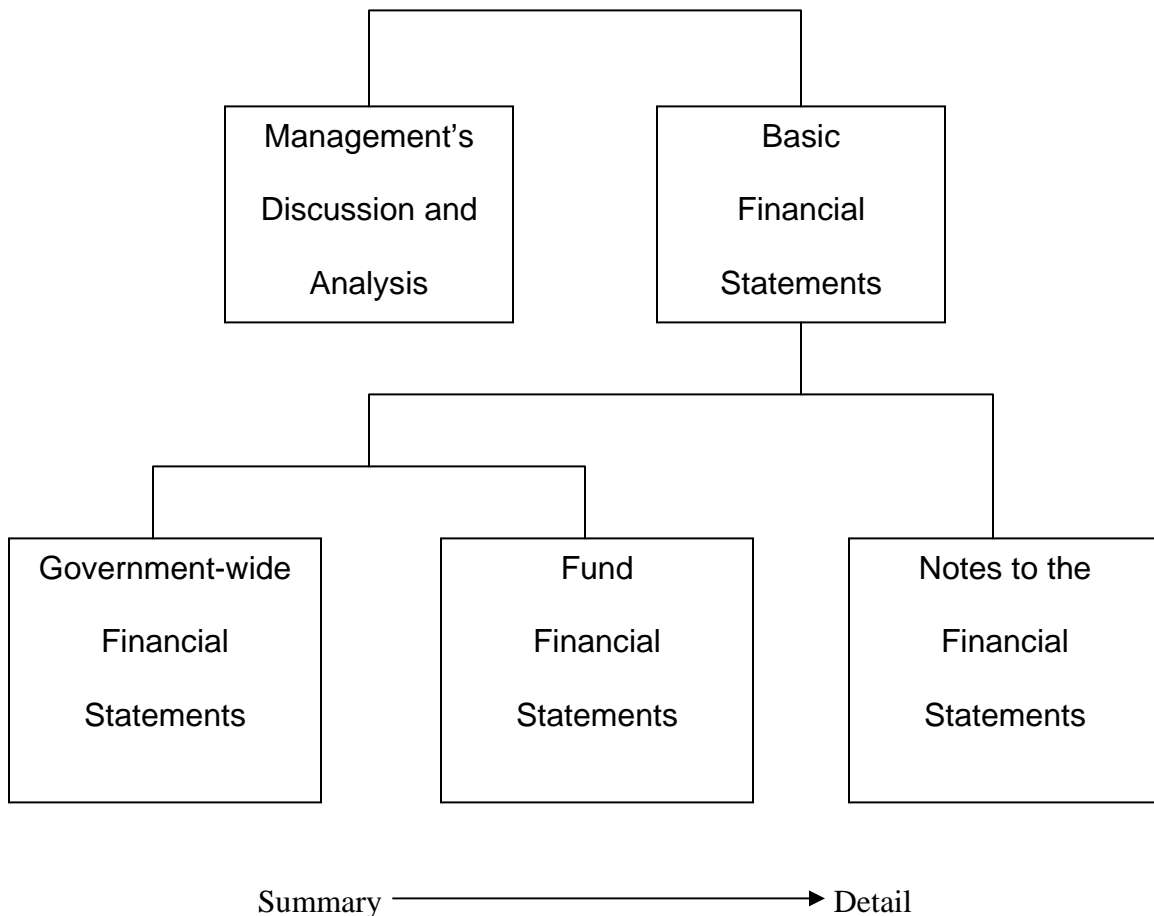
Financial Highlights

- The assets and deferred outflows of resources of Currituck County exceeded its liabilities and deferred inflows of resources at the close of the fiscal year by \$187,962,728 (*net position*).
- The government's total net position increased by \$8,142,696 primarily due to management's focus on monitoring spending and maximizing revenue collection; an increase of \$975,452 in the business-type activities and an increase of \$7,167,244 in the governmental activities.
- As of the close of the current fiscal year, Currituck County's governmental funds reported combined ending fund balances of \$55,992,665, an increase of \$7,570,045 in comparison with the prior year. Approximately 54.52% of this total amount, or \$30,528,888, is restricted or nonspendable.
- At the end of the current fiscal year, unassigned fund balance for the General Fund was \$4,601,431 or 10.30% of total general fund expenditures for the fiscal year.
- Currituck County's total debt decreased by \$4,256,091 or 11.45% during the current fiscal year, which included the final payment for the Currituck County High 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 97 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 \$187,962,728 as of June 30, 2015. The County's net position increased by \$8,142,696 for the fiscal year ended June 30, 2015. One of the largest portions \$135,323,276 (71.99%) reflects the County's net investment in capital assets (e.g. land, buildings, machinery, and equipment). As of June 30, 2015, long-term debt in governmental activities was for the College of the Albemarle Technical and Training Facility and stormwater drainage for the Whalehead subdivision. 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 \$21,700,488 (11.55%) represents resources that are subject to external restrictions on how they may be used. The remaining balance of \$30,938,964 (16.46%) is unrestricted.

Currituck County's Net Position

Figure 2

	Governmental Activities		Business-type Activities		Total	
	2015	2014	2015	2014	2015	2014
Current and other assets	\$ 61,074,066	\$ 52,922,524	\$ 13,806,098	\$ 12,315,912	\$ 74,880,164	\$ 65,238,436
Capital assets	111,456,796	113,565,111	55,631,937	57,591,656	167,088,733	171,156,767
Total assets	<u>\$ 172,530,862</u>	<u>\$ 166,487,635</u>	<u>\$ 69,438,035</u>	<u>\$ 69,907,568</u>	<u>\$ 241,968,897</u>	<u>\$ 236,395,203</u>
Total deferred outflows of resources	1,080,450	-	64,146	-	1,144,596	-
Long-term liabilities outstanding	\$ 22,501,299	\$ 23,406,563	\$ 24,578,018	\$ 26,448,302	\$ 47,079,317	\$ 49,854,865
Other liabilities	2,791,306	3,690,881	1,025,799	666,448	3,817,105	4,357,329
Total liabilities	<u>25,292,605</u>	<u>27,097,444</u>	<u>25,603,817</u>	<u>27,114,750</u>	<u>50,896,422</u>	<u>54,212,194</u>
Total deferred inflows of resources	4,015,175	29,038	239,168	-	4,254,343	29,038
Net position:						
Net investment in capital assets	103,521,339	104,063,563	31,801,937	28,462,332	135,323,276	132,525,895
Restricted	21,700,488	21,530,373	-	-	21,700,488	21,530,373
Unrestricted	19,081,705	13,767,217	11,857,259	14,330,486	30,938,964	28,097,703
Total net position	<u>\$ 144,303,532</u>	<u>\$ 139,361,153</u>	<u>\$ 43,659,196</u>	<u>\$ 42,792,818</u>	<u>\$ 187,962,728</u>	<u>\$ 182,153,971</u>

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 98.83%, higher than the statewide average of 97.05%.
- 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
	2015	2014	2015	2014	2015	2014
Revenues:						
Program revenues:						
Charges for services	\$ 3,685,534	\$ 3,627,967	\$ 11,939,523	\$ 11,268,950	\$ 15,625,057	\$ 14,896,917
Operating grants and contributions	3,248,071	3,281,652	51,568	75,844	3,299,639	3,357,496
Capital grants and contributions	1,505,739	512,725	-	72,527	1,505,739	585,252
General revenues:						
Property taxes	29,320,892	29,305,427	315,580	363,067	29,636,472	29,668,494
Other taxes	23,779,213	22,746,261	-	-	23,779,213	22,746,261
Other , Unrestricted	337,425	-	196,289	-	533,714	-
Investment earnings, unrestricted	386,405	357,310	73,409	83,032	459,814	440,342
Total revenues	62,263,279	59,831,342	12,576,369	11,863,420	74,839,648	71,694,762
Expenses:						
General government	6,716,864	6,607,468	-	-	6,716,864	6,607,468
Public safety	19,371,231	20,161,974	-	-	19,371,231	20,161,974
Transportation	884,955	1,000,818	-	-	884,955	1,000,818
Economic and physical development	1,401,180	761,700	-	-	1,401,180	761,700
Environmental protection	6,735,282	8,490,835	-	-	6,735,282	8,490,835
Human services	4,551,724	4,688,478	-	-	4,551,724	4,688,478
Cultural and recreation	2,945,656	3,131,488	-	-	2,945,656	3,131,488
Education	11,099,664	10,782,180	-	-	11,099,664	10,782,180
Interest on long-term debt	196,630	290,717	-	-	196,630	290,717
Solid Waste	-	-	4,256,648	4,135,657	4,256,648	4,135,657
Water and sewer	-	-	8,528,166	8,437,098	8,528,166	8,437,098
Total expenses	53,903,186	55,915,658	12,784,814	12,572,755	66,688,000	68,488,413
Increase in net position before transfers, special item and capital contributions	8,360,093	3,915,684	(208,445)	(709,335)	8,151,648	3,206,349
Gain (Loss) on sale of capital assets	(12,662)	-	3,710	-	(8,952)	-
Transfers	(1,180,187)	(600,000)	1,180,187	600,000	-	-
Increase in net position	7,167,244	3,315,684	975,452	(109,335)	8,142,696	3,206,349
Net position, beginning	139,361,153	136,045,469	42,792,818	42,902,153	182,153,971	178,947,622
Net position, beginning, restated	137,136,288	-	42,683,744	-	179,820,032	-
Net position, ending	\$ 144,303,532	\$ 139,361,153	\$ 43,659,196	\$ 42,792,818	\$ 187,962,728	\$ 182,153,971

Governmental activities. Governmental activities increased the County's net position by \$7,167,244. Key elements of this increase are as follows:

- Increases in charges for services

- Increases in Occupancy Tax receipts
- Completion of capital projects
- Retirement of debt for Shawboro Elementary School
- Decrease in operating expenses

Business-type activities: Business-type activities increased Currituck County’s net position by \$975,452. Key elements of this increase are as follows:

- Increases in Ocean Sands Water and Sewer District taxes
- Completion of Capital projects associated with the Southern Outer Banks Water expansion project
- The Moyock Central Sewer project is still in process of acquiring new customer connections and merging with the Moyock Commons Sewer System and 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 \$7,900,834, while total fund balance reached \$13,371,551. The County currently has an available fund balance of 17.69% of general fund expenditures, while total fund balance represents 29.94% 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

	2015 Total	2014 Total	Change in Fund Balances
General	\$ 13,371,551	\$ 11,084,315	\$ 2,287,236
County Governmental Facilities	10,434,638	7,634,895	2,799,743
School Facilities	5,131,437	5,539,568	(408,131)
Tourism Development Authority	11,982,534	10,476,130	1,506,404
Other Governmental	15,072,505	13,687,712	1,384,793
	<u>\$ 55,992,665</u>	<u>\$ 48,422,620</u>	<u>\$ 7,570,045</u>

Fund balances in the Tourism Development Authority Fund are for tourism promotion and tourism related expenditures. The total fund balance for the County Governmental Facilities reflects a \$2,799,743 increase over the prior year due to construction in process for an animal shelter and funding for additional athletic fields that will begin construction in the following year. The total fund balance for the Tourism Development reflects a \$1,506,404 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, 2015, the governmental funds of Currituck County reported a combined fund balance of \$55,992,665, a 15.63% increase over last year. This increase is primarily due to increases in Occupancy Tax, Sales Tax revenues and increases in operating fees.

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.

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

	Revised Budget	Actual	Variance
Revenues:			
Ad valorem taxes	\$ 26,550,819	\$ 28,414,557	\$ 1,863,738
Other taxes and licenses	5,588,167	6,150,241	562,074
Restricted intergovernmental	146,500	162,807	16,307
Unrestricted intergovernmental	2,951,567	2,998,505	46,938
Permits and fees	2,254,628	2,424,141	169,513
Sales and services	614,244	580,230	(34,014)
Investment earnings	90,000	75,573	(14,427)
Miscellaneous	178,276	484,613	306,337
Total revenues	38,374,201	41,290,667	2,916,466
Expenditures:			
General government	6,204,005	5,627,198	576,807
Public safety	18,749,681	17,711,568	1,038,113
Transportation	548,114	416,712	131,402
Environmental protection	220,028	182,662	37,366
Economic and physical development	1,616,931	1,439,261	177,670
Human services	4,854,276	4,513,935	340,341
Cultural and recreational	2,190,196	1,785,845	404,351
Education	10,543,526	10,497,939	45,587
Debt service	2,492,881	2,492,722	159
Total expenditures	47,419,638	44,667,842	2,751,796
Revenues over (under) expenditures	(9,045,437)	(3,377,175)	5,668,262
Other financing sources (uses):			
Transfers to other funds	(1,686,602)	(1,676,306)	10,296
Transfers from other funds	7,291,106	6,998,983	(292,123)
Total other financing sources (uses)	5,604,504	5,322,677	(281,827)
Revenues and other financing sources over expenditures and other financing uses	(3,440,933)	1,945,502	5,386,435
Appropriated fund balance	3,440,933	-	(3,440,933)
Revenues, appropriated fund balance, and other financing sources over expenditures and other financing uses	\$ -	\$ 1,945,502	\$ 1,945,502

Total amendments to the General Fund increased revenues by \$167,121. General fund revenues recognized modest increases over the prior year, with a total revenue increase of \$718,964. The overall actual General fund revenues were \$2,916,466 greater than budget, primarily due to changes in the collections and recognition of revenue of motor vehicle taxes. The final budget for expenditures was \$47,419,638, which was a \$262,006 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 \$3,797,882, and those for the Water and Sewer Districts totaled \$10,234,168. The total change in net position for the proprietary funds is shown in Figure 6. The June 30, 2014 balances have been restated to reflect GASB 68 changes in accounting principles.

Figure 6
Changes in Net Position for Proprietary Funds

	June 30 2015	June 30 2014	Change in Net Position
Solid Waste	\$ 4,241,448	\$ 4,509,310	\$ (267,862)
Ocean Sands Water and Sewer	7,957,276	7,542,234	415,042
Mainland Water	7,860,132	8,157,389	(297,257)
Southern Outer Banks Water	15,589,892	14,045,102	1,544,790
Moyock Central Sewer	2,308,821	2,490,159	(181,338)
Non-Major Proprietary Funds			
Newtown Road Sewer	264,488	284,921	(20,433)
Maple Commerce Park Sewer	1,741,686	1,806,417	(64,731)
Moyock Commons Sewer	347,905	351,593	(3,688)
Walnut Island Sewer	3,347,548	3,496,619	(149,071)
Total	\$ 43,659,196	\$ 42,683,744	\$ 975,452

Capital Asset and Debt Administration

Capital assets. Currituck County's capital assets for its governmental and business – type activities as of June 30, 2015, totals \$167,088,733, 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 recreation maintenance building
- Completion of Maple soccer fields
- Expansion of the Southern Outer Banks Water System
- Design of Ocean Sands sewer replacement
- Construction of animal shelter

Figure 7

CURRITUCK COUNTY'S CAPITAL ASSETS
(net of depreciation)

	Governmental Activities 2015	Business-type Activities 2015	Total 2015	Total 2014
Land	\$ 19,721,045	\$ 1,970,953	\$ 21,691,998	\$ 21,691,998
Buildings and system	62,577,542	38,067,640	100,645,182	103,912,391
Computer Equipment	621,757	337,207	958,964	1,034,118
Furniture & Fixtures	16,309,447	174,350	16,483,797	15,288,844
Equipment	7,006,474	10,777,347	17,783,821	19,113,325
Vehicles and motorized equipment	4,197,555	180,289	4,377,844	4,461,875
Construction in progress	1,022,976	4,124,151	5,147,127	5,654,216
Total	\$ 111,456,796	\$ 55,631,937	\$ 167,088,733	\$ 171,156,767

Additional information on the County's capital assets can be found in note III.A. 5, beginning on page 64 of the Basic Financial Statements.

Long-term Debt. As of June 30, 2015, Currituck County had total bonded debt outstanding of \$16,145,000, which 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 \$4,049,741, \$3,885,714, \$2,160,000, and \$5,525,000, respectively. These debt instruments are backed by their respective assets.

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

	Governmental Activities		Business-type Activities		Total	
	2015	2014	2015	2014	2015	2014
	Installment Purchase	\$ 7,935,457	\$ 9,501,548	\$ 7,685,000	\$ 8,715,000	\$ 15,620,457
Revenue bonds	-	-	15,330,000	15,915,000	15,330,000	15,915,000
General obligation bonds	-	730,000	815,000	1,160,000	815,000	1,890,000
Total debt	\$ 7,935,457	\$ 10,231,548	\$ 23,830,000	\$ 25,790,000	\$ 31,765,457	\$ 36,021,548

Figure 8

Currituck County's total debt decreased by \$4,256,092 (11.82%) during the past fiscal year. This reduction is due to scheduled payments and refinancing the Mainland Water Revenue bonds.

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 \$453,504,676. The County has no bonds authorized but un-issued at June 30, 2015.

Additional information regarding Currituck County's long-term debt can be found in note III.B.7. beginning on page 88 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, 2015, Currituck County had the lowest unemployment rate in the State with a rate of 5.7%, compared to the State average of 6.3%.

Budget Highlights for the Fiscal Year Ending June 30, 2016

Governmental Activities: Currituck County's octennial revaluation became effective for the 2014 fiscal year. Governmental fund revenues are budgeted conservatively with a 4.2% decrease from the actual revenues received for the year ended June 30, 2015 due to collections of motor vehicle taxes for overlapping years in year on implementation, while the business fund revenues are projected to remain constant with a 2.32% lower revenue budget than the prior year which is attributed water and sewer plant expansions and customers slower to connect that originally anticipated.

Budgeted expenditures in the General Fund are anticipated to be \$47,287,370 before transfers to other funds, approximately 0.27% decrease 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 and the Ocean Sands Sewer system replacement are still under construction. 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.

County of Currituck, North Carolina
Statement of Net Position
June 30, 2015

	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	\$ 51,288,531	\$ 13,992,852	\$ 65,281,383	\$ 421,327	\$ 736,892
Restricted Cash	1,422,731	89,928	1,512,659	-	-
Receivables (net)	550,234	4,448	554,682	24,788	-
Other receivables (net)	167,727	1,837,668	2,005,395	-	-
Due from other governments	3,521,523	-	3,521,523	-	-
Due from component unit	198,318	-	198,318	-	-
Due from other funds	2,213,855	(2,213,855)	-	-	-
Inventories	13,752	-	13,752	56,454	640,441
Prepaid items	-	-	-	6,886	25,526
Prepaid pension costs	21,706	-	21,706	-	-
Endowment fund	-	-	-	24,236	-
Non-endowed funds	-	-	-	7,517	-
Net pension asset	1,675,689	95,057	1,770,746	-	24,062
Capital assets:			-		
Land, improvements, non-depreciable collections and construction in progress	20,744,021	6,095,104	26,839,125	-	425,900
Other capital assets, net of depreciation	90,712,775	49,536,833	140,249,608	-	1,679,165
Total capital assets	111,456,796	55,631,937	167,088,733	-	2,105,065
Total assets	172,530,862	69,438,035	241,968,897	541,208	3,531,986
DEFERRED OUTFLOWS OF RESOURCES	1,080,450	64,146	1,144,596	-	17,380
LIABILITIES					
Accounts payable and accrued expenses	2,791,306	935,871	3,727,177	2,305	197,681
Customer deposits	-	89,928	89,928	-	-
Due to primary government	-	-	-	-	198,318
Long-term liabilities:					
Due within one year	1,569,561	2,000,000	3,569,561	-	-
Due in more than one year	20,931,738	22,578,018	43,509,756	-	-
Total long-term liabilities	22,501,299	24,578,018	47,079,317	-	-
Total liabilities	25,292,605	25,603,817	50,896,422	2,305	395,999
DEFERRED INFLOWS OF RESOURCES	4,015,175	239,168	4,254,343	-	58,668
NET POSITION					
Net investment in capital assets	103,521,339	31,801,937	135,323,276	-	2,105,065
Restricted for:					
Stabilization by State Statute	6,102,617	-	6,102,617	-	-
Public Safety	331,732	-	331,732	-	-
Education	1,725,345	-	1,725,345	-	-
Working capital	-	-	-	-	149,888
Capital assets	13,540,794	-	13,540,794	287,700	-
Unrestricted (deficit)	19,081,705	11,857,259	30,938,964	251,203	839,746
Total net position	\$ 144,303,532	\$ 43,659,196	\$ 187,962,728	\$ 538,903	\$ 3,094,699

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, 2015

Functions/Programs	Program Revenues				Net (Exp)
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Pr
Primary government:					
Governmental Activities:					
General government	\$ 6,716,864	\$ 1,377,621	\$ 187,442	\$ -	\$ (5,151,801)
Public safety	19,371,231	1,788,900	564,997	207,170	(16,810,164)
Transportation	884,955	357,148	-	98,700	(429,107)
Economic and physical development	1,401,180	-	26,760	10,000	(1,364,420)
Environmental protection	6,735,282	86,965	-	199,869	(6,448,448)
Human services	4,551,724	4,408	2,464,702	-	(2,082,614)
Cultural and recreation	2,945,656	70,492	4,170	750,000	(2,120,994)
Education	11,099,664	-	-	240,000	(10,859,664)
Interest on long-term debt	196,630	-	-	-	(196,630)
Total governmental activities	<u>53,903,186</u>	<u>3,685,534</u>	<u>3,248,071</u>	<u>1,505,739</u>	<u>(45,463,842)</u>
Business-type activities:					
Solid Waste	4,256,648	2,756,440	39,024	-	-
Water and Sewer	8,528,166	9,183,083	12,544	-	-
Total business-type activities	<u>12,784,814</u>	<u>11,939,523</u>	<u>51,568</u>	<u>-</u>	<u>-</u>
	<u>\$ 66,688,000</u>	<u>\$ 15,625,057</u>	<u>\$ 3,299,639</u>	<u>\$ 1,505,739</u>	<u>(45,463,842)</u>
Component units:					
Whalehead Preservation Trust	\$ 1,146,882	\$ (3,719,323)	\$ 4,550,014	\$ -	-
ABC Board	5,042,200	5,103,844	-	-	-
Total component units	<u>\$ 6,189,082</u>	<u>\$ 1,384,521</u>	<u>\$ 4,550,014</u>	<u>\$ -</u>	<u>-</u>
General revenues:					
Taxes:					
Property taxes, levied for general purpose					28,264,857
Property taxes, levied for sewer district					-
Property taxes, levied for watershed improvement					1,056,035
Local option sales taxes					8,830,614
Land transfer taxes					2,968,642
Occupancy taxes					10,844,887
Deed stamp excise tax					625,393
Franchise taxes					466,328
Other taxes					43,349
Investment earnings, unrestricted					386,405
Miscellaneous, unrestricted					337,425
Gain (loss) on sales of assets					(12,662)
Gain (loss) on endowment fund investments					-
Distribution of assets to primary government					-
Total general revenues, excluding transfers and special items					<u>53,811,273</u>
Transfers					<u>(1,180,187)</u>
Total general revenues and transfers					<u>52,631,086</u>
Change in net position					<u>7,167,244</u>
Net position, beginning, previously reported					139,361,153
Restatement					(2,224,865)
Net position, beginning, restated					<u>137,136,288</u>
Net position-ending					<u>\$ 144,303,532</u>

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

Exhibit 2

Revenue and Changes in Net Position

Primary Government		Component Units	
Business-type Activities	Total	Whalehead Preservation Trust and Wildlife Museum	Currituck County ABC Board
	\$ (5,151,801)		
	(16,810,164)		
	(429,107)		
	(1,364,420)		
	(6,448,448)		
	(2,082,614)		
	(2,120,994)		
	(10,859,664)		
	(196,630)		
-	(45,463,842)		
(1,461,184)	(1,461,184)		
667,461	667,461		
(793,723)	(793,723)		
(793,723)	(46,257,565)		
		\$ (316,191)	\$ -
		-	61,644
		(316,191)	61,644
-	28,264,857	-	-
315,580	315,580	-	-
-	1,056,035	-	-
-	8,830,614	-	-
-	2,968,642	-	-
-	10,844,887	-	-
-	625,393	-	-
-	466,328	-	-
-	43,349	-	-
73,409	459,814	1,596	102
196,289	533,714	-	-
3,710	(8,952)	-	-
-	-	624	-
-	-	(1,002,329)	-
588,988	54,400,261	(1,000,109)	102
1,180,187	-	-	-
1,769,175	54,400,261	(1,000,109)	102
975,452	8,142,696	(1,316,300)	61,746
42,792,818	182,153,971	1,855,203	3,066,058
(109,074)	(2,333,939)	-	(33,105)
42,683,744	179,820,032	1,855,203	3,032,953
\$ 43,659,196	\$ 187,962,728	\$ 538,903	\$ 3,094,699

**County of Currituck, North Carolina
Balance Sheet
Governmental Funds
June 30, 2015**

	Major				Nonmajor	
	General	County Governmental Facilities Fund	School Facilities Fund	Tourism Development Authority Fund	Other Governmental Funds	Total Governmental Funds
ASSETS						
Cash and cash equivalents	\$ 11,902,670	\$ 10,716,865	\$ 4,807,107	\$ 9,908,632	\$ 13,953,257	\$ 51,288,531
Restricted Cash	1,102,043	-	320,688	-	-	1,422,731
Taxes receivable, net	549,040	-	-	-	1,194	550,234
Other receivables, net	147,398	-	-	6,534	13,795	167,727
Due from other governments	2,384,737	2,502	3,642	13,598	1,117,044	3,521,523
Due from component unit	198,318	-	-	-	-	198,318
Due from other funds	-	-	-	2,213,855	-	2,213,855
Inventories	2,067	-	-	11,685	-	13,752
Total assets	\$ 16,286,273	\$ 10,719,367	\$ 5,131,437	\$ 12,154,304	\$ 15,085,290	\$ 59,376,671
LIABILITIES AND FUND BALANCES						
Liabilities:						
Accounts payable and accrued liabilities	\$ 2,323,216	\$ 284,729	\$ -	\$ 171,770	\$ 11,591	\$ 2,791,306
Total liabilities	2,323,216	284,729	-	171,770	11,591	2,791,306
DEFERRED INFLOWS OF RESOURCES						
Property taxes receivable	549,040	-	-	-	1,194	\$ 550,234
Prepaid taxes	42,466	-	-	-	-	42,466
Total deferred inflows (outflows) of resources	591,506	-	-	-	1,194	592,700
Fund balances:						
Nonspendable:						
Inventories	2,067	-	-	11,685	-	13,752
Restricted:						
Stabilization by State Statute	2,730,453	2,502	3,642	2,233,987	1,132,033	6,102,617
Emergency Telephone System	-	-	-	-	331,732	331,732
County Governmental Assets	2,738,197	-	-	-	10,802,597	13,540,794
School Capital Assets	-	-	320,688	-	1,404,657	1,725,345
Tourism	-	-	-	8,110,755	-	8,110,755
Watershed Improvements	-	-	-	-	544,949	544,949
Whalehead Beach Solid Waste	-	-	-	-	158,944	158,944
Committed:						
Carova Beach Service District	-	-	-	1,909	-	1,909
Fire Protection	137,931	-	-	-	-	137,931
Fire Equipment Replacement	-	-	-	-	494,713	494,713
County Governmental Assets	-	10,432,136	-	-	-	10,432,136
School Capital Assets	-	-	4,807,107	-	-	4,807,107
Tax Revaluation	359,260	-	-	-	-	359,260
Assigned:						
Subsequent year's expenditures	2,802,212	-	-	1,624,198	149,619	4,576,029
CDBG project	-	-	-	-	53,261	53,261
Unassigned:	4,601,431	-	-	-	-	4,601,431
Total fund balances	13,371,551	10,434,638	5,131,437	11,982,534	15,072,505	55,992,665
Total liabilities, deferred inflows of resources, and fund balances	\$ 16,286,273	\$ 10,719,367	\$ 5,131,437	\$ 12,154,304	\$ 15,085,290	

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	21,706
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.	111,456,796
Net pension asset	1,675,689
Contributions to pension plans in the current fiscal year are deferred outflows of resources on the Statement of Net Position	1,080,450
Deferred inflows of resources for taxes and special assessments receivable	550,234
Pension related deferrals	(3,972,709)
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.	(22,501,299)
Net position of governmental activities	\$ 144,303,532

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, 2015

	Major				Nonmajor	
	General Fund	County	School	Tourism	Other	Total
		Governmental	Facilities Fund	Development		
				Authority	Funds	Funds
REVENUES						
Ad valorem taxes	\$ 28,414,557	\$ -	\$ -	\$ -	\$ 1,056,035	\$ 29,470,592
Other taxes and licenses	6,150,241	-	-	10,844,887	6,950,316	23,945,444
Unrestricted intergovernmental	162,807	-	-	-	-	162,807
Restricted intergovernmental	2,998,505	859,357	240,000	274,269	406,382	4,778,513
Permits and fees	2,424,141	-	-	28,500	-	2,452,641
Sales and services	580,230	-	-	40,953	-	621,183
Investment earnings	96,307	54,576	38,450	86,085	110,987	386,405
Miscellaneous	484,614	-	-	92,235	-	576,849
Total revenues	<u>41,311,401</u>	<u>913,933</u>	<u>278,450</u>	<u>11,366,929</u>	<u>8,523,720</u>	<u>62,394,433</u>
EXPENDITURES						
Current:						
General government	5,627,198	-	-	-	115,214	5,742,412
Public safety	17,711,568	865,802	-	-	470,220	19,047,590
Transportation	416,712	153,461	-	-	-	570,173
Environmental protection	182,662	-	-	-	640,626	823,288
Economic and physical development	1,439,261	13,461	-	4,952,146	199,848	6,604,716
Human services	4,513,935	-	-	-	-	4,513,935
Cultural and recreational	1,785,845	963,856	-	-	-	2,749,701
Intergovernmental:						
Education	10,497,939	-	601,725	-	-	11,099,664
Debt service:						
Principal	2,296,344	-	-	-	-	2,296,344
Interest	196,377	-	-	-	-	196,377
Total expenditures	<u>44,667,842</u>	<u>1,996,580</u>	<u>601,725</u>	<u>4,952,146</u>	<u>1,425,908</u>	<u>53,644,201</u>
Excess (deficiency) of revenues over expenditures	<u>(3,356,441)</u>	<u>(1,082,647)</u>	<u>(323,275)</u>	<u>6,414,783</u>	<u>7,097,812</u>	<u>8,750,232</u>
OTHER FINANCING SOURCES (USES)						
Transfers from other funds	7,319,983	3,882,390	-	-	267,000	11,469,373
Transfers to other funds	(1,676,306)	-	(84,856)	(4,908,379)	(5,980,019)	(12,649,560)
Total other financing sources and uses	<u>5,643,677</u>	<u>3,882,390</u>	<u>(84,856)</u>	<u>(4,908,379)</u>	<u>(5,713,019)</u>	<u>(1,180,187)</u>
Net change in fund balance	2,287,236	2,799,743	(408,131)	1,506,404	1,384,793	7,570,045
Fund balances-beginning	11,084,315	7,634,895	5,539,568	10,476,130	13,687,712	48,422,620
Fund balances-ending	<u>\$ 13,371,551</u>	<u>\$ 10,434,638</u>	<u>\$ 5,131,437</u>	<u>\$ 11,982,534</u>	<u>\$ 15,072,505</u>	<u>\$ 55,992,665</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, 2015

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

Net changes in fund balances - total governmental funds	\$ 7,570,045
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 depreciation exceeded capital assets in the current period	(2,095,655)
Cost of capital asset disposed of during the year, not recognized on modified accrual basis	(12,662)
Contributions to the pension plan in the current fiscal year are not included on the Statement of Activities	1,075,492
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds	(149,700)
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.	2,296,091
Actuarial decrease in prepaid pension costs that do not use current financial resources and are not reported as revenues in the funds	(58,345)
Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.	<u>(1,458,022)</u>
Total changes in net position of governmental activities	<u><u>\$7,167,244</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, 2015

	General Fund				
	2015			Variance With Final Positive (Negative)	2014
	Original Budget	Final Budget	Actual		Actual
Revenues:					
Ad valorem taxes	\$ 26,480,015	\$ 26,550,819	\$ 28,414,557	\$ 1,863,738	\$ 28,311,694
Other taxes and licenses	5,576,760	5,588,167	6,150,241	562,074	5,815,654
Unrestricted intergovernmental	146,500	146,500	162,807	16,307	154,237
Restricted intergovernmental	2,966,439	2,951,567	2,998,505	46,938	2,930,440
Permits and fees	2,230,122	2,254,628	2,424,141	169,513	2,161,343
Sales and services	614,244	614,244	580,230	(34,014)	816,158
Investment earnings	90,000	90,000	75,573	(14,427)	68,987
Miscellaneous	103,000	178,276	484,614	306,338	313,190
Total revenues	<u>38,207,080</u>	<u>38,374,201</u>	<u>41,290,667</u>	<u>2,916,466</u>	<u>40,571,703</u>
Expenditures					
Current:					
General government	6,247,368	6,204,005	5,627,198	576,807	5,575,334
Public safety	18,679,839	18,749,681	17,711,568	1,038,113	17,555,607
Transportation	545,224	548,114	416,712	131,402	502,692
Environmental protection	220,028	220,028	182,662	37,366	182,135
Economic and physical development	1,559,862	1,616,931	1,439,261	177,670	1,433,301
Human services	4,763,680	4,854,276	4,513,935	340,341	4,416,362
Cultural and recreational	2,222,772	2,190,196	1,785,845	404,351	1,671,756
Intergovernmental:					
Education	10,425,978	10,543,526	10,497,939	45,587	10,145,291
Debt service	2,492,881	2,492,881	2,492,722	159	3,942,697
Total expenditures	<u>47,157,632</u>	<u>47,419,638</u>	<u>44,667,842</u>	<u>2,751,796</u>	<u>45,425,175</u>
Revenues over (under) expenditures	<u>(8,950,552)</u>	<u>(9,045,437)</u>	<u>(3,377,175)</u>	<u>5,668,262</u>	<u>(4,853,472)</u>
Other financing sources (uses):					
Transfers to other funds	(1,493,983)	(1,686,602)	(1,676,306)	10,296	(1,182,935)
Transfers from other funds	7,366,106	7,291,106	6,998,983	(292,123)	6,620,867
Total other financing sources (uses)	<u>5,872,123</u>	<u>5,604,504</u>	<u>5,322,677</u>	<u>(281,827)</u>	<u>5,437,932</u>
Revenues and other financing sources over expenditures and other financing uses	<u>(3,078,429)</u>	<u>(3,440,933)</u>	<u>1,945,502</u>	<u>5,386,435</u>	<u>584,460</u>
Appropriated fund balance	<u>3,078,429</u>	<u>3,440,933</u>	<u>-</u>	<u>(3,440,933)</u>	<u>-</u>
Revenues, appropriated fund balance, and other financing sources over expenditures and other financing uses	<u>\$ -</u>	<u>\$ -</u>	<u>1,945,502</u>	<u>\$ 1,945,502</u>	<u>584,460</u>
Fund balances:					
Beginning of year, July 1			8,328,592		7,744,132
End of year, June 30			<u>\$ 10,274,094</u>		<u>\$ 8,328,592</u>

Tourism Development Authority				
2015				2014
Original Budget	Final Budget	Actual	Variance With Final Positive (Negative)	Actual
\$ -	\$ -	\$ -	\$ -	\$ -
10,028,839	10,046,378	10,844,887	798,509	10,581,198
-	-	-	-	-
30,040	30,040	274,269	274,269	-
10,000	10,000	28,500	(1,540)	29,450
55,000	55,000	40,953	30,953	25,277
86,537	130,802	85,863	30,863	58,471
<u>10,210,416</u>	<u>10,272,220</u>	<u>11,366,707</u>	<u>1,094,487</u>	<u>10,880,883</u>
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
5,355,219	5,948,304	4,879,102	1,069,202	5,387,433
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
<u>5,355,219</u>	<u>5,948,304</u>	<u>4,879,102</u>	<u>1,069,202</u>	<u>5,387,433</u>
4,855,197	4,323,916	6,487,605	2,163,689	5,493,450
(5,200,501)	(5,200,501)	(4,908,379)	292,122	(4,264,112)
<u>(5,200,501)</u>	<u>(5,200,501)</u>	<u>(4,908,379)</u>	<u>292,122</u>	<u>(4,264,112)</u>
(345,304)	(876,585)	1,579,226	2,455,811	1,229,338
<u>345,304</u>	<u>876,585</u>	<u>-</u>	<u>(876,585)</u>	<u>-</u>
<u>\$ -</u>	<u>\$ -</u>	1,579,226	<u>\$ 1,579,226</u>	1,229,338
		10,401,399		9,172,061
		<u>\$ 11,980,625</u>		<u>\$ 10,401,399</u>

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

	General Fund				
	2015		2014		
	Original Budget	Final Budget	Actual	Variance With Final Positive (Negative)	Actual
General Fund ending fund balance, June 30			\$ 10,274,094		\$ 8,328,592
Revaluation Fund					
Investment earnings			2,113		1,096
Transfer-in from General Fund			121,000		121,000
Expenditures			-		(29,843)
Beginning Fund Balance, Revaluation			236,147		143,894
Land Banking Fund					
Investment earnings			18,621		17,504
Transfer-out to General Fund			-		-
Transfer-out to Moyock Central Sewer Fund			-		-
Transfer-in from Transfer Tax Capital Fund			200,000		300,000
Expenditures			-		(5,000)
Beginning Fund Balance, Land Banking Fund			2,519,576		2,207,072
Carova Beach Service District Fund					
Investment earnings			-		-
Expenditures			-		-
Beginning Fund Balance, School Capital Construction Fund			-		-
Ending Fund Balance, June 30 (Exhibit 4)			<u>\$ 13,371,551</u>		<u>\$ 11,084,315</u>

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

Tourism Development Authority				
2015			2014	
Original Budget	Final Budget	Actual	Variance With Final Positive (Negative)	Actual
		\$ 11,980,625		\$ 10,401,399
		-		-
		-		-
		-		-
		-		-
		-		-
		-		-
		-		-
		222		849
		(73,044)		(46,746)
		74,731		120,628
		<u>\$ 11,982,534</u>		<u>\$ 10,476,130</u>

County of Currituck, North Carolina
Statement of Net Position
Proprietary Funds
June 30, 2015

	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, 2015	June 30, 2014
ASSETS								
Current assets:								
Cash and cash equivalents	\$ 3,866,590	\$ 5,777,810	\$ 3,119,029	\$ 1,123,940	\$ 16,445	\$ 89,038	\$ 13,992,852	\$ 14,261,225
Restricted cash	-	-	84,195	5,583	-	150	89,928	78,239
Taxes receivable, net	2,099	269	-	-	-	2,080	4,448	4,417
Receivables, net	110,224	243,021	494,147	923,759	4,364	62,153	1,837,668	1,311,335
Total current assets	<u>3,978,913</u>	<u>6,021,100</u>	<u>3,697,371</u>	<u>2,053,282</u>	<u>20,809</u>	<u>153,421</u>	<u>15,924,896</u>	<u>15,655,216</u>
Noncurrent assets:								
Restricted cash, cash equivalents, and investments								
Net pension asset	-	6,250	49,743	39,064	-	-	95,057	-
Capital assets:								
Land, improvements, and construction in progress	62,962	1,232,059	5,150	3,897,704	688,914	208,315	6,095,104	5,720,583
Other capital assets, net of depreciation	380,604	1,142,067	20,940,695	17,884,568	3,845,545	5,343,354	49,536,833	51,871,073
Total capital assets	<u>443,566</u>	<u>2,374,126</u>	<u>20,945,845</u>	<u>21,782,272</u>	<u>4,534,459</u>	<u>5,551,669</u>	<u>55,631,937</u>	<u>57,591,656</u>
Total noncurrent assets	<u>443,566</u>	<u>2,380,376</u>	<u>20,995,588</u>	<u>21,821,336</u>	<u>4,534,459</u>	<u>5,551,669</u>	<u>55,726,994</u>	<u>57,591,656</u>
Total assets	<u>4,422,479</u>	<u>8,401,476</u>	<u>24,692,959</u>	<u>23,874,618</u>	<u>4,555,268</u>	<u>5,705,090</u>	<u>71,651,890</u>	<u>73,246,872</u>
DEFERRED OUTFLOWS OF RESOURCES	-	3,980	30,842	29,324	-	-	64,146	-
LIABILITIES								
Current liabilities:								
Accounts payable	181,031	416,426	72,330	110,784	86,447	3,313	870,331	529,278
Due to other funds	-	-	-	1,153,586	-	-	1,153,586	1,125,429
Customer deposits	-	-	84,195	5,583	-	150	89,928	78,239
Accrued salaries	-	6,939	35,252	23,349	-	-	65,540	58,931
General obligation bonds payable	-	-	275,000	-	-	-	275,000	345,000
Revenue bonds payable	-	-	695,000	-	-	-	695,000	585,000
Notes payable	-	-	-	850,000	180,000	-	1,030,000	1,030,000
Premium on debt issued	-	-	-	-	-	-	-	-
Total current liabilities	<u>181,031</u>	<u>423,365</u>	<u>1,161,777</u>	<u>2,143,302</u>	<u>266,447</u>	<u>3,463</u>	<u>4,179,385</u>	<u>3,751,877</u>
Noncurrent liabilities:								
Liabilities payable from restricted assets:								
Accrued vacation	-	2,402	41,509	25,575	-	-	69,486	63,245
Due to other funds	-	-	-	1,060,269	-	-	1,060,269	2,213,875
General obligation bonds payable	-	-	540,000	-	-	-	540,000	815,000
Revenue bonds payable	-	-	14,635,000	-	-	-	14,635,000	15,330,000
Notes payable	-	-	-	4,675,000	1,980,000	-	6,655,000	7,685,000
Other postemployment benefits	-	6,689	360,226	311,617	-	-	678,532	595,057
Total noncurrent liabilities	<u>-</u>	<u>9,091</u>	<u>15,576,735</u>	<u>6,072,461</u>	<u>1,980,000</u>	<u>-</u>	<u>23,638,287</u>	<u>26,702,177</u>
Total liabilities	<u>181,031</u>	<u>432,456</u>	<u>16,738,512</u>	<u>8,215,763</u>	<u>2,246,447</u>	<u>3,463</u>	<u>27,817,672</u>	<u>30,454,054</u>
DEFERRED INFLOWS OF RESOURCES	-	15,724	125,157	98,287	-	-	239,168	-
NET POSITION								
Net investment in capital assets	443,566	2,374,126	4,800,845	14,082,481	2,374,459	5,551,669	29,627,146	28,462,352
Unrestricted	3,797,882	5,583,150	3,059,287	1,507,411	(65,638)	149,958	14,032,050	14,330,466
Total net position	<u>\$ 4,241,448</u>	<u>\$ 7,957,276</u>	<u>\$ 7,860,132</u>	<u>\$ 15,589,892</u>	<u>\$ 2,308,821</u>	<u>\$ 5,701,627</u>	<u>\$ 43,659,196</u>	<u>\$ 42,792,818</u>

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

County of Currituck, North Carolina
Statement of Revenues, Expenses, and Changes in Fund Net Position
Proprietary Funds
For the Year Ended June 30, 2015

	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, 2015	June 30, 2014
OPERATING REVENUES								
Charges for services	\$ 2,756,440	\$ 1,262,515	\$ 3,074,163	\$ 2,769,262	\$ 92,002	\$ 217,333	\$ 10,171,715	\$ 9,874,193
Water and sewer taps	-	8,000	595,091	1,022,231	137,500	-	1,762,822	1,390,920
Miscellaneous	-	3,815	-	-	-	1,171	4,986	3,837
Total operating revenues	2,756,440	1,274,330	3,669,254	3,791,493	229,502	218,504	11,939,523	11,268,950
OPERATING EXPENSES								
Administration	166,194	69,351	396,631	353,189	15,654	87,945	1,088,964	1,046,589
Water operations	-	433,708	1,028,173	916,749	-	-	2,378,630	2,283,048
Sewer operations	-	447,485	-	-	114,222	140,366	702,073	698,769
Landfill operations	4,054,808	-	-	-	-	-	4,054,808	3,933,805
Depreciation	35,646	184,204	1,911,061	918,686	313,912	246,515	3,610,024	3,519,568
Total operating expenses	4,256,648	1,134,748	3,335,865	2,188,624	443,788	474,826	11,834,499	11,481,779
Operating income (loss)	(1,500,208)	139,582	333,389	1,602,869	(214,286)	(256,322)	105,024	(212,829)
NONOPERATING REVENUES (EXPENSES)								
Tax revenue	83,849	231,269	-	-	-	462	315,580	363,067
Contributed capital	-	-	-	-	-	-	-	66,225
Grant	-	-	-	-	-	-	-	-
Sale of capital assets	-	-	3,710	-	-	-	3,710	6,302
Rent	-	-	-	159,649	-	1,200	160,849	47,085
Unrestricted intergovernmental revenues	39,024	12,444	100	-	-	-	51,568	26,860
Restricted intergovernmental revenues	-	-	-	-	-	-	-	1,899
Investment earnings	29,786	15,097	11,738	15,477	574	737	73,409	83,032
Interest expenses	-	-	(646,194)	(233,205)	(70,916)	-	(950,315)	(1,090,976)
Insurance recovery	-	16,650	-	-	18,790	-	35,440	-
Loss on disposition of assets	-	-	-	-	-	-	-	-
Total nonoperating revenue (expenses)	152,659	275,460	(630,646)	(58,079)	(51,552)	2,399	(309,759)	(496,506)
Income (loss) before contributions and	(1,347,549)	415,042	(297,257)	1,544,790	(265,838)	(253,923)	(204,735)	(709,335)
Transfers from (to) other funds	1,079,687	-	-	-	84,500	16,000	1,180,187	600,000
Change in net position	(267,862)	415,042	(297,257)	1,544,790	(181,338)	(237,923)	975,452	(109,335)
Total net position, beginning	4,509,310	7,551,708	8,196,088	14,106,003	2,490,159	5,939,550	42,792,818	42,902,153
Restatement	-	(9,474)	(38,699)	(60,901)	-	-	(109,074)	-
Total net position, restated	4,509,310	7,542,234	8,157,389	14,045,102	2,490,159	5,939,550	42,683,744	42,902,153
Total net position - ending	\$ 4,241,448	\$ 7,957,276	\$ 7,860,132	\$ 15,589,892	\$ 2,308,821	\$ 5,701,627	\$ 43,659,196	\$ 42,792,818

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, 2015

Exhibit 9

							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, 2015	June 30, 2014
Cash flows from operating activities:								
Cash received from customers	\$ 2,750,014	\$ 1,224,014	\$ 3,564,479	\$ 3,380,942	\$ 233,549	\$ 254,938	\$ 11,407,936	\$ 11,215,834
Cash paid for goods and services	(4,377,732)	(537,902)	(628,015)	(617,796)	(48,983)	(296,309)	(6,506,737)	(6,878,285)
Cash paid to employees for services	-	(80,314)	(671,985)	(557,520)	-	-	(1,309,819)	(1,287,612)
Customer deposits received	-	-	11,750	689	-	-	12,439	5,157
Customer deposits returned	-	(132)	-	-	-	-	(132)	-
Other operating revenue	-	3,815	-	-	-	1,171	4,986	1,352
Net cash provided (used) by operating activities	(1,627,718)	609,481	2,276,229	2,206,315	184,566	(40,200)	3,608,673	3,056,446
Cash flows from noncapital financing activities:								
Tax revenues	122,949	231,161	-	-	-	463	354,573	364,616
Rental income	-	-	-	159,648	-	1,200	160,848	47,085
Loan from other funds	-	-	-	-	-	-	-	-
Transfer from (to) other funds	1,079,687	-	-	-	84,500	16,000	1,180,187	830,000
Net cash provided by noncapital financing	1,202,636	231,161	-	159,648	84,500	17,663	1,695,608	1,241,701
Cash flows from capital and related financing activities:								
Acquisition and construction of capital assets	-	(256,349)	(228,943)	(1,096,085)	(68,927)	-	(1,650,304)	(4,049,144)
Principal paid on bond maturities and installment purchase contracts	-	-	(930,000)	(1,975,449)	(180,000)	-	(3,085,449)	(3,017,999)
Interest paid on bond maturities and installment purchase contracts	-	-	(646,194)	(233,205)	(70,916)	-	(950,315)	(1,090,976)
Transfer from (to) other funds	-	12,444	100	-	-	-	12,544	(230,000)
Grants	-	16,650	-	-	-	-	16,650	8,201
Sale of capital assets	-	-	3,710	-	18,790	-	22,500	26,860
Capital contributions	-	-	-	-	-	-	-	66,225
Proceeds from debt issuance	-	-	-	-	-	-	-	-
Net cash provided (used) by capital and related financing activities	-	(227,255)	(1,801,327)	(3,304,739)	(301,053)	-	(5,634,374)	(8,286,833)
Cash flows from investing activities:								
Interest on investments	29,786	15,097	11,738	15,477	574	737	73,409	83,032
Net increase (decrease) in cash and cash equivalents	(395,296)	628,484	486,640	(923,299)	(31,413)	(21,800)	(256,684)	(3,905,654)
Cash and cash equivalents, July 1	4,261,886	5,149,326	2,716,584	2,052,822	47,858	110,988	14,339,464	18,245,118
Cash and cash equivalents, June 30	<u>\$ 3,866,590</u>	<u>\$ 5,777,810</u>	<u>\$ 3,203,224</u>	<u>\$ 1,129,523</u>	<u>\$ 16,445</u>	<u>\$ 89,188</u>	<u>\$ 14,082,780</u>	<u>\$ 14,339,464</u>
Reconciliation of operating income to net cash provided by operating activities:								
Operating income (loss)	\$ (1,500,208)	\$ 139,582	\$ 333,389	\$ 1,602,869	\$ (214,286)	\$ (256,322)	\$ 105,024	\$ 97,012
Adjustments to reconcile operating income to net cash provided (used) by operating activities:								
Depreciation	35,646	184,204	1,911,061	918,686	313,912	246,515	3,610,024	3,519,568
Pension expense	-	268	2,137	1,678	-	-	4,083	-
Changes in assets and liabilities:								
(Increase) decrease in accounts receivable	(6,426)	(46,501)	(104,775)	(410,551)	4,047	37,605	(526,601)	(51,754)
Increase (decrease) in accounts payable and accrued liabilities	(156,730)	328,631	111,860	81,878	80,893	(67,998)	378,534	(341,135)
(Increase) decrease in accrued vacation	-	988	7,072	(1,818)	-	-	6,242	169
(Increase) decrease in deferred outflows of resources for pensions	-	(3,980)	(30,842)	(29,324)	-	-	(64,146)	-
Increase in OPEB payable	-	6,689	34,577	42,208	-	-	83,474	137,270
Increase (decrease) in customer deposits	-	(400)	11,750	689	-	-	12,039	5,157
Total adjustments	(127,510)	469,899	1,942,840	603,446	398,852	216,122	3,503,649	3,269,275
Net cash provided (used) by operating activities	<u>\$ (1,627,718)</u>	<u>\$ 609,481</u>	<u>\$ 2,276,229</u>	<u>\$ 2,206,315</u>	<u>\$ 184,566</u>	<u>\$ (40,200)</u>	<u>\$ 3,608,673</u>	<u>\$ 3,056,446</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, 2015

	Pension Trust Fund	Agency Funds
Assets		
Cash and cash equivalents	\$ 1,180,798	\$ 7,798
Due from other governments	-	18,275
Total assets	1,180,798	26,073
Liabilities and Net Position		
Liabilities:		
Accounts payable	40,636	7,798
Due to other governments	-	18,275
Total liabilities	40,636	26,073
Net position:		
Assets held for pension benefits	\$ 1,140,162	\$ -

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, 2015

	Post-employment Benefits Fund	
	June 30 2015	June 30 2014
Additions:		
Employer contributions		
Law enforcement separation allowance	\$ 44,405	\$ 61,186
Postemployment benefits	162,278	164,413
	<u>206,683</u>	<u>225,599</u>
Investment income:		
Interest	8,082	8,201
Total additions	<u>214,765</u>	<u>233,800</u>
Deductions:		
Benefits		
Law enforcement separation allowance	5,601	4,201
Postemployment benefits	167,271	143,350
Administrative expense	262	5,044
Total deductions	<u>173,134</u>	<u>152,595</u>
Change in net position	41,631	81,205
Net position:		
Beginning of year, July 1		
Law enforcement separation allowance	507,348	453,930
Postemployment benefits	591,183	563,396
Beginning of year, totals	<u>1,098,531</u>	<u>1,017,326</u>
End of year, June 30		
Law enforcement separation allowance	547,344	507,348
Postemployment benefits	592,818	591,183
Net position - end of year, totals	<u>\$ 1,140,162</u>	<u>\$ 1,098,531</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, 2015

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 non-major 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. Pension trust funds are used to report resources that are required to be held in trust for the members and beneficiaries of define benefit pension plans, defined contribution plans, or other postemployment benefit plans. The Other Postemployment Benefits Fund accounts for the County's contribution for healthcare coverage provided to qualified retirees. This fund also accounts for the LEO Special Separation Allowance for the Law Enforcement Officers' Special Separation Allowance, a single-employer, public employee retirement system. The resources in the LEO Special Separation Allowance Fund have been set aside to pay future obligations of the LEO Special Separation Allowance but are not held in a trust that meet the criteria outlined in GASB Statement 68, paragraph 4.

Agency Funds. Agency funds are custodial in nature and do not involve the measurement of operating results. Agency funds are used to account for assets the County holds on behalf of others. The County maintains the following agency funds: the Social Services Fund, which accounts for moneys deposited with the Department of Social Services for the benefit of certain individuals; the Fines and Forfeitures Fund, which accounts for various legal fines and forfeitures that the County is required to remit to Currituck County Board of Education; the 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.

<u>Currituck County Restricted Cash</u>		
Governmental Activities		
General Fund	Tax Revaluation	\$ 480,509
General Fund	Deposits Held in Trust	621,534
School Facilities Fund	Grant Funds	<u>320,688</u>
Total Governmental Activities		<u>\$ 1,422,731</u>
Business-Type Activities		
Mainland Water Fund	Customer deposits	84,195
Southern Outer Banks Water Fund	Customer deposits	5,583
Moyock Commons Sewer Fund	Customer deposits	<u>150</u>
Total Business-Type Activities		<u>\$ 89,928</u>
Total Restricted Cash		<u><u>\$ 1,512,659</u></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, 2014. 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 several items that meet this criterion - a charge on refunding, pension related deferrals, and contributions made to the pension plan in the current fiscal year. 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 three items that meet the criterion for this category - prepaid taxes, special assessments receivable and other pension related deferrals.

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, 2015.

10. Compensated Absences

On June 30, 2015, the Whalehead Preservation Trust had no employees.

The vacation policy of the County provides for the accumulation of up to Two Hundred Forty (240) hours of earned vacation leave with such leave being fully vested when earned. For the County's governmental funds, the current portion of the accumulated vacation pay is not considered to be material; therefore, no expenditure or liability has been reported. For the County's proprietary funds an expense and a liability for compensated absences and the salary-related payments are recorded as the leave is earned. The ABC Board employees earn one week of vacation in the first year, two weeks per year at completion of one year until fifteen years of service are completed and three weeks per year for additional years of service. Employees may choose to take the vacation time or be compensated for it. Accumulated earned vacation at June 30, 2015 and 2014 amounted to approximately \$3,747 and \$4,179, respectively, and is all considered current.

The sick leave policies of the County 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.

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 County Governmental Assets – portion of fund balance that can only be used for County Governmental assets.

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.

12. Defined Benefit Pension Plans

The County participates in three cost-sharing, multiple-employer, defined benefit pension plans that are administered by the State; the Local Governmental Employees' Retirement System (LGERS) and the Registers of Deeds' Supplemental Pension Fund (RODSPF) (collectively, the "state-administered defined benefit pension plans"). For purposes of measuring the net pension asset, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net positions of the state-administered defined benefit pension plans' and additions to/deductions from the state-administered defined benefit pension plans' fiduciary net positions have been determined on the same basis as they are reported by the state-administered defined benefit pension plans. For this purpose, plan member contributions administered defined benefit per are recognized in the period in which the contributions are due. The County's employer contributions are recognized when due and the County has a legal requirement to provide the contributions. Benefits and refunds are recognized when due and payable in accordance with the terms of the state-administered defined benefit pension plans. Investments are reported at fair value.

For purposes of measuring the net pension expense, information about the fiduciary net position of the Firefighters' and Rescue Squad Workers' Pension Fund (FRSWPF) and additions to/deductions from FRSWPF's fiduciary net position have been determined on the same basis as they are reported by FRSWPF. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

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 \$88,310,867 consists of several elements as follows:

Description	Amount
Prepaid pension costs resulting from actuarial study, which are not reported in the funds	\$ 21,706
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)	163,044,003
Less accumulated depreciation	(51,587,207)
Net capital assets	<u>111,456,796</u>
Net pension asset	1,675,689
Contributions to the pension plan in the current fiscal year	1,080,450
Deferred inflows of resources for taxes and special assessments receivable	550,234
Pension related deferrals	(3,972,709)
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	(7,935,457)
Compensated absences	(1,299,385)
Other postemployment benefits	(13,266,457)
Total adjustment	<u><u>\$ 88,310,867</u></u>

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

The governmental fund statement of revenues, expenditures, and changes in fund balances includes a reconciliation between net changes in fund balances – total governmental funds and changes in net position of governmental activities as reported in the government-wide statement of activities. There are several elements of that total adjustment of (\$402,801) as follows:

Description	Amount
Capital outlay expenditures recorded in the fund statements but capitalized as assets in the statement of activities	\$ 3,106,540
Cost of disposed capital asset not recorded on fund statement	(12,662)
Depreciation expense, the allocation of those assets over their useful lives, that is recorded on the statement of activities but not in the fund statements.	(5,202,195)
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	2,296,091
Contributions to the pension plan in the current fiscal year are not included on the Statement of Activities	1,075,492
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	(148,286)
Other postemployment benefits	(1,242,541)
County's portion of collective pension expense	(67,195)
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 7/1/14	(699,934)
Recording of tax receipts deferred in the fund statements as of 6/30/15	550,234
Change in prepaid pension cost for law enforcement separation allowance	(58,345)
Total adjustment	<u>\$ (402,801)</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, 2015, the County's deposits had a carrying amount of \$46,985,013 and a bank balance of \$47,533,703. Of the bank balance, \$750,000 was covered by federal depository insurance and \$46,783,703 in interest bearing deposits were covered by collateral held under the Pooling Method.

At June 30, 2015, the County had \$2,685 cash on hand.

At June 30, 2015, the carrying amount of deposits for Currituck County ABC Board was \$736,650. At June 30, 2015 the ABC Board's deposits had a bank balance of \$1,111,072. 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, 2015, the Whalehead Preservation Trust's deposits had a carrying amount of \$421,327 and a bank balance of \$451,440. The Trust maintains its cash balances at three banks. Of this amount, \$442,330 was covered by federal depository insurance and \$9,110 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, 2015, 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
Federal agencies	\$ 20,919,235	-	-	20,919,235	-
NC Capital Management Trust: Cash Portfolio	\$ 75,705	N/A	N/A	N/A	N/A
Total Investments	\$ 20,994,940	\$ -	\$ -	\$ 20,919,235	\$ -

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, 2015, 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, 2015.

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, 2015, 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 Fannie Mae, Federal Farm Credit Bank, Fannie Mae, Federal Home Loan Mortgage Corporation and Federal Home Loan Bank. These investments are 9.57%, 21.08%, 33.48%, and 35.87% 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
2012	969,831	317,620	1,287,451
2013	926,133	219,957	1,146,090
2014	1,150,978	169,769	1,320,747
2015	1,143,861	65,772	1,209,633
Total	\$ 4,190,803	\$ 773,118	\$ 4,963,921

4. Receivables

Receivables at the government-wide level at June 30, 2015, were as follows:

	Accounts	Taxes and Related Accrued Interest	Due from Other Governments	Total
Governmental Activities:				
General	\$ 147,398	\$ 566,245	\$ 2,384,737	\$ 3,098,380
County Governmental Facilities	-	-	2,502	2,502
School Facilities	-	-	3,642	3,642
Tourism Development Authority	6,534	-	13,598	20,132
Other Governmental	13,795	1,194	1,117,044	1,132,033
Total receivables	167,727	567,439	3,521,523	4,256,689
Allowance for doubtful accounts	-	(17,205)	-	(17,205)
Total-governmental activities	\$ 167,727	\$ 550,234	\$ 3,521,523	\$ 4,239,484
Business-type Activities				
Solid Waste	\$ 110,224	\$ 2,501	\$ -	\$ 112,725
Ocean Sands Water and Sewer	243,219	269	-	243,488
Mainland Water	525,845	-	-	525,845
Southern Outer Banks Water	923,759	-	-	923,759
Moyock Central Sewer	4,364	-	-	4,364
Other Proprietary	62,153	2,080	-	64,233
Total receivables	1,869,564	4,850	-	1,874,414
Allowance for doubtful accounts	(31,896)	(402)	-	(32,298)
Total - business-type activities	\$ 1,837,668	\$ 4,448	\$ -	\$ 1,842,116

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

NC Department of Transportation; DMV taxes	\$104,159
NC Department of Revenue; Franchise taxes	86,330
NC Department of Revenue; Sales and Use tax distribution	2,419,222
NC Department of Revenue; Sales and Use tax refund	327,383
NC Admin Office of the Courts; Safe Roads	502
Currituck Clerk of Court; Facility/Officer Fees	30,579
NC DHHS; Medicaid at Risk	3,764
NC DHHS; County Administration	86,265
NC DHHS; Child Support Enforcement	1,049
NC DHHS; Child Daycare	50,552
NC DHHS; Ambulance Fees	3,484
NC DHHS; Medicaid Cost Settlement	331,311
NC DENR; CAMA minor permits	2,080
College of the Albemarle; refund for operations	45,587
NC Office of State Controller; 911 funds	13,853
Other	15,403
Total	<u>\$3,521,523</u>

5. Capital Assets

Capital asset activity for the year ended June 30, 2015, was as follows:

	Beginning Balances	Increases	Decreases	Ending Balances
Governmental activities:				
Capital assets not being depreciated:				
Land	\$ 19,721,045	-	-	\$ 19,721,045
Construction in progress	1,904,586	808,939	1,690,549	1,022,976
Total capital assets not being depreciated	<u>21,625,631</u>	<u>808,939</u>	<u>1,690,549</u>	<u>20,744,021</u>
Capital assets being depreciated:				
Buildings	88,803,487	1,051,262		89,854,749
Computer equipment	4,114,261	47,342	67,678	4,093,925
Furniture and fixtures	21,378,790	3,275,489	222,762	24,431,517
Equipment	10,192,847	61	978	10,191,930
Vehicles and motor equipment	13,270,160	828,041	370,340	13,727,861
Total capital assets being depreciated	<u>137,759,545</u>	<u>5,202,195</u>	<u>661,758</u>	<u>142,299,982</u>
Less accumulated depreciation for:				
Buildings	24,565,605	2,711,602		27,277,207
Computer equipment	3,329,905	209,357	67,094	3,472,168
Furniture and fixtures	6,254,792	1,909,140	41,862	8,122,070
Equipment	2,684,986	608,132	107,662	3,185,456
Vehicles and motor equipment	8,984,777	913,603	368,074	9,530,306
Total accumulated depreciation	<u>45,820,065</u>	<u>6,351,834</u>	<u>584,692</u>	<u>51,587,207</u>
Total capital assets being depreciated, net	<u>91,939,480</u>			<u>90,712,775</u>
Governmental activity capital assets, net	\$ <u>113,565,111</u>			\$ <u>111,456,796</u>

Primary Government

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

General government	\$ 1,878,860
Public safety	1,979,208
Transportation	470,642
Environmental protection	521,485
Economic and physical development	273,826
Human services	71,569
Cultural and recreational	1,156,244
Total depreciation expense	<u>\$ 6,351,834</u>

continued

Proprietary Funds

	Beginning Balances	Increases	Decreases	Ending Balances
Business-type activities:				
Solid Waste				
Capital assets not being depreciated:				
Land	\$ 62,962	-	-	\$ 62,962
Total capital assets not being depreciated	62,962	-	-	62,962
Capital assets being depreciated:				
Buildings	835,907	-	-	835,907
Equipment	230,957	-	-	230,957
Vehicles and motor equipment	12,736	-	-	12,736
Total capital assets being depreciated	1,079,600	-	-	1,079,600
Less accumulated depreciation for:				
Buildings	523,807	27,864	-	551,671
Equipment	126,807	7,782	-	134,589
Vehicles and motor equipment	12,736	-	-	12,736
Total accumulated depreciation	663,350	35,646	-	698,996
Total capital assets being depreciated, net	416,250			380,604
Solid Waste capital assets, net	\$ 479,212			\$ 443,566
Ocean Sands Water and Sewer District				
Capital assets not being depreciated:				
Land	\$ 963,012	-	-	\$ 963,012
Construction in process	89,166	179,881	-	269,047
Total capital assets not being depreciated	1,052,178	179,881	-	1,232,059
Capital assets being depreciated:				
Plant and distribution systems	4,197,363	-	-	4,197,363
Computer equipment	547,804	-	-	547,804
Furniture and maintenance equipment	589,477	49,955	-	639,432
Vehicles and motor equipment	59,892	26,513	-	86,405
Total capital assets being depreciated	5,394,536	76,468	-	5,471,004
Less accumulated depreciation for:				
Plant and distribution systems	3,254,082	84,943	-	3,339,025
Computer equipment	443,504	42,248	-	485,752
Furniture and maintenance equipment	424,631	40,451	-	465,082
Vehicles and motor equipment	22,517	16,561	-	39,078
Total accumulated depreciation	4,144,734	184,203	-	4,328,937
Total capital assets being depreciated, net	1,249,802			1,142,067
Ocean Sands Water and Sewer District capital assets, net	\$ 2,301,980			\$ 2,374,126
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	72,287	-	18,635,881
Computer equipment	104,099	56,286	-	160,385
Equipment	20,329,686	64,218	-	20,393,904
Vehicles	353,041	36,153	41,011	348,183
Total capital assets being depreciated	39,350,420	228,944	41,011	39,538,353
Less accumulated depreciation for:				
Buildings	4,840,642	610,708	-	5,451,350
Computer equipment	66,507	16,852	-	83,359
Equipment	11,534,289	1,263,306	-	12,797,595
Vehicles	286,170	20,195	41,011	265,354
Total accumulated depreciation	16,727,608	1,911,061	41,011	18,597,658
Total capital assets being depreciated, net	22,622,812			20,940,695
Mainland Water capital assets, net	\$ 22,627,962			\$ 20,945,845

continued

	Beginning Balances	Increases	Decreases	Ending Balances
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	370,163	16,954	-	387,117
Total accumulated depreciation	370,163	16,954	-	387,117
Total capital assets being depreciated, net	138,459			121,505
Newtown Road Sewer District capital assets, net	\$ 225,459			\$ 208,505

	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	\$ 128,843	64,421	-	\$ 193,264
Total accumulated depreciation	128,843	64,421	-	193,264
Total capital assets being depreciated, net	1,803,796			1,739,375
Maple Commerce Park Sewer Fund capital assets, net	\$ 1,803,796			\$ 1,739,375

	Ending 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	\$ 76,323	11,535	-	\$ 87,858
Equipment	34,819	2,428	-	37,247
Total accumulated depreciation	111,142	13,963	-	125,105
Total capital assets being depreciated, net	279,535			265,572
Moyock Commons Sewer District capital assets, net	\$ 347,160			\$ 333,197

	Ending Balances	Increases	Decreases	Ending Balances
Southern Outer Banks Water System				
Capital assets not being depreciated:				
Land	\$ 42,600	-	-	\$ 42,600
Construction in Process	3,660,464	194,640	-	3,855,104
Total capital assets not being depreciated	3,703,064	194,640	-	3,897,704
Capital assets being depreciated:				
Buildings	21,883,401	-	-	21,883,401
Computer equipment	301,634	129,311	-	430,945
Other equipment	2,386,431	772,134	-	3,158,565
Vehicles	266,186	-	-	266,186
Total capital assets being depreciated	24,837,652	901,445	-	25,739,097
Less accumulated depreciation for:				
Buildings	5,350,879	729,447	-	6,080,326
Computer equipment	193,764	39,052	-	232,816
Other equipment	1,197,260	128,074	-	1,325,334
Vehicles	193,940	22,113	-	216,053
Total accumulated depreciation	6,935,843	918,686	-	7,854,529
Total capital assets being depreciated, net	17,901,809			17,884,568
Southern Outer Banks Water Fund capital assets, net	\$ 21,604,873			\$ 21,782,272

continued

	Ending Balances	Increases	Decreases	Ending Balances
Moyock Central Sewer System				
Capital assets not being depreciated:				
Land	\$ 688,914	-	-	\$ 688,914
Total capital assets not being depreciated	<u>688,914</u>	-	-	<u>688,914</u>
Capital assets being depreciated:				
Buildings	\$ 3,296,623	68,927	-	\$ 3,365,550
Equipment	1,412,087	-	-	1,412,087
Total capital assets being depreciated	<u>4,708,710</u>	<u>68,927</u>	-	<u>4,777,637</u>
Less accumulated depreciation for:				
Buildings	\$ 214,727	112,186	-	\$ 326,913
Equipment	403,453	201,726	-	605,179
Total accumulated depreciation	<u>618,180</u>	<u>313,912</u>	-	<u>932,092</u>
Total capital assets being depreciated, net	<u>4,090,530</u>			<u>3,845,545</u>
Moyock Central Sewer System capital assets, net	\$ <u>4,779,444</u>			\$ <u>4,534,459</u>
	Ending Balances	Increases	Decreases	Ending Balances
Walnut Island Sewer System				
Capital assets not being depreciated:				
Land	\$ 53,690	-	-	\$ 53,690
Total capital assets not being depreciated	<u>53,690</u>	-	-	<u>53,690</u>
Capital assets being depreciated:				
Plant and distribution systems	3,224,327	-	-	3,224,327
Other equipment	441,517	-	-	441,517
Total capital assets being depreciated	<u>3,665,844</u>	-	-	<u>3,665,844</u>
Less accumulated depreciation for:				
Plant and distribution systems	216,098	106,978	-	323,076
Other equipment	81,667	44,199	-	125,866
Total accumulated depreciation	<u>297,765</u>	<u>151,177</u>	-	<u>448,942</u>
Total capital assets being depreciated, net	<u>3,368,079</u>			<u>3,216,902</u>
Walnut Island Sewer System capital assets, net	\$ <u>3,421,769</u>			\$ <u>3,270,592</u>
Business-type activities capital assets, net	\$ <u>58,134,750</u>			\$ <u>55,631,938</u>

Construction commitments

Currituck County has active construction projects as of June 30, 2015, as listed below. At June 30, 2015 the government's commitments with contractors are as follows:

Project	Spent-to-date	Remaining Commitment
Airport parallel taxiway	\$ 508,035	\$ 2,635
Airport taxiway	179,035	295
Airport Southern parallel taxiway apron	425,832	15,730
Airport Southern parallel taxiway	1,399,501	9,458
Airport fuel tank upgrade	37,255	2,474
Airport airfield improvements	9,350	157,317
Animal Shelter	648,378	1,851,622
Central Elementary School Parking	686,045	63,955
COA Apron	104,875	5,155
Connecting Corolla parking	8,200	141,800
Connecting Corolla East side walkway	14,232	85,768
Connecting Corolla multi-use path	128,096	271,904
Maple Alpine tower	-	75,000
Maple Commerce Park - roads	6,232,594	367,783
Maple Baseball/Softball Fields	88,415	111,585
Maple Soccer Fields	3,080,492	319,654
Maple Maintenance Building	668,054	56,946
Maple Field Equipment	268,766	6,234
Maple Shooting Range	158,901	109,718
Public Safety 800 MHz System	3,875,244	26,186
Total	<u>\$ 18,521,300</u>	<u>\$ 3,681,219</u>

Discretely presented component units

Activity for the ABC Board for the year ended June 30, 2015, was as follows:

	Beginning Balances	Increases	Decreases	Ending Balances
Capital assets not being depreciated:				
Land	425,900	-	-	425,900
Total capital assets not being depreciated	<u>425,900</u>	-	-	<u>425,900</u>
Capital assets being depreciated:				
Buildings	2,182,928	-	-	2,182,928
Furniture and equipment	244,390	29,495	-	273,885
Vehicles	34,827	-	-	34,827
Leasehold improvements	26,706	-	-	26,706
Total capital assets being depreciated	<u>2,488,851</u>	29,495	-	<u>2,518,346</u>
Less accumulated depreciation:				
Buildings	538,162	66,967	-	605,129
Furniture and equipment	179,823	13,156	-	192,979
Vehicles	34,827	-	-	34,827
Leasehold improvements	5,719	527	-	6,246
Total accumulated depreciation	<u>758,531</u>	80,650	-	<u>839,181</u>
ABC capital assets, net	<u>\$ 2,077,975</u>			<u>\$ 2,105,065</u>

Activity for the Whalehead Preservation Trust and Currituck Wildlife Museum as of June 30, 2015, was as follows:

	Beginning Balances	Increases	Decreases	Ending Balances
Capital assets not being depreciated:				
Museum collection	\$ 894,123	\$ -	\$ (894,123)	\$ -
Total capital assets not being depreciated	<u>894,123</u>	-	(894,123)	-
Capital assets being depreciated:				
Furniture, fixtures and equipment	381,386	-	(381,386)	-
Total capital assets being depreciated	<u>381,386</u>	-	(381,386)	-
Less accumulated depreciation for:				
Furniture, fixtures and equipment	237,133	36,046	(273,179)	-
Total accumulated depreciation	<u>237,133</u>	36,046	(273,179)	-
Total capital assets being depreciated, net	144,253			-
Whalehead Preservation Trust capital assets, net	<u>\$ 1,038,376</u>			<u>\$ -</u>

B. Liabilities

1. Payables

Payables at the government-wide level at June 30, 2015, were as follows:

	<u>Vendors</u>	<u>Other</u>	<u>Total</u>
Governmental Activities:			
General	\$ 1,715,744	\$ 607,472	\$ 2,323,216
County Governmental Facilities	284,729	-	284,729
School Facilities	-	-	-
Tourism Development Authority	131,817	39,953	171,770
Other Governmental	11,591	-	11,591
	<hr/>	<hr/>	<hr/>
Total-governmental activities	\$ 2,143,881	\$ 647,425	\$ 2,791,306
	<hr/>	<hr/>	<hr/>
Business-type Activities			
Solid Waste	\$ 181,031	\$ -	\$ 181,031
Ocean Sands Water and Sewer	416,426	6,939	423,365
Mainland Water	72,330	35,252	107,582
Southern Outer Banks Water	110,784	23,349	134,133
Moyock Central Sewer	86,447	-	86,447
Other Proprietary	3,313	-	3,313
	<hr/>	<hr/>	<hr/>
Total - business-type activities	\$ 870,331	\$ 65,540	\$ 935,871
	<hr/>	<hr/>	<hr/>

2. Pension Plan Obligations

a. Local Governmental Employees' Retirement System

Plan Description. The County and the ABC Board are participating employers in 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 membership is comprised of general employees and local law enforcement officers (LEOs) of participating local governmental entities. Article 3 of G.S. Chapter 128 assigns the authority to establish and amend benefit provisions to the North Carolina General Assembly. Management of the plan is vested in the LGERS Board of Trustees, which consists of 13 members – nine appointed by the Governor, one appointed by the state Senate, one appointed by the state House of Representatives, and the State Treasurer and State Superintendent, who serve as ex-officio members. 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, by calling (919) 981-5454, or at www.osc.nc.gov.

Benefits Provided. LGERS provides retirement and survivor benefits. Retirement benefits are determined as 1.85% of the member's average final compensation times the member's years of creditable service. A member's average final compensation is calculated as the average of a member's four highest consecutive years of compensation. Plan members are eligible to retire with full retirement benefits at age 65 with five years of creditable service, at age 60 with 25 years of creditable service, or at any age with 30 years of creditable service. Plan members are eligible to retire with partial retirement benefits at age 50 with 20 years of creditable service or at age 60 with five years of creditable service (age 55 for firefighters). Survivor benefits are available to eligible beneficiaries of members who die while in active service or within 180 days of their last day of service and who have either completed 20 years of creditable service regardless of age (15 years of creditable service for firefighters and rescue squad members who are killed in the line of duty) or have completed five years of service and have reached age 60. Eligible beneficiaries may elect to receive a monthly Survivor's Alternate Benefit for life or a return of the member's contributions. The plan does not provide for automatic post-retirement benefit increases. Increases are contingent upon actuarial gains of the plan.

LGERS plan members who are LEOs are eligible to retire with full retirement benefits at age 55 with five years of creditable service as an officer, or at any age with 30 years of creditable service. LEO plan members are eligible to retire with partial retirement benefits at age 50 with 15 years of creditable service as an officer. Survivor benefits are available to eligible beneficiaries of LEO members who die while in active service or within 180 days of their last day of service and who also have either completed 20 years of creditable service regardless of age, or have completed 15 years of service as a LEO and have reached age 50, or have completed five years of creditable service as a LEO and have reached age 55, or have completed 15 years of creditable service as a LEO if killed in the line of duty. Eligible beneficiaries may elect to receive a monthly Survivor's Alternate Benefit for life or a return of the member's contributions.

Contributions. Contribution provisions are established by General Statute 128-30 and may be amended only by the North Carolina General Assembly. County employees are required to contribute 6% of their compensation. Employer contributions are actuarially determined and set annually by the LGERS Board of Trustees. The County's contractually required contribution rate for the year ended June 30, 2015, was 7.41% of compensation for law enforcement officers and 7.07% for general employees and firefighters, actuarially determined as an amount that, when combined with employee contributions, is expected to finance the costs of benefits earned by employees during the year. Contributions to the pension plan from the County were \$1,135,921 and contributions to the pension plan from the ABC Board were \$17,380 for the year ended June 30, 2015.

Refunds of Contributions – County employees who have terminated service as a contributing member of LGERS, may file an application for a refund of their contributions. By state law, refunds to members with at least five years of service include 4% interest. State law requires a 60 day waiting period after service termination before the refund may be paid. The acceptance of a refund payment cancels the individual's right to employer contributions or any other benefit provided by LGERS.

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

At June 30, 2015, the County reported an asset of \$1,673,817 for its proportionate share of the net pension asset and the ABC Board reported an asset of \$24,062 for its proportionate share of the net pension asset. The net pension asset was measured as of June 30, 2014. The total pension liability used to calculate the net pension asset was determined by an actuarial valuation as of December 31, 2013. The total pension liability was then rolled forward to the measurement date of June 30, 2014 utilizing update procedures incorporating the actuarial assumptions. The County's proportion of the net pension asset was based on a projection of the County's long-term share of future payroll covered by the pension plan, relative to the projected future payroll covered by the pension plan of all participating LGERS employers, actuarially determined. At June 30, 2014, the County's proportion was .284%, which was a decrease of .011% from its proportion measured as of June 30, 2013. The ABC Board's proportion was 0.00408%, which was an increase of 0.00008% from its proportion measured as of June 30, 2013.

For the year ended June 30, 2015, the County recognized pension expense of \$71,893 and the ABC Board recognized pension expense of \$1,503. At June 30, 2015, the County reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	COUNTY		ABC BOARD	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ -	\$ 182,894	\$ -	\$ 2,629
Net difference between projected and actual earnings on pension plan investments	-	3,896,610	-	56,015
Changes in proportion and differences between County contributions and proportionate share of contributions	-	131,853	-	24
County contributions subsequent to the measurement date	1,135,921	-	17,380	-
Total	\$ 1,135,921	\$ 4,211,357	\$ 17,380	\$ 58,668

\$1,135,921 reported as deferred outflows of resources related to pensions resulting from County contributions and \$17,380 reported as deferred outflows of resources related to pensions resulting from ABC Board contributions subsequent to the measurement date will be recognized as

increases of the net pension asset in the year ended June 30, 2016. Other amounts reported as deferred inflows of resources related to pensions will be recognized in pension expense as follows:

	<u>COUNTY</u>	<u>ABC BOARD</u>
Year ended June 30:		
2016	\$ (1,053,036)	\$ (14,669)
2017	(1,053,036)	(14,669)
2018	(1,053,036)	(14,669)
2019	(1,052,249)	(14,661)
2020	-	-
Thereafter	-	-

Actuarial Assumptions. The total pension liability in the December 31, 2013 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	3.0 percent
Salary increases	4.25 to 8.55 percent, including inflation and productivity factor
Investment rate of return	7.25 percent, net of pension plan investment expense, including inflation

The plan currently uses mortality tables that vary by age, gender, employee group (i.e. general, law enforcement officer) and health status (i.e. disabled and healthy). The current mortality rates are based on published tables and based on studies that cover significant portions of the U.S. population. The healthy mortality rates also contain a provision to reflect future mortality improvements.

The actuarial assumptions used in the December 31, 2013 valuation were based on the results of an actuarial experience study for the period January 1, 2005 through December 31, 2009.

Future ad hoc COLA amounts are not considered to be substantively automatic and are therefore not included in the measurement.

The projected long-term investment returns and inflation assumptions are developed through review of current and historical capital markets data, sell-side investment research, consultant whitepapers, and historical performance of investment strategies. Fixed income return projections reflect current yields across the U.S. Treasury yield curve and market expectations of forward yields projected and interpolated for multiple tenors and over multiple year horizons. Global public equity return projections are established through analysis of the equity risk premium and the fixed income return projections. Other asset categories and strategies' return projections reflect the foregoing and historical data analysis. These projections are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target

allocation and best estimates of arithmetic real rates of return for each major asset class as of June 30, 2014 are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Fixed Income	36.0%	2.5%
Global Equity	40.5%	6.1%
Real Estate	8.0%	5.7%
Alternatives	6.5%	10.5%
Credit	4.5%	6.8%
Inflation Protection	4.5%	3.7%
Total	<u>100%</u>	

The information above is based on 30 year expectations developed with the consulting actuary for the 2013 asset liability and investment policy study for the North Carolina Retirement Systems, including LGERS. The long-term nominal rates of return underlying the real rates of return are arithmetic annualized figures. The real rates of return are calculated from nominal rates by multiplicatively subtracting a long-term inflation assumption of 3.19%. All rates of return and inflation are annualized.

A new asset allocation policy was finalized during the fiscal year ended June 30, 2014 to be effective July 1, 2014. The new asset allocation policy utilizes different asset classes, changes in the structure of certain asset classes, and adopts new benchmarks. Using the asset class categories in the preceding table, the new long-term expected arithmetic real rates of return are: Fixed Income 2.2%, Global Equity 5.8%, Real Estate 5.2%, Alternatives 9.8%, Credit 6.8% and Inflation Protection 3.4%.

Discount rate. The discount rate used to measure the total pension liability was 7.25%. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current contribution rate and that contributions from employers will be made at statutorily required rates, actuarially determined. Based on these assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of the current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the County's proportionate share of the net pension asset to changes in the discount rate. The following presents the County's proportionate share of the net pension asset calculated using the discount rate of 7.25 percent, as well as what the County's proportionate share of the net pension asset or net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.25 percent) or 1-percentage-point higher (8.25 percent) than the current rate:

	<u>1% Decrease (6.25%)</u>	<u>Discount Rate (7.25%)</u>	<u>1% Increase (8.25%)</u>
County's proportionate share of the net pension liability (asset)	\$ 5,681,661	\$ (1,673,817)	\$ (7,866,894)
ABC Board's proportionate share of the net pension liability (asset)	81,676	(24,062)	(113,089)

Pension plan fiduciary net position. Detailed information about the pension plan's fiduciary net position is available in the separately issued Comprehensive Annual Financial Report (CAFR) for the State of North Carolina.

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; however, it does not meet the criteria for trust funds outlined in GASB Statement 68 .

All full-time County law enforcement officers are covered by the Separation Allowance. At December 31, 2014, the Separation Allowance's membership consisted of:

Retirees receiving benefits	1
Active plan members	<u>64</u>
Total	<u><u>65</u></u>

A separate report was not issued for this plan.

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 \$44,405, or 1.34% 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, 2014 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, 2014, was 16 years.

Ten Year Trend Information			
For Year Ended June 30	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
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)
2015	102,750	43.22%	(21,706)

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 99 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	\$ 99,991
Interest on net pension obligation	(4,003)
Adjustment to annual required contribution	6,762
Annual pension cost	<u>\$ 102,750</u>
Employer contributions made for fiscal year	44,405
Decrease in net pension obligation	<u>\$ 58,345</u>
Net pension obligation beginning of fiscal year	(80,051)
Net pension obligation end of fiscal year	<u><u>\$ (21,706)</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, 2015, were \$208,668, which consisted of \$169,749 from the County and \$38,919 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, 2015 were \$891,538 which consisted of \$674,044 from the County and \$217,494 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 (RODSPF), a noncontributory, defined benefit plan administered by the North Carolina Department of State Treasurer. RODSPF 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. Management of the plan is vested in the LGERS Board of Trustees, which consists of 13 members – nine appointed by the Governor, one appointed by the state Senate, one appointed by the state House of Representatives, and the State Treasurer and State Superintendent, who serve as ex-officio members. 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, by calling (919) 981-5454, or at www.osc.nc.gov.

Benefits Provided. An individual's benefits for the year are calculated as a share of accumulated contributions available for benefits for that year, subject to certain statutory limits. An individual's eligibility is based on at least 10 years of service as a register of deeds with the individual's share increasing with years of service. Because of the statutory limits noted above, not all contributions available for benefits are distributed.

Contributions. Benefits and administrative expenses are funded by investment income and 1.5% of the receipts collected by each County Commission under Article 1 of Chapter 161 of the North Carolina General Statutes. The statutory contribution currently has no relationship to the actuary's required contribution. The actuarially determined contribution this year and for the foreseeable future is zero. Registers of Deeds do not contribute. Contribution provisions are established by General Statute 161-50 and may be amended only by the North Carolina General Assembly. Contributions to the pension plan from the County were \$3,717 for the year ended June 30, 2015.

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

At June 30, 2015, the County reported an asset of \$96,929 for its proportionate share of the net pension asset. The net pension asset was measured as of June 30, 2014. The total pension liability used to calculate the net pension asset was determined by an actuarial valuation as of December 31, 2013. The total pension liability was then rolled forward to the measurement date of June 30, 2014 utilizing update procedures incorporating the actuarial assumptions. The County's proportion of the net pension asset was based on the County's share of contributions to the pension plan, relative to contributions to the pension plan of all participating RODSPF employers. At June 30, 2014, the County's proportion was .428%, which was a decrease of .027% from its proportion measured as of June 30, 2013.

For the year ended June 30, 2015, the County recognized pension expense of \$(612). At June 30, 2015, the County reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 889	\$ -
Net difference between projected and actual earnings on pension plan investments	-	520
Changes in proportion and differences between County contributions and proportionate share of contributions	4,069	-
County contributions subsequent to the measurement date	<u>3,717</u>	<u>-</u>
Total	<u>\$ 8,675</u>	<u>\$ 520</u>

\$3,717 reported as deferred outflows of resources related to pensions resulting from County contributions subsequent to the measurement date will be recognized as an increase of the net pension asset in the year ended June 30, 2016. Other amounts reported as deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended June 30:

2016	\$ 2,123
2017	2,123
2018	320
2019	(128)
2020	-
Thereafter	-

Actuarial Assumptions. The total pension liability in the December 31, 2013 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	3.0 percent
Salary increases	4.25 to 7.75 percent, including inflation and productivity factor
Investment rate of return	5.75 percent, net of pension plan investment expense, including inflation

The plan currently uses mortality tables that vary by age, gender, employee group (i.e. general, law enforcement officer) and health status (i.e. disabled and healthy). The current mortality rates are based on published tables and based on studies that cover significant portions of the U.S. population. The healthy mortality rates also contain a provision to reflect future mortality improvements.

The actuarial assumptions used in the December 31, 2013 valuation were based on the results of an actuarial experience study for the period January 1, 2005 through December 31, 2009.

Future ad hoc COLA amounts are not considered to be substantively automatic and are therefore not included in the measurement.

The projected long-term investment returns and inflation assumptions are developed through review of current and historical capital markets data, sell-side investment research, consultant whitepapers, and historical performance of investment strategies. Fixed income return projections reflect current yields across the U.S. Treasury yield curve and market expectations of forward yields projected and interpolated for multiple tenors and over multiple year horizons. These projections are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The adopted asset allocation policy for the RODSPF is 100% in the fixed income asset class. The best estimate of arithmetic real rate of return for the fixed income asset class as of June 30, 2014 is 2.5%:

The information above is based on 30 year expectations developed with the consulting actuary for the 2013 asset liability and investment policy study for the North Carolina Retirement Systems, including LGERS. The long-term nominal rates of return underlying the real rates of return are arithmetic annualized figures. The real rates of return are calculated from nominal rates by multiplicatively subtracting a long-term inflation assumption of 3.19%. All rates of return and inflation are annualized.

Discount rate. The discount rate used to measure the total pension liability was 5.75%. The projection of cash flows used to determine the discount rate assumed that contributions from employers will be made at statutorily required rates. Based on these assumptions, the pension plan’s fiduciary net position was projected to be available to make all projected future benefit payments of the current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the County’s proportionate share of the net pension asset to changes in the discount rate. The following presents the County’s proportionate share of the net pension asset calculated using the discount rate of 5.75 percent, as well as what the County’s proportionate share of the net pension asset would be if it were calculated using a discount rate that is 1-percentage-point lower (4.75 percent) or 1-percentage-point higher (6.75 percent) than the current rate:

	1% Decrease (4.75%)	Discount Rate (5.75%)	1% Increase (6.75%)
County's proportionate share of the net pension liability (asset)	\$ (87,038)	\$ (96,929)	\$ (105,431)

Pension plan fiduciary net position. Detailed information about the pension plan’s fiduciary net position is available in the separately issued Comprehensive Annual Financial Report (CAFR) for the State of North Carolina.

f. Firefighters' and Rescue Squad Workers' Pension Fund

Plan Description. The State of North Carolina contributes, on behalf of the County of Currituck, to the Firefighters' and Rescue Squad Workers' Pension Fund (FRSWPF), a cost-sharing multiple-employer defined benefit pension plan with a special funding situation administered by the State of North Carolina. FRSWPF provides pension benefits for eligible fire and rescue squad workers who have elected to become members of the fund. Article 86 of G.S. Chapter 58 assigns the authority to establish and amend benefit provisions to the North Carolina General Assembly. Management of the plan is vested in the LGERS Board of Trustees, which consists of 13 members – nine appointed by the Governor, one appointed by the state Senate, one appointed by the state House of Representatives, and the State Treasurer and State Superintendent, who serve as ex-officio members. The Firefighters' and Rescue Squad Workers' 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 Firefighters' and Rescue Squad Workers' 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, by calling (919) 981-5454, or at www.osc.nc.gov.

Benefits Provided. FRSWPF provides retirement and survivor benefits. The present retirement benefit is \$170 per month. Plan members are eligible to receive the monthly benefit at age 55 with 20 years of creditable service as a firefighter or rescue squad worker, and have terminated duties as a firefighter or rescue squad worker. Eligible beneficiaries of members who die before beginning to receive the benefit will receive the amount paid by the member and contributions paid on the member's behalf into the plan. Eligible beneficiaries of members who die after beginning to receive benefits will be paid the amount the member contributed minus the benefits collected.

Contributions. Plan members are required to contribute \$10 per month to the plan. The State, a non-employer contributor, funds the plan through appropriations. The County does not contribute to the plan. Contribution provisions are established by General Statute 58-86 and may be amended only by the North Carolina General Assembly. For the fiscal year ending June 30, 2014, the State contributed \$14,627,000 to the plan. The County of Currituck's proportionate share of the State's contribution is \$18,544.

Refunds of Contributions – Plan members who are no longer eligible or choose not to participate in the plan may file an application for a refund of their contributions. Refunds include the member's contributions and contributions paid by others on the member's behalf. No interest will be paid on the amount of the refund. The acceptance of a refund payment cancels the individual's right to employer contributions or any other benefit provided by FRSWPF.

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

At June 30, 2015, the County reported no liability for its proportionate share of the net pension liability, as the State provides 100% pension support to the County through its appropriations to the FRSWPF. The total portion of the net pension liability that was associated with the County and supported by the State was \$49,324. The net pension liability was measured as of June 30, 2014. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2013. The total pension liability was then rolled forward to the measurement date of

June 30, 2014 utilizing update procedures incorporating the actuarial assumptions. The County's proportion of the net pension liability was based on a projection of the County's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers. As the County is not projected to make any future contributions to the plan, its proportionate share at June 30, 2014 and at June 30, 2013 was 0%.

For the year ended June 30, 2015, the County recognized pension expense of \$18,544 and revenue of \$18,544 for support provided by the State. At June 30, 2015, the County reported no deferred outflows of resources and no deferred inflows of resources related to pensions.

Actuarial Assumptions. The total pension liability in the December 31, 2013 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	3.0 percent
Salary increases	Not applicable
Investment rate of return	7.25 percent, net of pension plan investment expense, including inflation

For more information regarding actuarial assumptions, including mortality tables, the actuarial experience study, the consideration of future ad hoc COLA amounts, the development of the projected long-term investment returns, and the asset allocation policy, refer to the discussion of actuarial assumptions for the LGERS plan in Section a. of this note.

Discount rate. The discount rate used to measure the total pension liability was 7.25%. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current contribution rate and that contributions from employers will be made at statutorily required rates, actuarially determined. Based on these assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of the current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Pension plan fiduciary net position. Detailed information about the pension plan's fiduciary net position is available in the separately issued Comprehensive Annual Financial Report (CAFR) for the State of North Carolina.

g. 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.

h. 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	Fire & EMS	Law Enforcement Officers
Retirees receiving benefits	27	2	7
Active plan members	<u>213</u>	<u>70</u>	<u>62</u>
Total	245	71	63

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 10.66% of annual covered payroll. For the current year, the County contributed \$197,908 or 1.30% of annual covered payroll. The County's required contribution for employees not engaged in law enforcement and for law enforcement officers was \$1,727,788 annually, with an accrued liability of \$13,944,989. 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)	\$ 1,501,367
b)	Valuation Discount Rate	4.00%
c)	Interest on Net OPEB Obligation:	504,759
d)	Amortization Factor	26.1695
e)	Adjustment to ARC:	482,202
f)	Annual OPEB Cost: (a) + (c) - (e)	1,523,924
g)	Employer Contributions made for current fiscal year*	197,908
h)	Increase (decrease) in Net OPEB Obligation: (f) - (g)	1,326,016
i)	Net OPEB Obligation Beginning of Fiscal Year	12,618,973
j)	Net OPEB Obligation Ending of Fiscal Year: (h) + (i)	\$ 13,944,989

** Under GASB Statement Nos. 43 and 45, the OPEB liability may include an implicit subsidy amount based upon age adjusted costs reflecting the higher cost of benefits associated with older participants. For the purpose of determining the Net OPEB Obligation (NOO), the portion of the annual OPEB contributions for medical and prescription drug costs that are determined on a combined basis for actives and retirees (in this case the pre-65 retirees) has been increased to include the impact of the 54% implicit subsidy. The total contribution of \$197,908 includes \$35,630 due to the impact of the 54% implicit subsidy and actual cash contributions of \$162,278 paid by the employer. Medicare Supplement insurance does not generate an implicit subsidy. Correspondingly, in the financial statements, the costs associated with active employee medical and prescription drug benefits may need to be decreased by the same dollar amount to reflect that portion of the active employee contribution subsidizing retiree costs.*

The County’s annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for 2015 were as follows:

<u>For Year</u> <u>Ended June 30</u>	<u>Annual OPEB Cost</u>	<u>Percentage of Annual</u> <u>OPEB Cost Contributed</u>	<u>Net OPEB Obligation</u>
2013	2,425,066	5.1%	\$10,341,290
2014	2,425,066	6.1%	\$12,618,973
2015	1,523,924	13.0%	\$13,944,989

Funded Status and Funding Progress: As of December 31, 2014, 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 \$16,026,635. The covered payroll (annual payroll of active employees covered by the plan) was \$15,248,429, and the ratio of the UAAL to the covered payroll was 105.1%.

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, 2014 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 7.5 percent to 5 percent annually for Pre-Medicare and 5.50 percent to 5 percent annually for Post-Medicare.. Both rates included a 3.0 percent inflation assumption. The actuarial value of assets, if any, was determined using techniques that spread the effects of short-term volatility in the market value of investments over a 5 year period. The UAAL is being amortized as a level percentage of projected payroll on an open basis. The remaining amortization period at December 31, 2014 was 30 years.

i. 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. Because all death benefit payments are made from the Death Benefit Plan and not by the County, the County does not determine the number of eligible participants. 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. Contributions are determined as a percentage of monthly payroll based upon rates established annually by the State. Separate rates are set for employees not engaged in law enforcement and for law enforcement officers. 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

	Deferred Outflows of Resources	Deferred Inflows of Resources
Pensions - difference between expected and actual experience	-	
LGERS		182,894
Register of Deeds	889	
Pensions - difference between projected and actual investment earnings	-	3,897,130
Pensions - change in proportion and difference between employer contributions and proportionate share of contributions	4,069	131,853
Contributions to pension plan in 2014-2015 fiscal year	1,139,638	-
Prepaid taxes not yet earned (General)	-	42,466
Taxes receivable, net, less penalties (General)	-	549,040
Taxes receivable, net, less penalties (Special Revenue)	-	1,194
Total	<u>\$ 1,144,596</u>	<u>\$ 4,804,577</u>

5. Risk Management

The County is exposed to various risks of losses related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The County participates in three self-funded risk-financing pools administered by the North Carolina Association of County Commissioners. Through these pools, the County obtains property coverage equal to replacement cost values of owned property subject to a limit of \$125.5 million for any one occurrence, general, auto, professional, and employment practices liability coverage of \$2 million per occurrence, auto physical damage coverage for owned autos at actual cash value, crime coverage of \$250,000 per occurrence,

workers' compensation coverage up to the statutory limits, and health and dental insurance for County employees. The pools are audited annually by certified public accountants, and the audited financial statements are available to the County upon request. Two of the pools are reinsured through a multi-state public entity captive for single occurrence losses in excess of \$500,000 up to a \$2 million limit for liability coverage, \$600,000 of aggregate annual losses in excess of \$50,000 per occurrence for property, auto physical damage, and crime coverage, and single occurrence losses of \$350,000 for workers' compensation. For health and dental insurance, the County is reinsured through the Pool for individual losses in excess of \$50,000 and aggregate annual losses in excess of 115% of expected claims. The pool is reinsured through commercial carrier for individual losses in excess of \$100,000.

The County carries flood insurance through the National Flood Insurance Plan (NFIP). Because the County is in an area of the State that has been mapped and designated an "A" area (an area close to a river, lake or stream) by the Federal Emergency Management Agency, the County is eligible to purchase coverage of \$500,000 per structure through NFIP. The County currently has this coverage on the Whalehead Hunt Club at Corolla, 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, 2015, 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 2016 through 2023 interest at 1.95%. \$3,040,000

\$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, \$218,133 2016; \$221,659 2017; \$225,242 2018; \$344,708 2019 through 2020 interest at 1.61%. – Interest rate modified February 1, 2013. 1,009,743

\$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 2016; \$971,429 2017; \$1,942,855 2018 through 2019 interest at 1.66%. 3,885,714

Total serviced by the General Fund \$7,935,457

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%. \$2,160,000

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 2016 through 2021 and \$425,000 2022; interest at 2.38%. 5,525,000

Total Installment Purchase Debt \$15,620,456

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
2016	1,569,561	133,281	1,030,000	191,791
2017	1,573,088	106,220	1,030,000	165,999
2018	1,576,672	79,101	1,030,000	140,207
2019	1,580,311	51,924	1,030,000	114,415
2020	495,825	28,720	1,030,000	88,624
2021-2025	1,140,000	38,902	2,175,000	162,442
2026-2027	-	-	360,000	13,905
	<u>\$ 7,935,457</u>	<u>\$ 438,148</u>	<u>\$ 7,685,000</u>	<u>\$ 877,383</u>

b. General Obligation Indebtedness

As of June 30, 2015, there is no general obligation debt serviced by the County's general fund. 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, 2015, are comprised of the following individual issues:

General obligation bonds serviced by the Mainland Water System Fund:

\$4,150,000 2004 General Obligation Refunding Bonds for original Mainland Water plant and distribution system, dated April 1, 2004 with annual principal payments due June 1 and semi-annual interest payments due June 1 and December 1, \$275,000 2016; interest at 3.5%, \$270,000 2017; interest at 3.6%, \$270,000; interest at 3.7%.	815,000
Total General Obligation Bond debt	<u><u>815,000</u></u>

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

Year Ending June 30	Business-type Activities	
	Principal	Interest
2016	275,000	29,335
2017	270,000	19,710
2018	270,000	9,990
	<u>\$815,000</u>	<u>\$59,035</u>

At June 30, 2015, Currituck County had no bonds authorized but un-issued and a legal debt margin of \$453,504,676.

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.

On October 15, 2014, \$9,500,000 of the outstanding debt was partially refunded, reducing the interest rate on that portion to 2.98%.

On February 1, 2015, the remaining \$6,415,000 of the outstanding debt was refunded reducing the interest rate on that portion to 2.71%.

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 2.98 and 2.71%.

Total Revenue Bond debt

15,330,000

\$15,330,000

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

Year Ending	Business-type Activities	
	Principal	Interest
June 30		
2016	695,000	440,150
2017	735,000	420,196
2018	775,000	399,093
2019	1,090,000	376,841
2020	1,135,000	345,545
2021-2025	6,400,000	1,212,066
2026-2028	4,500,000	261,853
Total	<u>\$ 15,330,000</u>	<u>\$ 3,455,744</u>

Debt Related to Capital Activities – Of the total Governmental Activities debt listed, all \$7,935,457 relates to assets the County holds title. There is no unspent restricted cash related to this debt.

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, 2015:

	Balance			Balance June 30, 2015	Current Portion of Balance
	June 30, 2014	Increases	Decreases		
Governmental activities:					
General obligation debt	\$ 730,000	\$ -	\$ 730,000	\$ -	\$ -
Installment purchase	9,501,548	-	1,566,091	7,935,457	1,569,561
Compensated absences	1,151,099	610,268	461,982	1,299,385	-
Net pension liability (LGRS)	2,224,865	-	2,224,865	-	-
Other postemployment benefits	12,023,916	1,242,541	-	13,266,457	-
Total governmental activities	<u>\$ 25,631,428</u>	<u>\$ 1,852,809</u>	<u>\$ 4,982,938</u>	<u>\$ 22,501,299</u>	<u>\$ 1,569,561</u>
Business-type activities:					
General obligation debt	\$ 1,160,000	\$ -	\$ 345,000	\$ 815,000	\$ 275,000
Revenue bonded debt	15,915,000	-	585,000	15,330,000	695,000
Installment purchase	8,715,000	-	1,030,000	7,685,000	1,030,000
Compensated absences	63,245	111,987	105,746	69,486	-
Net pension liability (LGRS)	109,074	-	109,074	-	-
Other postemployment benefits	595,057	83,475	-	678,532	-
Total business-type activities	<u>\$ 26,557,376</u>	<u>\$ 195,462</u>	<u>\$ 2,174,820</u>	<u>\$ 24,578,018</u>	<u>\$ 2,000,000</u>
Discretely presented component units:					
Compensated absences - Whalehead Pres. Trust	\$ 29,222	\$ 10,265	\$ 39,487	\$ -	\$ -
Computer Loan - Whalehead Pres. Trust	(2,779)	2,779	-	-	-
Compensated absences - ABC Board	3,588	1,740	1,581	3,747	3,588
Total discretely presented component units long-term liabilities	<u>\$ 30,031</u>	<u>\$ 14,784</u>	<u>\$ 41,068</u>	<u>\$ 3,747</u>	<u>\$ 3,588</u>

The LGRS plan had a net pension asset as of June 30, 2015; however, the plan had a net pension liability at the beginning of the fiscal year.

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, 2015, 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	1,079,687
From the General fund to the Maple Commerce Sewer fund for operations	16,000
From the General fund to the County Governmental Facilities fund for shooting range	192,619
Total transfers from the General fund	<u>\$ 1,676,306</u>
From the Tourism Development Authority to the General fund for Economic Development	261,879
From the Tourism Development Authority to the General fund for Airport promotions	17,951
From the Tourism Development Authority to the General fund for Administrative Fee	118,449
From the Tourism Development Authority to the General fund for Sheriff Deputies, Vehicle Purchase	1,125,896
From the Tourism Development Authority to the General fund for Emergency Medical Services Personnel	1,154,718
From the Tourism Development Authority to the General fund the Currituck Rural Center	175,611
From the Tourism Development Authority to the General fund administration of tour operator permits	1,600
From the Tourism Development Authority fund to the Co Governmental Facilities fund for Maple alpine tower	75,000
From the Tourism Development Authority fund to the Co Governmental Facilities fund for Maple baseball/softball fields	1,977,275
Total transfers from the Tourism Development Authority Fund	<u>\$ 4,908,379</u>
From the School Construction fund to the County Governmental Construction fund for County match for COA airport apron	84,856
Total transfers from the School Facilities Construction Fund	<u>\$ 84,856</u>
From the Whalehead Subdivision Drainage District fund to the General fund for debt service payment	678,353
From the Capital Improvements fund to the General fund for capital assets purchased in operating fund	650,000
From the Capital Improvements fund to the General fund for debt on the COA Aviation and Technical Training Facility	1,048,026
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 school debt service.	766,500
From the Transfer Tax Capital fund to the Moyock Central Sewer fund for sewer line extension to Survey Road.	84,500
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 County Governmental Facilities fund to accumulate resources for future County facilities.	1,552,640
Total transfers from other governmental funds	<u>\$ 5,980,019</u>
From the Ocean Sands Water & Sewer Operating fund to the Ocean Sands Water & Sewer Construction fund for phase I of the sewer replacement	438,000
From the Southern Outer Banks Water Operating fund to the Southern Outer Banks Water Construction fund to increase funding for construction projects.	11,043
Total transfers from enterprise funds	<u>\$ 449,043</u>

D. Net Investment in Capital Assets

	<u>Governmental Activities</u>	<u>Business-type Activities</u>
Capital Assets:		
Land, improvements, non-depreciable collections and construction in progress	\$ 20,744,021	\$ 6,095,104
Other capital assets	<u>142,299,982</u>	<u>83,103,473</u>
Total capital assets	<u>163,044,003</u>	<u>89,198,577</u>
Depreciation	<u>(51,587,207)</u>	<u>(33,566,640)</u>
Total capital assets, net of depreciation	<u>111,456,796</u>	<u>55,631,937</u>
Outstanding general obligation debt	-	(815,000)
Outstanding revenue bonded debt	-	(15,330,000)
Outstanding installment purchase debt	<u>(7,935,457)</u>	<u>(7,685,000)</u>
Total outstanding debt	<u>(7,935,457)</u>	<u>(23,830,000)</u>
Total capital assets, net of depreciation and debt	<u>\$ 103,521,339</u>	<u>\$ 31,801,937</u>

E. 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	\$ 13,371,551
Less:	
Inventories	2,067
County Governmental Assets	2,738,197
Stabilization by State Statute	2,730,453
Appropriated Fund Balance in subsequent budget	2,802,212
Fire Protection	137,931
Tax Revaluation	359,260
Remaining Fund Balance	4,601,431

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 voted 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, 2015, 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, 2015. 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 \$81,397 to the Authority during the fiscal year ended June 30, 2015, 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, 2015. 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, 2015, expenditures were \$541,731. 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, 2015. 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 \$15,707 to the Commission during the fiscal year ended June 30, 2015.

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	\$ 55,871	\$ -
Medicaid	11,299,331	6,049,603
Food stamp program	3,297,121	-
LINKS	2,220	-
Adoption assistance	52,469	13,873
Adult assistance	-	126,936
Title IV-E, foster care	22,579	6,709
CWS Adoption	-	134,298
State foster care	-	39,976
NC Health Choice	135,433	42,514
Total	<u>\$ 14,865,024</u>	<u>\$ 6,413,909</u>

I. 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 \$17,983 to Air Concepts, Inc. from December 1, 2014 through June 30, 2015. Commissioner Michael Payment, sworn in to office on December 1, 2014, is a principal owner of this business.

VIII. Change in Accounting Principles/Restatement

The County implemented Governmental Accounting Standards Board (GASB) statement 68, *Accounting and Financial Reporting for Pensions (an amendment of GASB Statement No. 27)*, in the fiscal year ending June 30, 2015. The implementation of the statement required the County to record beginning net pension liability and the effects on net position of contributions made by the County during the measurement period (fiscal year ending June 30, 2014). As a result, net position for the governmental and business-type activities decreased by \$2,224,865 and \$109,074, respectively.

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
- Schedule of Funding Progress for the Other Postemployment Benefits
- Schedule of Employer Contributions for the Other Postemployment Benefits
- Schedule of County's Proportionate Share of Net Pension Asset (LGERS)
- Schedule of County Contributions (LGERS)
- Schedule of County's Proportionate Share of Net Pension Asset (ROD)
- Schedule of County Contributions (ROD)
- Schedule of County's Proportionate Share of the Net Pension Liability (FRSWPF)

Currituck County, 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)
12/31/2005	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%
12/31/2014	548,690	1,032,176	483,486	53.16%	3,318,663	14.57%

Schedule of Employer Contributions

Year Ending June 30	Annual Required Contributions	Percentage Contributed
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%
2015	44,405	43.22%

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)
12/31/2012	-	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%
12/31/2014	-	16,026,635	16,026,635	0.00%	15,248,429	105.10%

Schedule of Employer Contributions

Year Ending June 30	Annual Required Contributions	Percentage Contributed
2013	2,410,695	5.12%
2014	2,410,695	6.11%
2015	1,501,367	11%

**SCHEDULE OF THE COUNTY'S PROPORTIONATE SHARE OF THE NET PENSION
LIABILITY (ASSET)
Local Governmental Employees' Retirement System
Last Two Fiscal Years***

	<u>2015</u>	<u>2014</u>
County's proportion of the net pension liability (asset) %	0.284%	0.295%
County's proportionate share of the net pension liability (asset) \$	\$ (1,673,817)	\$ 3,557,088
County's covered-employee payroll	15,952,995	15,466,682
County's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	(10.49%)	22.99%
Plan fiduciary net position as a percentage of the total pension liability	102.64%	94.35%

* The amounts presented for each fiscal year were determined as of the prior fiscal year ending June 30.

**SCHEDULE OF COUNTY CONTRIBUTIONS
Local Governmental Employees' Retirement System
Last Two Fiscal Years***

	<u>2015</u>	<u>2014</u>
Contractually required contribution	\$ 1,135,921	\$ 1,091,528
Contributions in relation to the contractually required contribution	<u>1,135,921</u>	<u>1,091,528</u>
Contribution deficiency (excess)	<u>-</u>	<u>-</u>
County's covered-employee payroll	\$ 15,952,995	\$ 15,466,682
Contributions as a percentage of covered-employee payroll	7.12%	7.06%

**SCHEDULE OF THE COUNTY'S PROPORTIONATE SHARE OF THE NET PENSION
LIABILITY (ASSET)**

**Register of Deeds' Supplemental Pension Fund
Last Two Fiscal Years***

	<u>2015</u>	<u>2014</u>
County's proportion of the net pension liability (asset) %	0.428%	0.455%
County's proportionate share of the net pension liability (asset) \$	\$ (96,929)	\$ (97,263)
County's covered-employee payroll	52,571	49,886
County's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	(184.38%)	(194.97%)
Plan fiduciary net position as a percentage of the total pension liability	193.88%	190.50%

* The amounts presented for each fiscal year were determined as of the prior fiscal year ending June 30.

**SCHEDULE OF COUNTY CONTRIBUTIONS
Register of Deeds' Supplemental Pension Fund**

Last Two Fiscal Years*

	<u>2015</u>	<u>2014</u>
Contractually required contribution	\$ 3,717	\$ 3,492
Contributions in relation to the contractually required contribution	<u>3,717</u>	<u>3,492</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>
County's covered-employee payroll	\$ 52,571	\$ 49,886
Contributions as a percentage of covered-employee payroll	7.07%	7.00%

**SCHEDULE OF THE COUNTY'S PROPORTIONATE SHARE OF THE NET PENSION
LIABILITY (ASSET)
Firefighters' and Rescue Squad Workers' Pension Fund
Last Fiscal Years**

	2015
County's proportion of the net pension liability (asset) %	0.00%
County's proportionate share of the net pension liability (asset) \$	\$ -
State's proportionate share of the net pension liability (asset) associated with the County	\$ 49,324
Total	\$ 49,324
County's covered-employee payroll	\$ 3,890,337
County's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	1.27%
Plan fiduciary net position as a percentage of the total pension liability	93.42%

* The amounts presented for the fiscal year ending June 30, 2015 were determined June 30, 2014.

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, 2015

	2015			Variance with Final Budget Positive (Negative)	2014
	Budgeted Amounts		Actual		Actual
	Original	Final			
Revenues:					
Ad valorem taxes:					
Taxes	\$ -	\$ -	\$ 28,287,619	\$ -	\$ 28,195,114
Interest	-	-	126,938	-	116,580
Total	<u>26,480,015</u>	<u>26,550,819</u>	<u>28,414,557</u>	<u>1,863,738</u>	<u>28,311,694</u>
Other taxes and licenses:					
Sexually oriented business license	-	-	1,475	-	1,850
Animal tax	-	-	12,354	-	12,254
Marriage license	-	-	29,520	-	29,880
Franchise tax	-	-	466,328	-	370,303
Deed stamp excise tax	-	-	625,393	-	640,451
Article 39 local option sales tax	-	-	4,677,598	-	4,421,349
Article 44 local option sales tax	-	-	(7)	-	2,734
Medicaid hold harmless funds	-	-	337,580	-	336,833
Total	<u>5,576,760</u>	<u>5,588,167</u>	<u>6,150,241</u>	<u>562,074</u>	<u>5,815,654</u>
Unrestricted intergovernmental:					
Gasoline tax refund	-	-	2,211	-	1,596
Payments in lieu of taxes-outside sources	-	-	43,718	-	46,936
Beer and wine tax	-	-	116,878	-	105,705
Total	<u>146,500</u>	<u>146,500</u>	<u>162,807</u>	<u>16,307</u>	<u>154,237</u>
Restricted intergovernmental:					
Federal and State grants	-	-	2,802,241	-	2,724,817
Safe roads act	-	-	4,379	-	4,729
Crime control act	-	-	11,921	-	11,624
Court facility fees	-	-	63,048	-	67,730
Jail fees	-	-	24,247	-	17,685
Officer fees	-	-	79,071	-	92,969
ABC bottles taxes	-	-	13,598	-	10,886
Total	<u>2,966,439</u>	<u>2,951,567</u>	<u>2,998,505</u>	<u>46,938</u>	<u>2,930,440</u>
Permits and fees:					
Ambulance service fees	-	-	1,074,772	-	895,027
Administration and filing fees	-	-	618,700	-	598,582
Peddler License Fee	-	-	1,050	-	-
Register of deeds fees	-	-	196,100	-	202,890
Building permit fees	-	-	432,174	-	390,390
Re-inspection fees	-	-	25,375	-	26,950
Planning fees	-	-	34,463	-	27,009
Payment in Lieu of Open Space	-	-	18,736	-	2,222
Zoning violation fees	-	-	3,641	-	600
Homeowners' recovery fees	-	-	4,750	-	4,060
CAMA permits	-	-	6,800	-	6,550
Pawn broker permit	-	-	-	-	500
Sheriff fees	-	-	6,780	-	5,228
Animal control fees	-	-	800	-	1,335
Total	<u>2,230,122</u>	<u>2,254,628</u>	<u>2,424,141</u>	<u>169,513</u>	<u>2,161,343</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, 2015

	2015			Variance with Final Budget Positive (Negative)	2014
	Budgeted Amounts		Actual		Actual
	Original	Final			
Sales and services:					
Rents	-	-	129,597	-	245,237
Airport fees	-	-	79,520	-	100,694
Vending sales	-	-	4,434	-	7,062
Senior meals	-	-	862	-	84
EMS revenues	-	-	3,546	-	2,150
Sale of materials	-	-	678	-	1,076
Aviation fuel sales	-	-	277,628	-	360,327
Sale of fixed assets	-	-	17,908	-	37,017
Recreation fees	-	-	66,058	-	62,511
Total	<u>614,244</u>	<u>614,244</u>	<u>580,230</u>	<u>(34,014)</u>	<u>816,158</u>
Investment earnings	<u>90,000</u>	<u>90,000</u>	<u>75,573</u>	<u>(14,427)</u>	<u>68,987</u>
Miscellaneous:					
Donations	-	-	16,466	-	20,687
Insurance recoveries	-	-	22,439	-	66,320
ABC Education distribution	-	-	23,479	-	21,208
ABC Law enforcement distribution	-	-	16,771	-	15,148
ABC profits	-	-	375,195	-	98,572
Other	-	-	30,264	-	91,255
Total	<u>103,000</u>	<u>178,276</u>	<u>484,614</u>	<u>306,338</u>	<u>313,190</u>
Total revenues	<u>38,207,080</u>	<u>38,374,201</u>	<u>41,290,667</u>	<u>2,916,466</u>	<u>40,571,703</u>
Expenditures:					
General government:					
Administration:					
Salaries and employee benefits	-	-	450,404	-	457,222
Other operating expenditures	-	-	89,438	-	75,600
Capital Outlay	-	-	4,527	-	28,207
Total	<u>580,245</u>	<u>573,345</u>	<u>544,369</u>	<u>28,976</u>	<u>561,029</u>
Legal:					
Salaries and employee benefits	-	-	282,766	-	239,784
Other operating expenditures	-	-	43,547	-	36,913
Total	<u>323,112</u>	<u>342,812</u>	<u>326,313</u>	<u>16,499</u>	<u>276,697</u>
Governing body:					
Salaries and employee benefits	-	-	108,511	-	109,803
Other operating expenditures	-	-	28,506	-	17,768
Total	<u>144,433</u>	<u>151,333</u>	<u>137,017</u>	<u>14,316</u>	<u>127,571</u>
Elections:					
Salaries and employee benefits	-	-	116,419	-	119,127
Other operating expenditures	-	-	59,260	-	51,315
Total	<u>191,601</u>	<u>191,601</u>	<u>175,679</u>	<u>15,922</u>	<u>170,442</u>
Finance					
Salaries and employee benefits	-	-	349,143	-	352,901
Other operating expenditures	-	-	82,679	-	68,727
Total	<u>463,716</u>	<u>463,716</u>	<u>431,822</u>	<u>31,894</u>	<u>421,628</u>
Information Technology:					
Salaries and employee benefits	-	-	338,951	-	328,640
Other operating expenditures	-	-	221,665	-	207,287
Capital outlay	-	-	50,424	-	83,113
Total	<u>678,965</u>	<u>673,152</u>	<u>611,041</u>	<u>62,111</u>	<u>619,040</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, 2015

	2015			Variance with Final Budget Positive (Negative)	2014
	Budgeted Amounts		Actual		Actual
	Original	Final			
Human resources:					
Salaries and employee benefits	-	-	131,695	-	131,048
Other operating expenditures	-	-	9,682	-	11,464
Total	154,541	154,541	141,376	13,165	142,512
Taxes:					
Salaries and employee benefits	-	-	392,415	-	376,636
Other operating expenditures	-	-	110,263	-	101,374
Total	548,259	556,259	502,679	53,580	478,010
Public works:					
Salaries and employee benefits	-	-	655,743	-	639,773
Other operating expenditures	-	-	314,099	-	369,215
Capital outlay	-	-	145,092	-	93,052
Total	1,319,232	1,268,982	1,114,934	154,048	1,102,040
Public utilities:					
Salaries and employee benefits	-	-	208,554	-	179,127
Operating expenditures	-	-	19,731	-	22,406
Total	235,622	235,622	228,284	7,338	201,533
Register of deeds:					
Salaries and employee benefits	-	-	253,401	-	245,232
Other operating expenditures	-	-	394,990	-	420,962
Capital outlay	-	-	1,580	-	3,260
Total	673,847	673,847	649,971	23,876	669,454
Court facilities:					
Operating expenditures	-	-	142,610	-	125,226
Capital outlay	-	-	20,496	-	35,940
Total	212,095	212,095	163,106	48,989	161,166
Agency appropriations:					
Operating expenditures	-	-	37,900	-	37,800
Total	39,200	39,200	37,900	1,300	37,800
Central services:					
Operating expenditures	-	-	562,707	-	606,412
Total	682,500	667,500	562,707	104,793	606,412
Total general government	6,247,368	6,204,005	5,627,198	576,807	5,575,334
Public safety:					
Sheriff:					
Salaries and employee benefits	-	-	4,733,833	-	4,555,425
Other operating expenditures	-	-	708,973	-	783,953
Capital outlay	-	-	528,844	-	566,959
Total	6,029,846	6,068,580	5,971,650	96,930	5,906,337
Jail:					
Salaries and employee benefits	-	-	1,528,832	-	1,507,899
Other operating expenditures	-	-	442,995	-	453,746
Capital outlay	-	-	41,480	-	82,941
Total	2,143,633	2,142,633	2,013,307	129,326	2,044,586

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, 2015

	2015			Variance with Final Budget Positive (Negative)	2014
	Budgeted Amounts		Actual		Actual
	Original	Final			
Animal control:					
Salaries and employee benefits	-	-	182,274	-	190,206
Other operating expenditures	-	-	200,394	-	200,085
Capital outlay	-	-	28,576	-	-
Total	<u>443,832</u>	<u>443,832</u>	<u>411,244</u>	<u>32,588</u>	<u>390,291</u>
Jury commission:					
Operating expenditures	-	-	1,750	-	1,900
Total	<u>1,800</u>	<u>1,800</u>	<u>1,750</u>	<u>50</u>	<u>1,900</u>
Emergency medical services:					
Salaries and employee benefits	-	-	5,359,129	-	5,095,293
Other operating expenditures	-	-	613,817	-	741,819
Capital outlay	-	-	222,234	-	330,475
Total	<u>6,625,578</u>	<u>6,641,464</u>	<u>6,195,180</u>	<u>446,284</u>	<u>6,167,587</u>
Emergency management:					
Salaries and employee benefits	-	-	128,882	-	95,746
Other operating expenditures	-	-	50,108	-	32,231
Capital outlay	-	-	12,742	-	7,603
Total	<u>238,921</u>	<u>262,173</u>	<u>191,732</u>	<u>70,442</u>	<u>135,580</u>
Communications:					
Salaries and employee benefits	-	-	686,191	-	664,785
Other operating expenditures	-	-	176,417	-	158,760
Capital outlay	-	-	1,289	-	13,540
Total	<u>990,204</u>	<u>992,454</u>	<u>863,897</u>	<u>128,557</u>	<u>837,085</u>
Building inspections:					
Salaries and employee benefits	-	-	409,511	-	404,894
Other operating expenditures	-	-	52,742	-	49,744
Capital outlay	-	-	27,806	-	25,804
Total	<u>608,770</u>	<u>599,490</u>	<u>490,058</u>	<u>109,432</u>	<u>480,442</u>
Fire prevention:					
Other operating expenditures	-	-	-	-	26,006
Total	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>26,006</u>
Volunteer fire departments:					
Carova Beach Volunteer Fire Department	-	-	200,400	-	204,400
Corolla Fire & Rescue Squad	-	-	292,931	-	296,792
Crawford Volunteer Fire Department	-	-	315,675	-	315,675
Lower Currituck Volunteer Fire Department	-	-	347,031	-	341,713
Knotts Island Volunteer Fire Department	-	-	188,172	-	168,945
Moyock Volunteer Fire Department	-	-	218,191	-	229,718
Total	<u>1,577,255</u>	<u>1,577,255</u>	<u>1,562,401</u>	<u>14,854</u>	<u>1,557,243</u>
Medical examiner:					
Contracted services	-	-	10,350	-	8,550
Total	<u>20,000</u>	<u>20,000</u>	<u>10,350</u>	<u>9,650</u>	<u>8,550</u>
Total public safety	<u>18,679,839</u>	<u>18,749,681</u>	<u>17,711,568</u>	<u>1,038,113</u>	<u>17,555,607</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, 2015

	2015			Variance with Final Budget Positive (Negative)	2014
	Budgeted Amounts		Actual		Actual
	Original	Final			
Transportation:					
Airport:					
Salaries and employee benefits	-	-	53,350	-	77,062
Other operating expenditures	-	-	320,566	-	372,461
Capital outlay	-	-	2,399	-	1,800
Total	468,711	483,738	376,315	107,423	451,323
Inter-county transportation:					
Contracted services	-	-	40,397	-	51,369
Total	76,513	64,376	40,397	23,979	51,369
Total transportation	545,224	548,114	416,712	131,402	502,692
Environmental protection:					
Forestry:					
Contracted services	-	-	49,306	-	51,133
Total	76,250	76,250	49,306	26,944	51,133
Soil and water conservation:					
Salaries and employee benefits	-	-	122,433	-	118,698
Other operating expenditures	-	-	10,923	-	12,304
Total	143,778	143,778	133,356	10,422	131,002
Total environmental protection	220,028	220,028	182,662	37,366	182,135
Economic and physical development:					
Cooperative extension:					
Salaries and employee benefits	-	-	119,033	-	98,174
Other operating expenditures	-	-	321,011	-	322,293
Contracted services	-	-	33,376	-	32,232
Capital outlay	-	-	4,683	-	-
Total	454,899	511,968	478,103	33,865	452,699
Economic development:					
Salaries and employee benefits	-	-	131,136	-	90,743
Other operating expenditures	-	-	159,654	-	148,500
Total	330,252	330,252	290,790	39,462	239,243
Planning and inspections:					
Salaries and employee benefits	-	-	623,290	-	667,643
Other operating expenditures	-	-	44,697	-	73,716
Capital outlay	-	-	2,381	-	-
Total	774,711	774,711	670,368	104,343	741,359
Total economic and physical development	1,559,862	1,616,931	1,439,261	177,670	1,433,301
Human services:					
Health:					
Contracted services	-	-	127,000	-	127,000
Total	127,000	127,000	127,000	-	127,000
Mental health:					
Contracted services	-	-	63,914	-	63,163
Total	63,000	63,000	63,914	(914)	63,163

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, 2015

	2015			Variance with Final Budget Positive (Negative)	2014
	Budgeted Amounts		Actual		Actual
	Original	Final			
Social services:					
Administration:					
Salaries and employee benefits	-	-	2,286,096	-	2,171,196
Other operating expenditures	-	-	681,697	-	727,223
Capital outlay	-	-	88,683	-	77,009
Total	<u>3,079,620</u>	<u>3,236,174</u>	<u>3,056,477</u>	<u>179,697</u>	<u>2,975,428</u>
Public Assistance:					
Electronic issuance	-	-	3,201	-	2,852
Medical Transportation	-	-	37,350	-	42,997
TANF	-	-	(27)	-	22
Special assistance for adults	-	-	146,454	-	124,105
Special adoption assistance	-	-	36,040	-	10,408
State foster care and boarding home payments	-	-	144,008	-	133,643
Title IV-E foster care	-	-	45,068	-	24,571
Special assistance for the blind	-	-	887	-	881
Title IV-E adoption assistance	-	-	12,159	-	18,242
Title IV-B adoption assistance	-	-	47,470	-	50,373
Title IV-B adoption assistance vendor payments	-	-	1,266	-	7,039
Child daycare	-	-	516,642	-	612,072
Home care block grant	-	-	62,700	-	62,593
LINKS special assistance	-	-	2,806	-	3,540
Other assistance	-	-	112,806	-	62,032
Total	<u>1,392,181</u>	<u>1,326,223</u>	<u>1,168,829</u>	<u>157,394</u>	<u>1,155,370</u>
Total social services	<u>4,471,801</u>	<u>4,562,397</u>	<u>4,225,305</u>	<u>337,092</u>	<u>4,130,798</u>
Juvenile crime prevention control					
JCPC council	-	-	14,202	-	14,290
and support services	-	-	74,269	-	74,357
Restitution	-	-	9,245	-	6,754
Total	<u>101,879</u>	<u>101,879</u>	<u>97,715</u>	<u>4,164</u>	<u>95,401</u>
Total human services	<u>4,763,680</u>	<u>4,854,276</u>	<u>4,513,935</u>	<u>340,341</u>	<u>4,416,362</u>
Cultural and recreational:					
Senior citizens centers:					
Salaries and employee benefits	-	-	189,589	-	183,514
Other operating expenditures	-	-	132,304	-	131,818
Total	<u>363,801</u>	<u>363,801</u>	<u>321,894</u>	<u>41,907</u>	<u>315,332</u>
Libraries:					
Salaries and employee benefits	-	-	452,135	-	437,391
Other operating expenditures	-	-	89,596	-	72,831
Total	<u>562,704</u>	<u>562,704</u>	<u>541,731</u>	<u>20,973</u>	<u>510,222</u>
Parks and Recreation:					
Salaries and employee benefits	-	-	431,332	-	409,946
Other operating expenditures	-	-	273,736	-	249,212
Capital outlay	-	-	41,139	-	9,551
Total	<u>814,382</u>	<u>856,806</u>	<u>746,207</u>	<u>110,599</u>	<u>668,709</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, 2015

	2015			Variance with Final Budget Positive (Negative)	2014
	Budgeted Amounts		Actual		Actual
	Original	Final			
Rural Center					
Salaries and employee benefits	-	-	127,307	-	120,789
Other operating expenditures	-	-	48,707	-	56,704
Total	<u>481,885</u>	<u>406,885</u>	<u>176,014</u>	<u>230,871</u>	<u>177,493</u>
Total cultural and recreational	<u>2,222,772</u>	<u>2,190,196</u>	<u>1,785,845</u>	<u>404,351</u>	<u>1,671,756</u>
Education:					
Public schools - current	-	-	9,353,526	-	9,000,218
Public schools - capital outlay	-	-	1,000,000	-	1,000,000
Community college	-	-	144,413	-	145,073
Total education	<u>10,425,978</u>	<u>10,543,526</u>	<u>10,497,939</u>	<u>45,587</u>	<u>10,145,291</u>
Debt service:					
Principal retirement	-	-	2,296,091	-	3,651,727
Interest and other charges	-	-	196,630	-	290,970
Total debt service	<u>2,492,881</u>	<u>2,492,881</u>	<u>2,492,722</u>	<u>159</u>	<u>3,942,697</u>
Total expenditures	<u>47,157,632</u>	<u>47,419,638</u>	<u>44,667,842</u>	<u>2,751,796</u>	<u>45,425,175</u>
Revenues over (under) expenditures	<u>(8,950,552)</u>	<u>(9,045,437)</u>	<u>(3,377,175)</u>	<u>5,668,262</u>	<u>(4,853,472)</u>
Other financing sources (uses):					
Transfers to other funds:					
Special Revenue Funds	-	-	(121,000)	-	(543,935)
Capital Projects Funds	-	-	(459,619)	-	(39,000)
Enterprise Funds	-	-	(1,095,687)	-	(600,000)
Total transfers to other funds	<u>(1,493,983)</u>	<u>(1,686,602)</u>	<u>(1,676,306)</u>	<u>10,296</u>	<u>(1,182,935)</u>
Transfers from other funds:					
Tourism Development Authority	-	-	2,856,104	-	2,764,112
Special Revenue Funds	-	-	678,353	-	526,116
Capital Projects Funds	-	-	3,464,526	-	3,330,639
Total transfers from other funds	<u>7,366,106</u>	<u>7,291,106</u>	<u>6,998,983</u>	<u>(292,123)</u>	<u>6,620,867</u>
Total other financing sources (uses)	<u>5,872,123</u>	<u>5,604,504</u>	<u>5,322,677</u>	<u>(281,827)</u>	<u>5,437,932</u>
Revenues and other financing sources over (under) expenditures and other financing uses	<u>(3,078,429)</u>	<u>(3,440,933)</u>	<u>1,945,502</u>	<u>5,386,435</u>	<u>584,460</u>
Appropriated fund balance	<u>3,078,429</u>	<u>3,440,933</u>	<u>-</u>	<u>(3,440,933)</u>	<u>-</u>
Revenues, other sources, and appropriated fund balance over (under) expenditures	<u>\$ -</u>	<u>\$ -</u>	<u>1,945,502</u>	<u>\$ 1,945,502</u>	<u>584,460</u>
Fund balances:					
Beginning of year, July 1			8,328,592		7,744,132
End of year, June 30			<u>\$ 10,274,094</u>		<u>\$ 8,328,592</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, 2015

	2015			Variance with Final Positive (Negative)	2014
	Budgeted Amounts		Actual		Actual
	Original	Final			
Revenues:					
Investment earnings	\$ -	\$ -	\$ 2,113	\$ 2,113	\$ 1,096
Expenditures:					
Current:					
General government:					
Contract services	-	-	-	-	29,843
Total expenditures	121,000	121,000	-	121,000	29,843
Revenues over (under) expenditures	(121,000)	(121,000)	2,113	123,113	(28,747)
Other financing sources:					
Operating transfer in:					
General Fund	121,000	121,000	121,000	-	121,000
Revenues and other sources over (under) expenditures	\$ -	\$ -	123,113	\$ 123,113	92,253
Fund balances:					
Beginning of year, July 1			236,147		143,894
End of year, June 30			\$ 359,260		\$ 236,147

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, 2015

	2015			Variance with Final Positive (Negative)	2014
	Original Budget	Final Budget	Actual		Actual
Revenues:					
Investment earnings	\$ -	\$ -	\$ 18,621	\$ 18,621	\$ 17,504
Total revenues	<u>-</u>	<u>-</u>	<u>18,621</u>	<u>18,621</u>	<u>17,504</u>
Expenditures:					
Capital outlay	-	-	-	-	5,000
Total expenditures	<u>200,000</u>	<u>200,000</u>	<u>-</u>	<u>-</u>	<u>5,000</u>
Revenues over (under) expenditures	<u>(200,000)</u>	<u>(200,000)</u>	<u>18,621</u>	<u>218,621</u>	<u>12,504</u>
Other financing sources (uses):					
Transfers to operating fund	-	-	-	-	-
Transfers to Moyock Central Sewer	-	-	-	-	-
Transfers from transfer tax fund	<u>200,000</u>	<u>200,000</u>	<u>200,000</u>	<u>-</u>	<u>300,000</u>
Revenues and other financing sources (uses)	<u>\$ -</u>	<u>\$ -</u>	<u>218,621</u>	<u>\$ 218,621</u>	<u>312,504</u>
Fund balances:					
Beginning of year, July 1			<u>2,519,576</u>		<u>2,207,072</u>
End of year, June 30			<u>\$ 2,738,197</u>		<u>\$ 2,519,576</u>

County of Currituck, North Carolina
Combining Balance Sheet
Non-Major Governmental Funds
June 30, 2015

	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
ASSETS							
Cash and cash equivalents	\$ 53,261	\$ 481,473	\$ 109,247	\$ 3,857	\$ 67,084	\$ 19,732	\$ 356,151
Accounts receivable, net	13,795	-	-	-	-	-	-
Taxes receivable, net	-	-	487	97	382	95	-
Due from other governments	13,601	16,854	254	25	312	45	17,272
Total assets	\$ 80,657	\$ 498,327	\$ 109,988	\$ 3,979	\$ 67,778	\$ 19,872	\$ 373,423
LIABILITIES AND FUND BALANCES							
Liabilities:							
Accounts payable and accrued liabilities	\$ -	\$ 122	\$ -	\$ -	\$ 8,500	\$ 1	\$ 1,560
Due to operating fund	-	-	-	-	-	-	-
Total liabilities	-	122	-	-	8,500	1	1,560
DEFERRED INFLOWS OF RESOURCES							
Taxes receivable	-	-	487	97	382	95	-
Total deferred inflows of resources	-	-	487	97	382	95	-
Fund balances:							
Restricted:							
Stabilization by State Statute	27,396	16,854	741	122	694	140	17,272
Emergency Telephone System	-	331,732	-	-	-	-	-
Watershed Improvements	-	-	108,760	3,760	58,202	19,636	354,591
Whalehead Beach Solid Waste	-	-	-	-	-	-	-
Capital Assets	-	-	-	-	-	-	-
Committed:							
Fire Equipment	-	-	-	-	-	-	-
Assigned:							
Subsequent year's expenditures	-	149,619	-	-	-	-	-
CDBG Scattered Site Program	53,261	-	-	-	-	-	-
Unassigned	-	-	-	-	-	-	-
Total fund balances	80,657	498,205	109,501	3,882	58,896	19,776	371,863
Total liabilities, deferred inflows of resources and fund balances	\$ 80,657	\$ 498,327	\$ 109,988	\$ 3,979	\$ 67,778	\$ 19,872	\$ 373,423

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
\$ 159,077	\$ 1,249,882	\$ 496,121	\$ 2,121,307	\$ 1,404,657	\$ 8,681,290	\$ 12,703,375	\$ 13,953,257
	13,795	-	-	-	-	-	13,795
133	1,194	-	-	-	-	-	1,194
347	48,710	-	546,652	521,682	-	1,068,334	1,117,044
<u>\$ 159,557</u>	<u>\$ 1,313,581</u>	<u>\$ 496,121</u>	<u>\$ 2,667,959</u>	<u>\$ 1,926,339</u>	<u>\$ 8,681,290</u>	<u>\$ 13,771,709</u>	<u>\$ 15,085,290</u>
\$ -	\$ 10,183	\$ 1,408	\$ -	\$ -	\$ -	\$ 1,408	\$ 11,591
	-	-	-	-	-	-	-
-	10,183	1,408	-	-	-	1,408	11,591
133	1,194	-	-	-	-	-	1,194
133	1,194	-	-	-	-	-	1,194
480	63,699	-	546,652	521,682	-	1,068,334	1,132,033
-	331,732	-	-	-	-	-	331,732
-	544,949	-	-	-	-	-	544,949
158,944	158,944	-	-	-	-	-	158,944
-	-	-	2,121,307	1,404,657	8,681,290	12,207,254	12,207,254
-	-	494,713	-	-	-	494,713	494,713
-	149,619	-	-	-	-	-	149,619
-	53,261	-	-	-	-	-	53,261
-	-	-	-	-	-	-	-
<u>159,424</u>	<u>1,302,204</u>	<u>494,713</u>	<u>2,667,959</u>	<u>1,926,339</u>	<u>8,681,290</u>	<u>13,770,301</u>	<u>15,072,505</u>
<u>\$ 159,557</u>	<u>\$ 1,313,581</u>	<u>\$ 496,121</u>	<u>\$ 2,667,959</u>	<u>\$ 1,926,339</u>	<u>\$ 8,681,290</u>	<u>\$ 13,771,709</u>	<u>\$ 15,085,290</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, 2015

	Multi-year Grant Fund	Emergency Telephone System Fund	Guinea Mill Watershed Improvement Fund	Hog Ditch Watershed Improvement Fund	Moyock Watershed Improvement Fund	Northwest Watershed Improvement Fund	Whalehead Watershed Improvement Fund
REVENUES							
Ad valorem taxes	\$ -	\$ -	\$ 12,261	\$ 1,311	\$ 18,847	\$ 2,884	\$ 879,011
Other taxes and licenses	-	166,231	-	-	-	-	-
Restricted							
intergovernmental	396,382	-	-	10,000	-	-	-
Investment earnings	127	3,435	802	20	473	139	2,023
Total revenues	396,509	169,666	13,063	11,331	19,320	3,023	881,034
EXPENDITURES							
Current:							
General government	-	-	-	-	-	-	-
Public safety	191,092	148,128	-	-	-	-	-
Economic and physical development	199,848	-	-	-	-	-	-
Environmental protection	-	-	4,500	9,950	14,375	-	611,801
Total expenditures	390,940	148,128	4,500	9,950	14,375	-	611,801
Issuance of debt	-	-	-	-	-	-	-
Transfers (to) from other funds	-	-	-	-	-	-	(678,353)
Total other financing sources and uses	-	-	-	-	-	-	(678,353)
Net change in fund balances	5,569	21,538	8,563	1,381	4,945	3,023	(409,120)
Fund balances - beginning	75,088	476,667	100,938	2,501	53,951	16,753	780,983
Fund balances - ending	\$ 80,657	\$ 498,205	\$ 109,501	\$ 3,882	\$ 58,896	\$ 19,776	\$ 371,863

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
\$ 141,721	\$ 1,056,035	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,056,035
-	166,231	-	1,973,868	1,841,575	2,968,642	6,784,085	6,950,316
-	406,382	-	-	-	-	-	406,382
1,249	8,268	2,601	19,946	13,263	66,909	102,719	110,987
142,970	1,636,916	2,601	1,993,814	1,854,838	3,035,551	6,886,804	8,523,720
115,214	115,214	-	-	-	-	-	115,214
-	339,220	131,000	-	-	-	131,000	470,220
-	199,848	-	-	-	-	-	199,848
-	640,626	-	-	-	-	-	640,626
115,214	1,294,908	131,000	-	-	-	131,000	1,425,908
-	-	-	-	-	-	-	-
-	(678,353)	267,000	(1,698,026)	(1,766,500)	(1,837,140)	(5,034,666)	(5,713,019)
-	(678,353)	267,000	(1,698,026)	(1,766,500)	(1,837,140)	(5,034,666)	(5,713,019)
27,756	(336,345)	138,601	295,788	88,338	1,198,411	1,721,138	1,384,793
131,668	1,638,549	356,112	2,372,171	1,838,001	7,482,879	12,049,163	13,687,712
\$ 159,424	\$ 1,302,204	\$ 494,713	\$ 2,667,959	\$ 1,926,339	\$ 8,681,290	\$ 13,770,301	\$ 15,072,505

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, 2015

	Project Authorization	Actual		Total to Date	Variance Positive (Negative)
		Prior Year	Current Year		
Revenues					
Restricted intergovernmental:					
CDBG - 2011	\$ 400,000	\$ 216,001	\$ 183,999	\$ 400,000	\$ -
Hazard Mitigation Elevation Grant	337,710	-	15,870	15,870	(321,840)
Hazard Mitigation Generator Grant	206,000	-	196,513	196,513	(9,487)
Investment Earnings	-	1,637	127	1,764	1,764
Total revenues	943,710	217,638	396,509	614,147	(329,563)
Expenditures					
Public safety:					
Hazard Mitigation Generator Grant	206,000	5,421	191,092	196,513	(9,487)
Economic and physical development:					
CDBG scattered site project - 2011	400,000	216,002	183,998	400,000	-
Hazard Mitigation Elevation Grant	337,710	-	15,850	15,850	321,860
Total expenditures	943,710	221,423	390,940	612,363	331,347
Revenues under expenditures	\$ -	\$ (3,785)	\$ 5,569	\$ 1,784	\$ 1,784
Fund balance:					
Beginning of year, July 1			75,088		
End of Year, June 30			<u>\$ 80,657</u>		

County of Currituck, North Carolina
Emergency Telephone System Fund
Schedule of Revenues, Expenditures, and
Changes in Fund Balances - Budget and Actual
For the Fiscal Year Ended June 30, 2015

	2015			Variance with Final Positive (Negative)	2014
	Budgeted Amounts		Actual		Actual
	Original	Final			
Revenues					
Other taxes and licenses:					
911 system subscriber fees	\$ 166,231	\$ 166,231	\$ 166,231	\$ -	\$ 140,123
Investment earnings	4,000	4,000	3,435	(565)	3,733
Total revenues	<u>170,231</u>	<u>170,231</u>	<u>169,666</u>	<u>(565)</u>	<u>143,856</u>
Expenditures					
Public safety	-	-	148,128	-	139,434
Capital Outlay	-	-	-	-	4,490
Total expenditures	<u>319,850</u>	<u>319,850</u>	<u>148,128</u>	<u>171,722</u>	<u>143,924</u>
Revenues over (under) expenditures	(149,619)	(149,619)	21,538	171,157	(68)
Appropriated fund balance	<u>149,619</u>	<u>149,619</u>	<u>-</u>	<u>(149,619)</u>	<u>-</u>
Revenues, other finance sources and appropriated fund balance over (under) expenditures	<u>\$ -</u>	<u>\$ -</u>	21,538	<u>\$ 21,538</u>	(10,693)
Fund balances:					
Beginning of year, July 1			476,667		487,360
End of year, June 30			<u>\$ 498,205</u>		<u>\$ 476,667</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, 2015

	2015			Variance with Final Positive (Negative)	2014
	Budgeted Amounts		Actual		Actual
	Original	Final			
Revenues:					
Ad valorem taxes:					
Current year	\$ 10,517	\$ 10,517	\$ 11,941	\$ 1,424	\$ 10,326
Prior years	-	-	248	248	1,186
Interest	-	-	72	72	70
Total ad valorem taxes	10,517	10,517	12,261	1,744	11,582
Investment earnings	-	-	802	802	745
Total revenues	10,517	10,517	13,063	2,546	12,327
Expenditures:					
Current:					
Environmental protection:	10,517	10,517	4,500	6,017	-
Total expenditures	10,517	10,517	4,500	6,017	-
Revenues over (under) expenditures	\$ -	\$ -	8,563	\$ 8,563	12,327
Fund balances:					
Beginning of year, July 1			100,938		88,611
End of year, June 30			\$ 109,501		\$ 100,938

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, 2015

	2015			Variance with Final Positive (Negative)	2014
	Budgeted Amounts		Actual		Actual
	Original	Final			
Revenues:					
Ad valorem taxes:					
Current year	\$ 1,230	\$ 1,230	\$ 1,295	\$ 65	\$ 1,245
Prior years taxes	-	-	7	7	4
Interest	-	-	9	9	1
Total ad valorem taxes	1,230	1,230	1,311	81	1,250
Miscellaneous grants	-	10,000	10,000	-	-
Investment earnings	-	-	20	20	14
Total revenues	1,230	11,230	11,331	101	1,264
Expenditures:					
Current:					
Environmental protection:	1,230	11,230	9,950	1,280	-
Total expenditures	1,230	11,230	9,950	1,280	-
Revenues over (under) expenditures	\$ -	\$ -	1,381	\$ 1,381	1,264
Fund balances:					
Beginning of year, July 1			2,501		1,237
End of year, June 30			\$ 3,882		\$ 2,501

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, 2015

	2015			Variance with Final Positive (Negative)	2014
	Budgeted Amounts		Actual		Actual
	Original	Final			
Revenues:					
Ad valorem taxes:					
Current year	\$ 16,423	\$ 16,423	\$ 18,606	\$ 2,183	\$ 17,587
Prior years taxes	-	-	184	184	171
Interest	-	-	57	57	41
Total ad valorem taxes	16,423	16,423	18,847	2,424	17,799
Investment earnings	-	-	473	473	375
Total revenues	16,423	16,423	19,320	2,897	18,174
Expenditures:					
Current:					
Environmental protection:	16,423	26,423	14,375	12,048	3,500
Total expenditures	16,423	26,423	14,375	12,048	3,500
Revenues over (under) expenditures	\$ -	\$ (10,000)	4,945	\$ 14,945	14,674
Appropriated fund balance	-	10,000	-	(10,000)	-
Revenues and appropriated fund balance over (under) expenditures	\$ -	\$ -	4,945	\$ 4,945	14,674
Fund balances:					
Beginning of year, July 1			53,951		39,277
End of year, June 30			\$ 58,896		\$ 53,951

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, 2015

	2015			Variance with Final Positive (Negative)	2014
	Budgeted Amounts		Actual		Actual
	Original	Final			
Revenues:					
Ad valorem taxes:					
Current year	\$ 2,618	\$ 2,618	\$ 2,882	\$ 264	\$ 2,764
Prior years taxes	-	-	1	1	9
Interest	-	-	1	1	15
Total ad valorem taxes	<u>2,618</u>	<u>2,618</u>	<u>2,884</u>	<u>266</u>	<u>2,788</u>
Investment earnings	-	-	139	139	126
Total revenues	<u>2,618</u>	<u>2,618</u>	<u>3,023</u>	<u>405</u>	<u>2,914</u>
Expenditures:					
Current:					
Environmental protection:	2,618	2,618	-	2,618	-
Total expenditures	<u>2,618</u>	<u>2,618</u>	<u>-</u>	<u>2,618</u>	<u>-</u>
Revenues over (under) expenditures	<u>\$ -</u>	<u>\$ -</u>	3,023	<u>\$ 3,023</u>	2,914
Fund balances:					
Beginning of year, July 1			16,753		13,839
End of year, June 30			<u>\$ 19,776</u>		<u>\$ 16,753</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, 2015

	2015			Variance with Final Positive (Negative)	2014
	Budgeted Amounts		Actual		Actual
	Original	Final			
Revenues:					
Ad valorem taxes:					
Current year	\$ 859,828	\$ 859,828	\$ 875,831	\$ 16,003	\$ 870,393
Prior year taxes	-	-	2,056	2,056	3,579
Interest	-	-	1,124	1,124	1,008
Total ad valorem taxes	<u>859,828</u>	<u>859,828</u>	<u>879,011</u>	<u>19,183</u>	<u>874,980</u>
Investment earnings	<u>4,300</u>	<u>4,300</u>	<u>2,023</u>	<u>(2,277)</u>	<u>5,037</u>
Total revenues	<u>864,128</u>	<u>864,128</u>	<u>881,034</u>	<u>16,906</u>	<u>880,017</u>
Expenditures:					
Current:					
Environmental protection:	<u>564,365</u>	<u>781,619</u>	<u>611,801</u>	<u>169,818</u>	<u>1,835,839</u>
Total expenditures	<u>564,365</u>	<u>781,619</u>	<u>611,801</u>	<u>169,818</u>	<u>1,835,839</u>
Revenues over (under) expenditures	<u>299,763</u>	<u>82,509</u>	<u>269,233</u>	<u>186,724</u>	<u>(955,822)</u>
Other financing sources (uses):					
Transfers to operating fund	(678,354)	(678,354)	(678,353)	(1)	(515,491)
Total other financing sources (uses)	(678,354)	(678,354)	(678,353)	(1)	(515,491)
Revenues and other financing sources (uses) over (under) expenditures	(378,591)	(595,845)	(409,120)	186,725	(1,471,313)
Appropriated fund balance	<u>378,591</u>	<u>595,845</u>	<u>-</u>	<u>(595,845)</u>	<u>-</u>
Revenues and appropriated fund balance over (under) expenditures	<u>\$ -</u>	<u>\$ -</u>	<u>(409,120)</u>	<u>\$ (409,120)</u>	<u>(1,471,313)</u>
Fund balances:					
Beginning of year, July 1			<u>780,983</u>		<u>2,252,296</u>
End of year, June 30			<u>\$ 371,863</u>		<u>\$ 780,983</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, 2015

	2015			Variance with Final Positive (Negative)	2014
	Budgeted Amounts		Actual		Actual
	Original	Final			
Revenues:					
Ad valorem taxes:					
Current year	\$ 138,721	\$ 138,721	\$ 141,128	\$ 2,407	\$ 140,025
Prior year taxes	-	-	402	402	922
Interest	-	-	191	191	167
Total ad valorem taxes	<u>138,721</u>	<u>138,721</u>	<u>141,721</u>	<u>3,000</u>	<u>141,114</u>
Investment earnings	450	450	1,249	799	1,043
Total revenues	<u>139,171</u>	<u>139,171</u>	<u>142,970</u>	<u>3,799</u>	<u>142,157</u>
Expenditures:					
Current:					
General government	<u>139,171</u>	<u>139,171</u>	<u>115,214</u>	<u>23,957</u>	<u>111,750</u>
Total expenditures	<u>139,171</u>	<u>139,171</u>	<u>115,214</u>	<u>23,957</u>	<u>111,750</u>
Revenues over (under) expenditures	<u>\$ -</u>	<u>\$ -</u>	27,756	<u>\$ 27,756</u>	<u>30,407</u>
Fund balances:					
Beginning of year, July 1			<u>131,668</u>		<u>101,261</u>
End of year, June 30			<u>\$ 159,424</u>		<u>\$ 131,668</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, 2015

	2015			Variance with Final Positive (Negative)	2014
	Budgeted Amounts		Actual		Actual
	Original	Final			
Revenues:					
Investment earnings	\$ -	\$ -	\$ 2,601	\$ 2,601	\$ 1,932
Expenditures:					
Current:					
Public safety	267,000	267,000	131,000	136,000	31,000
Total expenditures	267,000	267,000	131,000	136,000	31,000
Revenues over (under) expenditures	(267,000)	(267,000)	(128,399)	138,601	(29,068)
Other financing sources:					
Transfers from general fund	267,000	267,000	267,000	-	267,000
Revenues and other financing sources over expenditures	\$ -	\$ -	138,601	\$ 138,601	237,932
Fund balances:					
Beginning of year, July 1			356,112		118,180
End of year, June 30			\$ 494,713		\$ 356,112

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, 2015

	2015			Variance with Final Positive (Negative)	2014
	Budgeted Amounts		Actual		Actual
	Original	Final			
Revenues:					
Other taxes and licenses:					
Article 40 supplemental sales tax	\$ 866,820	\$ 866,820	\$ 1,044,611	\$ 177,791	\$ 948,958
Article 42 supplemental sales tax	871,320	871,320	929,257	57,937	877,604
Investment earnings	-	-	19,946	19,946	20,715
Total revenues	<u>1,738,140</u>	<u>1,738,140</u>	<u>1,993,814</u>	<u>255,674</u>	<u>1,847,277</u>
Expenditures:					
Contingency	-	-	-	-	-
Total expenditures	<u>40,114</u>	<u>40,114</u>	<u>-</u>	<u>(40,114)</u>	<u>-</u>
Revenues over expenditures	1,698,026	1,698,026	1,993,814	295,788	1,847,277
Other financing uses:					
Transfers to other funds:					
General fund	(1,698,026)	(1,698,026)	(1,698,026)	-	(1,712,453)
County Government Facilities fund	-	-	-	-	-
School Facilities fund	-	-	-	-	-
Total other financing uses	<u>(1,698,026)</u>	<u>(1,698,026)</u>	<u>(1,698,026)</u>	<u>-</u>	<u>(1,712,453)</u>
Revenues over (under) other financing uses	<u>\$ -</u>	<u>\$ -</u>	295,788	<u>\$ 295,788</u>	134,824
Fund balances:					
Beginning of year, July 1			2,372,171		2,237,347
End of year, June 30			<u>\$ 2,667,959</u>		<u>\$ 2,372,171</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, 2015

	2015			Variance with Final Positive (Negative)	2014
	Budgeted Amounts		Actual		Actual
	Original	Final			
Revenues:					
Other taxes and licenses:					
Article 40 supplemental sales tax	\$ 385,900	\$ 385,900	\$ 447,690	\$ 61,790	\$ 406,696
Article 42 supplemental sales tax	1,256,559	1,256,559	1,393,885	137,326	1,316,407
Investment earnings	-	-	13,263	13,263	9,321
Total revenues	<u>1,642,459</u>	<u>1,642,459</u>	<u>1,854,838</u>	<u>212,379</u>	<u>1,732,424</u>
Other financing uses:					
Transfers to other funds:					
General fund	(1,766,500)	(1,766,500)	(1,766,500)	-	(1,618,186)
School capital projects fund	-	-	-	-	(410,000)
Total other financing uses	<u>(1,766,500)</u>	<u>(1,766,500)</u>	<u>(1,766,500)</u>	<u>-</u>	<u>(2,028,186)</u>
Revenues over (under) other financing uses	<u>\$ (124,041)</u>	<u>\$ (124,041)</u>	88,338	<u>\$ 212,379</u>	(295,762)
Appropriated fund balance	124,041	124,041	-	(124,041)	-
Revenues and other financing uses appropriated fund balance over expenditures	<u>\$ -</u>	<u>\$ -</u>	88,338	<u>\$ 88,338</u>	(295,762)
Fund balances:					
Beginning of year, July 1			<u>1,838,001</u>		<u>2,133,763</u>
End of year, June 30			<u>\$ 1,926,339</u>		<u>\$ 1,838,001</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, 2015

	2015			Variance with Final Positive (Negative)	2014
	Budgeted Amounts		Actual		Actual
	Original	Final			
Revenues:					
Other taxes and licenses					
Land transfer tax	\$ 1,990,000	\$ 2,074,500	\$ 2,968,642	\$ 894,142	\$ 2,831,474
Investment earnings	-	-	66,909	66,909	48,630
Total revenues	<u>1,990,000</u>	<u>2,074,500</u>	<u>3,035,551</u>	<u>961,051</u>	<u>2,880,104</u>
Expenditures:					
Fees Paid to Officials	700	700	-	700	-
Contingency	236,660	236,660	-	236,660	-
Total expenditures	<u>237,360</u>	<u>237,360</u>	<u>-</u>	<u>237,360</u>	<u>-</u>
Revenues over (under) expenditures	<u>1,752,640</u>	<u>1,837,140</u>	<u>3,035,551</u>	<u>1,198,411</u>	<u>2,880,104</u>
Other financing uses:					
Transfers to general fund	-	-	-	-	-
Transfers to County government facilities	(1,552,640)	(1,552,640)	(1,552,640)	-	-
Transfers to school facilities fund	-	-	-	-	-
Transfers to land banking fund	(200,000)	(200,000)	(200,000)	-	(300,000)
Transfers to Moyock central sewer fund	-	(84,500)	(84,500)	-	-
Total other financing uses	<u>(1,752,640)</u>	<u>(1,837,140)</u>	<u>(1,837,140)</u>	<u>-</u>	<u>(300,000)</u>
Revenues and other financing uses over (under) expenditures	<u>\$ -</u>	<u>\$ -</u>	<u>1,198,411</u>	<u>\$ 1,198,411</u>	<u>2,580,104</u>
Fund balances:					
Beginning of year, July 1			7,482,879		4,902,775
End of year, June 30			<u>\$ 8,681,290</u>		<u>\$ 7,482,879</u>

County of Currituck, North Carolina
County Government Facilities Fund
Schedule of Revenues, Expenditures, and
Changes in Fund Balances - Budget and Actual
From Inception and for the Fiscal Year Ended June 30, 2015

	Project Authorization	Actual		Total to Date	Variance Positive (Negative)
		Prior Years	Current Year		
Revenues					
Intergovernmental revenues:					
State aid to airports	\$ 2,334,451	\$ 2,578,896	\$ 98,700	\$ 2,677,596	\$ 343,145
Grant - DCA Commerce Park	1,250,000	490,447	750,000	1,240,447	(9,553)
Crawford VFD Construction Grant	-	10,657	10,657	21,314	21,314
EMPG Grant	14,877	14,878	-	14,878	1
PARTF - Maple soccer field project	265,000	-	-	-	(265,000)
Total	3,864,328	3,094,878	859,357	3,954,235	89,907
Investment earnings	3,793,209	3,826,609	54,576	3,881,185	87,976
Total revenues	7,657,537	6,921,487	913,933	7,835,420	177,883
Expenditures					
Public safety:					
Animal Shelter	2,500,000	113,517	534,861	648,378	1,851,622
800 MHz Radio project	3,901,430	3,703,204	172,040	3,875,244	26,186
Shooting Range	268,619	-	158,901	158,901	109,718
Total public safety	6,670,049	3,816,721	865,802	4,682,523	1,987,526
Economic and physical development:					
Maple commerce park	6,600,377	6,219,133	13,461	6,232,594	367,783
	6,600,377	6,219,133	13,461	6,232,594	367,783
Transportation:					
Taxiway/Apron	441,562	425,832	-	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
Upgrades to Fuel Tanks	39,729	-	37,255	37,255	2,474
Taxiway	510,670	508,035	-	508,035	2,635
COA Apron	110,030	104,875	-	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	135,625	17,972	116,206	134,178	1,447
Total transportation	3,056,275	2,670,555	153,461	2,824,016	232,259
Cultural and recreational:					
Connect Corolla Parking	150,000	-	8,200	8,200	141,800
Connect Corolla Bike Path	400,000	-	128,096	128,096	271,904
Connect Corolla East Side Walkway	100,000	-	14,232	14,232	85,768
Alpine Tower	75,000	-	-	-	75,000
Recreation baseball/softball fields - Maple	200,000	55,185	33,230	88,415	111,585
Recreation soccer fields - Maple	3,400,146	2,906,565	173,927	3,080,492	319,654
Recreation maintenance building - Maple	725,000	61,944	606,110	668,054	56,946
Recreation maintenance equipment	275,000	268,705	61	268,766	6,234
Recreation facility - Maple	14,542,792	14,501,434	-	14,501,434	41,358
Total cultural and recreational	19,867,938	17,793,833	963,856	18,757,689	1,110,249

continued

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, 2015

	Project Authorization	Prior Years	Actual Current Year	Total to Date	Variance Positive (Negative)
Education					
Bus Garage	37,185	-	-	-	37,185
	37,185	-	-	-	37,185
Total expenditures	36,194,639	30,500,242	1,996,580	32,496,822	3,697,817
Revenues under expenditures	(28,537,102)	(23,578,755)	(1,082,647)	(24,661,402)	3,875,700
Other financing sources (uses):					
Transfers (to) from other funds:					
General fund	1,322,990	2,760,402	192,619	2,953,021	1,630,031
Tourism Development Authority	11,298,815	12,798,151	2,052,275	14,850,426	3,551,611
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	1,552,640	11,955,934	979,946
School construction fund	672,877	684,673	84,856	769,529	96,652
Total other financing sources (uses)	28,537,102	34,631,830	3,882,390	38,514,220	9,977,118
Revenues and other sources over (under) expenditures	\$ -	\$ 11,053,075	2,799,743	\$ 13,852,818	\$ 13,852,818
Fund balances:					
Beginning of year, July 1			7,634,895		
End of year, June 30			\$ 10,434,638		

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, 2015

	Project Authorization	Actual		Total to Date	Variance Positive (Negative)
		Prior Years	Current Year		
Revenues					
State Lottery proceeds	534,811	294,811	240,000	534,811	-
Investment earnings	115,307	2,338,571	38,450	2,377,021	2,261,714
Total revenues	650,118	2,633,382	278,450	2,911,832	2,261,714
Expenditures					
Intergovernmental - education:					
Central Elementary School Parking	750,000	176,187	509,858	686,045	63,955
Central Elementary School Gym Roof	102,986	-	-	-	102,986
Moyock Elementary School Gym HVAC	114,828	-	1,920	1,920	112,908
JPK Gym Roof Replacement	115,172	107,238	7,933	115,171	1
JPK Technology Roof Replacement	26,825	12,138	14,687	26,825	-
Currituck Middle School - HVAC lobby	67,967	2,880	65,087	67,967	-
Currituck Middle School - Auditorium HVAC	107,033	-	2,240	2,240	104,793
Total expenditures	1,284,811	298,443	601,725	900,168	384,643
Revenues over (under) expenditures	(634,693)	2,334,939	(323,275)	2,011,664	2,646,357
Other financing sources:					
Transfers to					
Governmental Construction Fund	(84,856)	(84,856)	(84,856)	(169,712)	(84,856)
Total other financing sources (uses)	634,693	3,204,629	(84,856)	3,119,773	2,485,080
Revenues and other sources over (under) expenditures	\$ -	\$ 5,539,568	(408,131)	\$ 5,131,437	\$ 5,131,437
Fund balances:					
Beginning of year, July 1			5,539,568		
End of year, June 30			\$ 5,131,437		

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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, 2015

	2015			Variance with Final Positive (Negative)	2014
	Budgeted Amounts		Actual		Actual
	Original	Final			
Revenues:					
Occupancy Tax	\$ -	\$ -	\$ 10,844,887	\$ -	\$ 10,579,294
Insurance Recovery	-	-	-	-	72,500
Co-op Advertising	-	-	-	-	12,650
Grants	-	-	274,269	-	-
Retail sales	-	-	12,959	-	12,627
Penalties and interest	-	-	2,382	-	1,904
Tour operator permits	-	-	28,500	-	29,450
Whalehead donations	-	-	3,316	-	-
Whalehead events	-	-	13,702	-	-
Whalehead rents	-	-	468	-	-
Whalehead tours	-	-	13,824	-	-
Interest on intra-fund loan	-	-	86,537	-	113,987
Investment earnings	-	-	85,863	-	58,471
Total revenues	<u>10,210,416</u>	<u>10,272,220</u>	<u>11,366,707</u>	<u>1,094,487</u>	<u>10,880,883</u>
Expenditures:					
Tourism Promotion:					
Salaries	-	-	574,761	-	542,233
Operating Expenses	-	-	339,948	-	330,484
Retail merchandise	-	-	163	-	17,950
Promotions	-	-	2,056,013	-	2,202,583
Capital Outlay	-	-	97,666	-	9,336
Total Tourism Promotions	<u>3,354,552</u>	<u>3,354,552</u>	<u>3,068,551</u>	<u>286,001</u>	<u>3,102,586</u>
Tourism Related Expenditures:					
Utilities	-	-	6,517	-	1,438
Repairs and maintenance	-	-	3,015	-	4,376
Signs	-	-	6,791	-	8,889
Outer Banks access ramps	-	-	38,431	-	30,172
Economic development incentives	-	-	-	-	28,848
Supplies	-	-	7,344	-	2,500
Contracted services	-	-	175,086	-	124,555
Beach nourishment	-	-	2,809	-	-
Lifeguard services	-	-	658,824	-	612,934
Historic preservation	-	-	12,330	-	30,703
Historic Jarvisburg Colored School operations	-	-	1,061	-	-
Corolla Wild Horse support	-	-	69,200	-	69,200
Insurance and bonds	-	-	6,039	-	6,835
Professional services	-	-	14,534	-	25,394
Whalehead projects	-	-	580,971	-	822,102
Capital outlay	-	-	227,598	-	516,901
Total tourism related expenditures	<u>2,000,667</u>	<u>2,593,752</u>	<u>1,810,551</u>	<u>783,201</u>	<u>2,284,847</u>
Total expenditures	<u>5,355,219</u>	<u>5,948,304</u>	<u>4,879,102</u>	<u>1,069,202</u>	<u>5,387,433</u>
Revenues over (under) expenditures	<u>4,855,197</u>	<u>4,323,916</u>	<u>6,487,605</u>	<u>2,163,689</u>	<u>5,493,450</u>

continued

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, 2015

	2015			Variance with Final Positive (Negative)	2014
	Budgeted Amounts		Actual		Actual
	Original	Final			
Other financing sources:					
Transfers (to) from other funds:					
General fund	(3,223,226)	(3,148,226)	(2,856,104)	292,122	(2,764,112)
County Governmental Facilities fund	(1,977,275)	(2,052,275)	(2,052,275)	-	(1,500,000)
Total other financing uses	<u>(5,200,501)</u>	<u>(5,200,501)</u>	<u>(4,908,379)</u>	<u>292,122</u>	<u>(4,264,112)</u>
Revenues and other financing sources over (under) expenditures and other financing uses	(345,304)	(876,585)	1,579,226	2,455,811	1,229,338
Appropriated fund balance	<u>345,304</u>	<u>876,585</u>	<u>-</u>	<u>(876,585)</u>	<u>-</u>
Revenues, other financing sources, and appropriated fund balance over (under) expenditures	<u>\$ -</u>	<u>\$ -</u>	1,579,226	<u>\$ 1,579,226</u>	1,229,338
Fund balances:					
Beginning of year, July 1			10,401,399		9,172,061
Fund balance: Tourism promotion			6,772,335		6,174,162
Fund balance: Tourism related expenditures			5,208,290		4,227,237
End of year, June 30			<u>\$ 11,980,625</u>		<u>\$ 10,401,399</u>
A legally budgeted Carova Beach Service District Fund is consolidated in the Tourism Development Authority Fund for reporting purposes:					
Investment earnings			222		849
Expenditures			(73,044)		(46,746)
Beginning Fund Balance, Carova Beach Service District Fund			74,731		120,628
Ending Fund Balance Exhibit 4			<u>\$ 11,982,534</u>		<u>\$ 10,476,130</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, 2015

	2015			Variance with Final Positive (Negative)	2014
	Budgeted Amounts		Actual		Actual
	Original	Final			
Revenues:					
Investment earnings	\$ -	\$ -	\$ 222	\$ 222	\$ 849
Expenditures:					
Current:					
Environmental protection	74,000	74,000	73,044	956	46,746
Total expenditures	74,000	74,000	73,044	956	46,746
Revenues over (under) expenditures	<u>\$ (74,000)</u>	<u>\$ (74,000)</u>	(72,822)	<u>\$ 1,178</u>	(45,897)
Revenues and other financing sources over expenditures	(74,000)	(74,000)	(72,822)	1,178	(45,897)
Appropriated fund balance	74,000	74,000	-	(74,000)	-
Revenues, other finance sources and appropriated fund balance over (under) expenditures	<u>\$ -</u>	<u>\$ -</u>	(72,822)	<u>\$ (72,822)</u>	(45,897)
Fund balances:					
Beginning of year, July 1			74,731		120,628
End of year, June 30			<u>\$ 1,909</u>		<u>\$ 74,731</u>

**County of Currituck, North Carolina
Combining Statement of Net Position
Non-Major Proprietary Funds
June 30, 2015**

	Enterprise Funds				Totals	
	Newtown Road Sewer Fund	Maple Commerce Park Sewer Fund	Moyock Commons Sewer Fund	Walnut Island Sewer Fund	June 30, 2015	June 30, 2014
ASSETS						
Current assets:						
Cash and cash equivalents	\$ 51,463	\$ 853	\$ 8,931	\$ 27,791	\$ 89,038	\$ 110,488
Restricted cash	-	-	150	-	150	500
Taxes receivable, net	-	-	2,080	-	2,080	2,081
Receivables, net	4,870	2,170	3,697	51,416	62,153	99,758
Total current assets	<u>56,333</u>	<u>3,023</u>	<u>14,858</u>	<u>79,207</u>	<u>153,421</u>	<u>212,827</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	121,505	1,739,375	265,572	3,216,902	5,343,354	5,589,869
Total capital assets	<u>208,505</u>	<u>1,739,375</u>	<u>333,197</u>	<u>3,270,592</u>	<u>5,551,669</u>	<u>5,798,184</u>
Total assets	<u>264,838</u>	<u>1,742,398</u>	<u>348,055</u>	<u>3,349,799</u>	<u>5,705,090</u>	<u>6,011,011</u>
LIABILITIES						
Current liabilities:						
Accounts payable	350	712	-	2,251	3,313	70,961
Customer deposits	-	-	150	-	150	500
Total liabilities	<u>350</u>	<u>712</u>	<u>150</u>	<u>2,251</u>	<u>3,463</u>	<u>71,461</u>
NET POSITION						
Net investment in capital assets	208,505	1,739,375	333,197	3,270,592	5,551,669	5,798,184
Unrestricted	55,983	2,311	14,708	76,956	149,958	141,366
Total net position	<u>\$ 264,488</u>	<u>\$ 1,741,686</u>	<u>\$ 347,905</u>	<u>\$ 3,347,548</u>	<u>\$ 5,701,627</u>	<u>\$ 5,939,550</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, 2015

	Enterprise Funds				Totals	
	Newtown Road Sewer Fund	Maple Commerce Park Sewer Fund	Moyock Commons Sewer Fund	Walnut Island Sewer Fund	June 30, 2015	June 30, 2014
OPERATING REVENUES						
Charges for services	\$ 11,550	\$ 20,027	\$ 67,845	\$ 117,911	\$ 217,333	\$ 269,121
Miscellaneous	-	-	1,171	-	1,171	1,352
Total operating revenues	<u>11,550</u>	<u>20,027</u>	<u>69,016</u>	<u>117,911</u>	<u>218,504</u>	<u>270,473</u>
OPERATING EXPENSES						
Administration	2,088	2,839	7,756	75,262	87,945	92,387
Water and sewer district	13,322	34,698	51,638	40,708	140,366	228,006
Depreciation	16,954	64,421	13,963	151,177	246,515	246,515
Total operating expenses	<u>32,364</u>	<u>101,958</u>	<u>73,357</u>	<u>267,147</u>	<u>474,826</u>	<u>566,908</u>
Operating income (loss)	<u>(20,814)</u>	<u>(81,931)</u>	<u>(4,341)</u>	<u>(149,236)</u>	<u>(256,322)</u>	<u>(296,435)</u>
NONOPERATING REVENUES (EXPENSES)						
Tax revenue	-	-	462	-	462	18,092
Rent	-	1,200	-	-	1,200	-
Contributed capital	-	-	-	-	-	66,225
Interest and investment revenue	381	-	191	165	737	3,553
Total nonoperating revenue (expenses)	<u>381</u>	<u>1,200</u>	<u>653</u>	<u>165</u>	<u>2,399</u>	<u>87,870</u>
Income (loss) before transfers	(20,433)	(80,731)	(3,688)	(149,071)	(253,923)	(208,565)
Transfer	-	16,000	-	-	16,000	(230,000)
Change in net position	(20,433)	(64,731)	(3,688)	(149,071)	(237,923)	(438,565)
Total net position - beginning	284,921	1,806,417	351,593	3,496,619	5,939,550	6,378,115
Total net position - ending	<u>\$ 264,488</u>	<u>\$ 1,741,686</u>	<u>\$ 347,905</u>	<u>\$ 3,347,548</u>	<u>\$ 5,701,627</u>	<u>\$ 5,939,550</u>

County of Currituck, North Carolina
Combining Statement of Cash Flows
Non-Major Proprietary Fund
For the Year Ended June 30, 2015

	Newtown Road Sewer Fund	Maple Commerce Park Sewer Fund	Moyock Commons Sewer Fund	Walnut Island Sewer Fund	Totals	
					June 30, 2015	June 30, 2014
Cash flows from operating activities:						
Cash received from customers	\$ 17,848	\$ 22,065	\$ 69,078	\$ 145,947	\$ 254,938	\$ 242,017
Cash paid for goods and services	(15,410)	(38,609)	(116,294)	(125,996)	(296,309)	(254,317)
Other operating revenue	-	-	1,171	-	1,171	1,352
Net cash provided (used) by operating activities	<u>2,438</u>	<u>(16,544)</u>	<u>(46,045)</u>	<u>19,951</u>	<u>(40,200)</u>	<u>(10,948)</u>
Cash flows from noncapital financing activities:						
Rental income	-	1,200	-	-	1,200	-
Tax revenues	-	-	463	-	463	18,015
Transfer from operating fund	-	16,000	-	-	16,000	-
	<u>-</u>	<u>17,200</u>	<u>463</u>	<u>-</u>	<u>17,663</u>	<u>18,015</u>
Cash flows from capital and related financing activities:						
Transfer (to) enterprise fund	-	-	-	-	-	(230,000)
Capital contributions	-	-	-	-	-	66,225
Acquisition of capital assets	-	-	-	-	-	(137,678)
Net cash provided by capital and related financing activities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(301,453)</u>
Cash flows from investing activities:						
Interest on investments	<u>381</u>	<u>-</u>	<u>191</u>	<u>165</u>	<u>737</u>	<u>3,553</u>
Net increase (decrease) in cash and cash equivalents	2,819	656	(45,391)	20,116	(21,800)	(290,833)
Cash and cash equivalents, July 1	48,644	197	54,472	7,675	110,988	401,821
Cash and cash equivalents, June 30	<u>\$ 51,463</u>	<u>\$ 853</u>	<u>\$ 9,081</u>	<u>\$ 27,791</u>	<u>\$ 89,188</u>	<u>\$ 110,988</u>
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:						
Operating income (loss)	\$ (20,814)	\$ (81,931)	\$ (4,341)	\$ (149,236)	\$ (256,322)	\$ (296,435)
Adjustments to reconcile operating income to net cash provided by operating activities:						
Depreciation	16,954	64,421	13,963	151,177	246,515	246,515
Changes in assets and liabilities:						
(Increase) decrease in accounts receivable	6,298	2,038	1,233	28,036	37,605	(27,104)
Increase (decrease) in accounts payable and accrued liabilities	-	(1,072)	(56,900)	(10,026)	(67,998)	66,076
Total adjustments	<u>23,252</u>	<u>65,387</u>	<u>(41,704)</u>	<u>169,187</u>	<u>216,122</u>	<u>285,487</u>
Net cash provided (used) by operating activities	<u>\$ 2,438</u>	<u>\$ (16,544)</u>	<u>\$ (46,045)</u>	<u>\$ 19,951</u>	<u>\$ (40,200)</u>	<u>\$ (10,948)</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, 2015

	2015			Variance Positive (Negative)	2014
	Original Budget	Final Budget	Actual		Actual
Revenues:					
Charges for services:					
Sewer charges	\$ -	\$ -	\$ 9,970	\$ -	\$ 18,782
Penalties and interest, sewer	-	-	1,580	-	2,713
Total, sewer operating revenues	<u>14,910</u>	<u>14,910</u>	<u>11,550</u>	<u>(3,360)</u>	<u>21,495</u>
Nonoperating revenues:					
Interest earnings	<u>500</u>	<u>500</u>	<u>381</u>	<u>(119)</u>	<u>458</u>
Total revenues	<u>15,410</u>	<u>15,410</u>	<u>11,931</u>	<u>(3,479)</u>	<u>21,953</u>
Expenditures:					
Administration:					
Administrative expenses	-	-	2,088	-	2,088
	<u>2,088</u>	<u>2,088</u>	<u>2,088</u>	<u>-</u>	<u>2,088</u>
Sewer treatment operations:					
Contracted services	-	-	13,322	-	26,514
Total	<u>13,322</u>	<u>13,322</u>	<u>13,322</u>	<u>-</u>	<u>26,514</u>
Total expenditures	<u>15,410</u>	<u>15,410</u>	<u>15,410</u>	<u>-</u>	<u>28,602</u>
Revenues and appropriated net position over expenditures	<u>\$ -</u>	<u>\$ -</u>	(3,479)	<u>\$ (3,479)</u>	<u>(6,649)</u>
Reconciliation from budgetary basis (modified accrual) to full accrual:					
Reconciling items:					
Depreciation			(16,954)		(16,954)
Total reconciling items			<u>(16,954)</u>		<u>(16,954)</u>
Change in net position			<u>\$ (20,433)</u>		<u>\$ (23,603)</u>

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, 2015

	2015				2014
	Original Budget	Final Budget	Actual	Variance Positive (Negative)	Actual
Revenues:					
Charges for services:					
Sewer charges	\$ -	\$ -	\$ 19,804	\$ -	\$ 22,351
Penalties and interest, sewer	-	-	223	-	102
Total, sewer operating revenues	<u>20,500</u>	<u>20,500</u>	<u>20,027</u>	<u>(473)</u>	<u>22,453</u>
Nonoperating revenues:					
Rent	-	-	1,200	-	-
Interest earnings	-	-	-	-	124
Total, sewer nonoperating revenues	<u>-</u>	<u>-</u>	<u>1,200</u>	<u>-</u>	<u>124</u>
Total revenues	<u>20,500</u>	<u>20,500</u>	<u>21,227</u>	<u>727</u>	<u>22,577</u>
Other financing sources (uses):					
Transfer from operating fund	-	-	16,000	-	-
	<u>26,296</u>	<u>26,296</u>	<u>16,000</u>	<u>(10,296)</u>	<u>-</u>
Total revenues and other financing sources	<u>46,796</u>	<u>46,796</u>	<u>37,227</u>	<u>(9,569)</u>	<u>22,577</u>
Expenditures:					
Administration:					
Telephone and postage	-	-	1,529	-	1,540
Dues and subscriptions	-	-	1,310	-	1,310
	<u>1,540</u>	<u>3,540</u>	<u>2,839</u>	<u>701</u>	<u>2,850</u>
Sewer treatment operations:					
Utilities	-	-	7,028	-	6,469
Repairs and maintenance	-	-	263	-	4,948
Lab tests	-	-	8,420	-	6,840
System supplies	-	-	11,994	-	14,794
Contracted services	-	-	6,993	-	5,600
Total	<u>45,256</u>	<u>43,256</u>	<u>34,698</u>	<u>8,558</u>	<u>38,651</u>
Total expenditures	<u>46,796</u>	<u>46,796</u>	<u>37,537</u>	<u>9,259</u>	<u>41,501</u>
Revenues and appropriated net assets over expenditures	<u>\$ -</u>	<u>\$ -</u>	<u>(310)</u>	<u>\$ (310)</u>	<u>(18,924)</u>
Reconciliation from budgetary basis (modified accrual) to full accrual:					
Reconciling items:					
Depreciation			<u>(64,421)</u>		<u>(64,421)</u>
Total reconciling items			<u>(64,421)</u>		<u>(64,421)</u>
Change in net position			<u>\$ (64,731)</u>		<u>\$ (83,345)</u>

County of Currituck, North Carolina
Moyock Commons Sewer Fund
Schedule of Revenues and Expenditures
Budget and Actual (Non-GAAP)
For the Year Ended June 30, 2015

	2015			2014	
	Original Budget	Final Budget	Actual	Variance Positive (Negative)	Actual
Revenues:					
Charges for services:					
Sewer charges	\$ -	\$ -	\$ 67,845	\$ -	\$ 103,008
Penalties and interest	-	-	1,171	-	1,352
Total, sewer operating revenues	<u>66,480</u>	<u>66,480</u>	<u>69,016</u>	<u>2,536</u>	<u>104,360</u>
Nonoperating revenues:					
Tax revenue	-	-	462	-	18,092
Interest earnings	-	-	191	-	2,121
Total nonoperating revenues	<u>-</u>	<u>-</u>	<u>653</u>	<u>653</u>	<u>20,213</u>
Total revenues	66,480	66,480	69,669	3,189	124,573
Expenditures:					
Administration:					
Administration	-	-	7,756	-	7,756
Contracted services	-	-	51,638	-	130,332
Total expenditures	<u>66,480</u>	<u>66,480</u>	<u>59,394</u>	<u>7,086</u>	<u>138,088</u>
Revenues over expenditures	<u>-</u>	<u>-</u>	<u>10,275</u>	<u>10,275</u>	<u>(13,515)</u>
Other financing uses:					
Transfers to Moyock Central Sewer Fund	-	-	-	-	(230,000)
Revenues and appropriated net position over (under) expenditures and other financing uses	<u>\$ -</u>	<u>\$ -</u>	10,275	<u>\$ 10,275</u>	<u>(243,515)</u>
Reconciliation from budgetary basis (modified accrual) to full accrual:					
Depreciation			<u>(13,963)</u>		<u>(13,963)</u>
Change in net position			<u>\$ (3,688)</u>		<u>\$ (257,478)</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, 2015

	2015			2014	
	Original Budget	Final Budget	Actual	Variance Positive (Negative)	Actual
Revenues:					
Charges for services:					
Sewer charges	\$ -	\$ -	\$ 90,687	\$ -	\$ 104,205
Tap fees	-	-	13,100	-	2,478
Sale of material	-	-	-	-	1,716
Penalties and interest	-	-	14,124	-	13,766
Total, sewer operating revenues	<u>113,000</u>	<u>117,110</u>	<u>117,911</u>	<u>801</u>	<u>122,165</u>
Nonoperating revenues:					
Grant funds	-	-	-	-	66,225
Interest earnings	-	-	165	-	850
Total nonoperating revenues	<u>600</u>	<u>600</u>	<u>165</u>	<u>(435)</u>	<u>67,075</u>
Total revenues	<u>113,600</u>	<u>117,710</u>	<u>118,076</u>	<u>366</u>	<u>189,240</u>
Appropriated net position	-	2,339	-	(2,339)	-
Total revenues and other financing sources	<u>113,600</u>	<u>120,049</u>	<u>118,076</u>	<u>(1,973)</u>	<u>189,240</u>
Expenditures:					
Administration:					
Telephone and postage	-	-	1,578	-	2,584
Administration	-	-	65,192	-	67,192
Supplies	-	-	6,516	-	8,188
Credit card fees	-	-	557	-	327
Software license fees	-	-	109	-	92
Total	<u>76,200</u>	<u>78,907</u>	<u>75,262</u>	<u>3,645</u>	<u>79,693</u>
Sewer treatment operations:					
Utilities	-	-	19,425	-	13,411
Repairs and maintenance	-	-	2,283	-	5,540
Lab tests	-	-	8,530	-	10,081
Chemicals	-	-	2,990	-	-
Contracted services	-	-	7,480	-	3,477
Total	<u>37,400</u>	<u>41,103</u>	<u>40,708</u>	<u>395</u>	<u>32,509</u>
Capital outlay	-	39	-	39	137,678
Total expenditures	<u>113,600</u>	<u>120,049</u>	<u>115,970</u>	<u>4,079</u>	<u>249,880</u>
Revenues over expenditures	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,106</u>	<u>\$ 2,106</u>	<u>\$ (60,640)</u>
Reconciliation from budgetary basis (modified accrual) to full accrual:					
Capital outlays			-		137,678
Depreciation			<u>(151,177)</u>		<u>(151,177)</u>
Change in net position			<u>\$ (149,071)</u>		<u>\$ (74,139)</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, 2015

	2015			2014	
	Original Budget	Final Budget	Actual	Variance Positive (Negative)	Actual
Revenues:					
Operating revenues:					
Charges for services:					
Solid waste disposal charges	\$ -	\$ -	\$ 2,197,334	\$ -	\$ 2,177,920
Recycling	-	-	37,596	-	35,187
Tipping fees	-	-	521,510	-	502,152
Total	<u>2,811,745</u>	<u>2,811,745</u>	<u>2,756,440</u>	<u>(55,305)</u>	<u>2,715,259</u>
Nonoperating revenues:					
Ad valorem taxes	-	-	14,827	-	14,017
White goods tax	-	-	7,800	-	11,692
White goods disposal tax	-	-	69,022	-	92,237
Tire tax	-	-	31,224	-	15,168
Investment earnings	-	-	29,786	-	36,489
Total	<u>107,000</u>	<u>107,000</u>	<u>152,659</u>	<u>45,659</u>	<u>169,603</u>
Appropriated net assets	<u>274,688</u>	<u>274,688</u>	<u>-</u>	<u>(274,688)</u>	<u>-</u>
Total revenues	<u>3,193,433</u>	<u>3,193,433</u>	<u>2,909,099</u>	<u>(284,334)</u>	<u>2,884,862</u>
Expenditures:					
Solid waste administration:					
Training & Education	-	-	10	-	-
Telephone and postage	-	-	301	-	282
Other administrative expenditures	-	-	165,883	-	165,925
Total	<u>166,666</u>	<u>166,666</u>	<u>166,194</u>	<u>472</u>	<u>166,207</u>
Solid waste operations:					
Utilities	-	-	4,221	-	4,501
Repair and maintenance	-	-	4,676	-	2,839
Rent	-	-	28,200	-	28,200
Supplies	-	-	3,229	-	3,039
Professional services	-	-	960	-	2,630
Contract services, other	-	-	19,938	-	28,034
Contract services, collection	-	-	1,836,228	-	1,725,650
Contract services, disposal	-	-	1,693,904	-	1,573,774
Site work and landscaping	-	-	16,805	-	19,872
White goods disposal	-	-	27,693	-	21,978
White goods disposal tax	-	-	44,330	-	41,700
Tire disposal	-	-	38,290	-	32,908
Monitoring wells	-	-	4,900	-	4,900
Recycling	-	-	331,434	-	443,780
Total	<u>4,098,054</u>	<u>4,106,454</u>	<u>4,054,808</u>	<u>51,646</u>	<u>3,933,805</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, 2015

	2015			2014	
	Original Budget	Final Budget	Actual	Variance Positive (Negative)	Actual
Capital outlays	8,400	-	-	-	10,774
Total expenditures	<u>4,273,120</u>	<u>4,273,120</u>	<u>4,221,002</u>	<u>52,118</u>	<u>4,110,786</u>
Revenues and appropriated net position over expenditures	<u>(1,079,687)</u>	<u>(1,079,687)</u>	<u>(1,311,903)</u>	<u>(232,216)</u>	<u>(1,225,924)</u>
Other financing sources (uses):					
Transfers from operating fund	<u>1,079,687</u>	<u>1,079,687</u>	<u>1,079,687</u>	<u>-</u>	<u>600,000</u>
Revenues and appropriated net position over (under) expenditures and other financing uses	<u>\$ -</u>	<u>\$ -</u>	<u>(232,216)</u>	<u>\$ (232,216)</u>	<u>(625,924)</u>
Reconciliation from budgetary basis (modified accrual) to full accrual:					
Reconciling items:					
Capital outlays			-		10,774
Depreciation			<u>(35,646)</u>		<u>(35,645)</u>
Total reconciling items			<u>(35,646)</u>		<u>(24,871)</u>
Change in net position			<u>\$ (267,862)</u>		<u>\$ (650,795)</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, 2015

	2015			Variance Positive (Negative)	2014
	Original Budget	Final Budget	Actual		Actual
Revenues:					
Charges for services:					
Water sales	\$ -	\$ -	\$ 594,685	\$ -	\$ 579,216
Water impact fees	-	-	9,000	-	10,000
Water tap fees	-	-	4,000	-	2,400
Penalties and interest, water	-	-	6,784	-	9,891
Other operating revenues, water	-	-	1,908	-	1,243
Total, water operating revenues	<u>552,750</u>	<u>577,750</u>	<u>616,377</u>	<u>38,627</u>	<u>602,750</u>
Sewer charges	-	-	635,083	-	529,708
Sewer impact fees	-	-	9,000	-	10,000
Sewer tap fees	-	-	4,000	-	2,400
Penalties and interest, sewer	-	-	7,963	-	8,607
Other operating revenues, sewer	-	-	1,908	-	1,243
Total, sewer operating revenues	<u>726,000</u>	<u>738,333</u>	<u>657,954</u>	<u>(80,380)</u>	<u>551,958</u>
Total operating revenues	<u>1,278,750</u>	<u>1,316,083</u>	<u>1,274,330</u>	<u>(41,753)</u>	<u>1,154,707</u>
Nonoperating revenues:					
Tax revenue	-	-	231,269	-	238,721
Unrestricted intergovernmental revenues	-	-	12,444	-	-
Insurance recovery	-	-	16,650	-	1,899
Interest earnings	-	-	15,097	-	18,178
Total nonoperating revenues	<u>246,691</u>	<u>259,135</u>	<u>275,460</u>	<u>16,325</u>	<u>258,798</u>
Total revenues	<u>1,525,441</u>	<u>1,575,218</u>	<u>1,549,790</u>	<u>(25,428)</u>	<u>1,413,505</u>
Expenditures:					
Administration:					
Telephone and postage	-	-	3,180	-	7,485
Data transmission	-	-	912	-	-
Travel and training	-	-	6,377	-	4,383
Fees paid to officials	-	-	450	-	400
Supplies	-	-	24,542	-	23,066
Uniforms	-	-	1,015	-	841
Dues and subscriptions	-	-	2,349	-	3,090
Software license fees	-	-	526	-	428
Contract services	-	-	30,000	-	-
Total	<u>366,354</u>	<u>119,935</u>	<u>69,351</u>	<u>50,584</u>	<u>39,693</u>
Water treatment operations:					
Utilities	-	-	7,603	-	9,579
Repairs and maintenance	-	-	630	-	9,888
Lab tests	-	-	2,548	-	2,849
System supplies	-	-	13,043	-	13,465
Contracted services	-	-	409,884	-	441,945
Total	<u>455,000</u>	<u>459,222</u>	<u>433,708</u>	<u>25,514</u>	<u>477,726</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, 2015

	2015			Variance Positive (Negative)	2014
	Original Budget	Final Budget	Actual		Actual
Sewer treatment operations:					
Salaries & benefits	-	-	83,640	-	50,736
Utilities	-	-	79,594	-	48,623
Repairs and maintenance	-	-	51,245	-	78,236
Gas	-	-	3,621	-	7,181
Lab tests	-	-	24,955	-	36,166
System supplies	-	-	17,898	-	26,784
Chemicals	-	-	16,603	-	9,109
Contracted services	-	-	158,214	-	117,301
Professional services	-	-	7,750	-	15,488
Total	<u>426,087</u>	<u>443,846</u>	<u>443,520</u>	<u>326</u>	<u>389,624</u>
Capital outlay	<u>40,000</u>	<u>114,215</u>	<u>76,468</u>	<u>37,747</u>	<u>325,147</u>
Total expenditures	<u>1,287,441</u>	<u>1,137,218</u>	<u>1,023,047</u>	<u>114,171</u>	<u>1,232,190</u>
Revenues and appropriated net position over expenditures	<u>\$ 238,000</u>	<u>\$ 438,000</u>	<u>\$ 526,743</u>	<u>\$ 88,743</u>	<u>\$ 181,315</u>
Other financing uses:					
Transfer to Ocean Sands Construction	(238,000)	(438,000)	(438,000)	-	(239,000)
Revenues and appropriated net position over (under) expenditures and other financing uses:	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 88,743</u>	<u>\$ 88,743</u>	<u>\$ (57,685)</u>
Reconciliation from budgetary basis (modified accrual) to full accrual:					
Reconciling items:					
Contributions to the pension plan in the current fiscal year			3,980		-
Capital outlays			76,468		325,147
Accrued vacation			(988)		(1,007)
Transfer to Ocean Sands Construction			438,000		239,000
Postemployment benefits			(6,689)		-
Pension expense			(268)		-
Depreciation			(184,204)		(172,101)
Total reconciling items			<u>326,299</u>		<u>391,039</u>
Change in net position			<u>\$ 415,042</u>		<u>\$ 333,354</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, 2015

	Project Authorization	Actual		Total to Date	Variance Positive (Negative)
		Prior Years	Current Year		
Revenues					
Intergovernmental revenues:					
Investment earnings	\$ -	\$ 25,339	\$ 26,944	\$ 52,283	\$ 52,283
Total revenues	-	25,339	26,944	52,283	52,283
Expenditures					
Contract services	3,000,000	-	-	-	3,000,000
Professional services	437,812	114,505	206,825	321,330	116,482
Contingency	817,500	-	-	-	817,500
Total expenditures	4,255,312	114,505	206,825	321,330	3,933,982
Revenues under expenditures	(4,255,312)	(89,166)	(179,881)	(269,047)	3,986,265
Other financing sources (uses):					
Transfers (to) from other funds:					
Ocean Sands Water & Sewer fund	4,255,312	3,817,312	438,000	4,255,312	-
Total other financing sources (uses)	4,255,312	3,817,312	438,000	4,255,312	-
Revenues and other sources over (under) expenditures	\$ -	\$ 3,728,146	\$ 258,119	\$ 3,986,265	\$ 3,986,265

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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, 2015

	2015			Variance Positive (Negative)	2014
	Original Budget	Final Budget	Actual		Actual
Revenues:					
Charges for services:					
Water sales	\$ -	\$ -	\$ 2,911,883	\$ -	\$ 2,740,701
Water tap fees	-	-	595,091	-	405,200
Reconnection fees	-	-	50,355	-	52,375
Penalties and interest	-	-	81,887	-	85,169
Sale of materials	-	-	30,038	-	15,860
Total	<u>3,086,521</u>	<u>3,109,795</u>	<u>3,669,254</u>	<u>559,459</u>	<u>3,299,305</u>
Nonoperating revenues:					
Interest earnings	-	-	11,738	-	9,756
Other nonoperating revenues	-	-	100	-	-
Total nonoperating revenues	<u>9,500</u>	<u>9,500</u>	<u>11,838</u>	<u>2,338</u>	<u>9,756</u>
Total revenues	<u>3,096,021</u>	<u>3,119,295</u>	<u>3,681,092</u>	<u>561,797</u>	<u>3,309,061</u>
Other financing sources (uses):					
Sales of capital assets	-	-	3,710	3,710	-
	-	-	3,710	3,710	-
Appropriated net position	<u>160,643</u>	<u>160,643</u>	<u>-</u>	<u>(160,643)</u>	<u>-</u>
Total revenues and appropriated net position	<u>3,256,664</u>	<u>3,279,938</u>	<u>3,684,802</u>	<u>404,864</u>	<u>3,309,061</u>
Expenditures:					
Administration:					
Salaries and benefits	-	-	58,241	-	50,855
Administrative support	-	-	193,734	-	195,000
Credit card fees	-	-	18,293	-	13,540
Telephone and postage	-	-	27,747	-	39,024
Travel	-	-	2,182	-	1,112
Training and education	-	-	2,541	-	1,749
Advertising	-	-	488	-	-
Supplies	-	-	88,396	-	58,235
Dues and subscriptions	-	-	5,105	-	4,880
Software license fees	-	-	2,384	-	2,191
Other administration	-	-	19	-	6,205
	<u>396,176</u>	<u>396,412</u>	<u>399,130</u>	<u>(2,718)</u>	<u>372,791</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, 2015

	2015			Variance Positive (Negative)	2014
	Original Budget	Final Budget	Actual		Actual
Water treatment operations:					
Salaries and benefits	-	-	660,558	-	579,977
Utilities	-	-	200,063	-	161,406
Repairs and maintenance	-	-	31,187	-	6,383
Fuel	-	-	28,992	-	31,834
Lab tests	-	-	12,942	-	13,694
Chemicals	-	-	43,453	-	41,302
Uniforms	-	-	1,783	-	30
Contracted services	-	-	33,667	-	59,744
Professional services	-	-	85	-	-
Total	<u>965,478.80</u>	<u>1,019,901</u>	<u>1,012,730</u>	<u>7,171</u>	<u>894,370</u>
Debt service:					
Interest and other charges	-	-	646,194	-	733,613
Debt principal	-	-	930,000	-	890,000
Total	<u>1,627,509</u>	<u>1,627,509</u>	<u>1,576,194</u>	<u>51,315</u>	<u>1,623,613</u>
Capital outlay	<u>267,500</u>	<u>236,116</u>	<u>228,944</u>	<u>7,172</u>	<u>80,010</u>
Total expenditures	<u>3,256,664</u>	<u>3,279,938</u>	<u>3,216,998</u>	<u>62,940</u>	<u>2,970,784</u>
Revenues and appropriated net assets over (under) expenditures	<u>\$ -</u>	<u>\$ -</u>	467,804	<u>\$ 467,804</u>	338,277
Reconciliation from budgetary basis (modified accrual) to full accrual:					
Reconciling items:					
Contributions to the pension plan in the current fiscal year			30,842		-
Capital outlays			228,944		80,010
Debt principal			930,000		890,000
Depreciation			(1,911,061)		(1,901,152)
Postemployment benefits			(34,577)		(61,460)
Accrued vacation			(7,072)		(4,857)
Pension expense			(2,137)		-
Total reconciling items			<u>(765,061)</u>		<u>(997,459)</u>
Change in net position			<u>\$ (297,257)</u>		<u>\$ (659,182)</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, 2015

	2015			2014	
	Original Budget	Final Budget	Actual	Variance Positive (Negative)	Actual
Revenues:					
Charges for services:					
Water sales	\$ -	\$ -	\$ 2,718,849	\$ -	\$ 2,279,063
Water tap fees	-	-	1,022,231	-	969,920
Administration	-	-	-	-	431,254
Billing services	-	-	3,780	-	3,780
Penalties and interest	-	-	33,174	-	29,773
Other operating revenues	-	-	13,459	-	13,597
Total, water operating revenues	<u>3,583,394</u>	<u>3,560,520</u>	<u>3,791,493</u>	<u>230,973</u>	<u>3,727,387</u>
Nonoperating revenues:					
Rent	-	-	159,649	-	47,085
Insurance recovery	-	-	-	-	6,302
Interest earnings	-	-	15,477	-	14,598
Total nonoperating revenues	<u>185,786</u>	<u>185,786</u>	<u>175,126</u>	<u>(10,660)</u>	<u>67,985</u>
Total revenues	<u>3,769,180</u>	<u>3,746,306</u>	<u>3,966,619</u>	<u>220,313</u>	<u>3,795,372</u>
Other financing sources (uses):					
Transfer to Southern Outer Banks Water Construction fund	-	-	(11,043)	-	-
	<u>6,865</u>	<u>(11,043)</u>	<u>(11,043)</u>	<u>-</u>	<u>-</u>
Total revenues and other financing sources	<u>3,776,045</u>	<u>3,735,263</u>	<u>3,955,576</u>	<u>220,313</u>	<u>3,795,372</u>
Expenditures:					
Administration:					
Salaries and benefits	-	-	147,172	-	170,871
Telephone and postage	-	-	12,726	-	20,410
Travel	-	-	1,686	-	-
Training and education	-	-	1,727	-	-
Data transmission	-	-	3,459	-	-
Advertising	-	-	77	-	345
Supplies	-	-	45,525	-	51,515
Credit card fees	-	-	6,580	-	-
Dues and subscriptions	-	-	6,995	-	7,045
Other administrative expenditures	-	-	135,161	-	103,345
Total administration expenditures	<u>329,119</u>	<u>366,015</u>	<u>361,108</u>	<u>4,907</u>	<u>353,531</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, 2015

	2015			2014	
	Original Budget	Final Budget	Actual	Variance Positive (Negative)	Actual
Water treatment operations:					
Salaries and benefits	-	-	397,771	-	442,518
Utilities	-	-	193,287	-	136,058
Gas, oil, etc	-	-	19,740	-	28,472
Repairs and maintenance	-	-	86,525	-	15,723
Lab tests	-	-	14,588	-	17,564
Chemicals	-	-	116,506	-	103,935
Uniforms	-	-	1,103	-	1,440
Contracted services	-	-	66,566	-	28,831
Total water treatment operations	<u>1,002,614</u>	<u>924,936</u>	<u>896,086</u>	<u>28,850</u>	<u>774,541</u>
Debt service:					
Interest and other charges	-	-	233,205	-	280,885
Debt principal	-	-	1,975,449	-	1,947,999
Total	<u>2,208,654</u>	<u>2,208,654</u>	<u>2,208,654</u>	<u>-</u>	<u>2,228,884</u>
Capital outlays	235,658	235,658	235,159	499	318,134
Total expenditures	<u>3,776,045</u>	<u>3,735,263</u>	<u>3,701,007</u>	<u>34,256</u>	<u>3,675,090</u>
Revenues and other financing sources over (under) expenditures	<u>\$ -</u>	<u>\$ -</u>	254,569	<u>\$ 254,569</u>	120,282
Reconciliation from budgetary basis (modified accrual) to full accrual:					
Reconciling items:					
Contributions to the pension plan in the current fiscal year			29,324		-
Capital outlays			235,159		318,134
Debt principal			1,975,449		1,947,999
Postemployment benefits			(42,208)		(75,810)
Change in accrued vacation			1,818		5,716
Depreciation			(918,686)		(852,541)
Pension expense			(1,678)		-
Transfer to (from) construction fund			11,043		-
Total reconciling items			<u>1,290,221</u>		<u>1,343,498</u>
Change in net position			<u>\$ 1,544,790</u>		<u>\$ 1,463,780</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, 2015

	Project Authorization	Actual		Total to Date	Variance Positive (Negative)
		Prior Years	Current Year		
Revenues					
Intergovernmental revenues:					
Investment earnings	\$ 3,000	\$ 52,719	\$ 3,375	\$ 56,094	\$ 53,094
Total revenues	3,000	52,719	3,375	56,094	53,094
Expenditures					
Purchase existing water systems	5,419,385	5,419,384	-	5,419,384	1
.75 MGD reverse osmosis water treatment	3,641,256	3,471,001	170,002	3,641,003	253
1.5 MG water storage	799,774	799,774	-	799,774	-
Piping/distribution lines	553,460	514,239	39,221	553,460	-
Carolina water wells	727,782	53,495	654,440	707,935	19,847
Paint existing tanks	199,140	199,139	-	199,139	1
Professional services	633,064	632,426	638	633,064	-
Total expenditures	11,973,861	11,089,458	864,301	11,953,759	20,102
Revenues under expenditures	(11,970,861)	(11,036,739)	(860,926)	(11,897,665)	73,196
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	5,711,043	5,577,844	11,043	5,588,887	(122,156)
Issuance of debt	8,500,000	8,500,000	-	8,500,000	-
Total other financing sources (uses)	11,970,861	11,837,662	11,043	11,848,705	(122,156)
Revenues and other sources over (under) expenditures	\$ -	\$ 800,923	\$ (849,883)	\$ (48,960)	\$ (48,960)

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, 2015

	2015			Variance	2014
	Original Budget	Final Budget	Actual	Positive (Negative)	Actual
Revenues:					
Charges for services:					
Administration	\$ -	\$ -	\$ 63,646	\$ -	\$ 63,646
Sewer charges	-	-	28,356	-	27,173
Tap fees	-	-	137,500	-	11,000
Total, sewer operating revenues	<u>325,476</u>	<u>325,476</u>	<u>229,502</u>	<u>(95,974)</u>	<u>101,819</u>
Nonoperating revenues:					
Insurance recovery	-	-	18,790	-	-
Interest earnings	-	-	574	-	458
Total nonoperating revenues	<u>-</u>	<u>18,790</u>	<u>19,364</u>	<u>574</u>	<u>458</u>
Total revenues	<u>325,476</u>	<u>344,266</u>	<u>248,866</u>	<u>(95,400)</u>	<u>102,277</u>
Other financing sources (uses):					
Transfer from Transfer tax capital fund	-	84,500	84,500	-	-
	-	84,500	84,500	-	-
Appropriated net assets	-	14,797	-	(14,797)	-
Total revenues, other financing sources and appropriated net assets	<u>325,476</u>	<u>443,563</u>	<u>333,366</u>	<u>(110,197)</u>	<u>102,277</u>
Expenditures:					
Administration:					
Telephone and postage	-	-	421	-	418
Administration	-	-	5,000	-	5,000
Supplies	-	-	8,650	-	14,925
Credit card fees	-	-	252	-	304
Dues and subscriptions	-	-	1,310	-	1,310
Software license fees	-	-	21	-	23
	<u>15,500</u>	<u>19,240</u>	<u>15,654</u>	<u>3,586</u>	<u>21,980</u>
Sewer treatment operations:					
Utilities	-	-	17,781	-	19,954
Data Transmission	-	-	456	-	418
Repairs and maintenance	-	-	14,208	-	4,481
Lab tests	-	-	9,105	-	9,305
Chemicals	-	-	19,245	-	8,010
Contracted services	-	-	47,231	-	24,321
Professional services	-	-	6,196	-	13,643
Total	<u>59,060</u>	<u>82,107</u>	<u>114,222</u>	<u>(32,115)</u>	<u>80,132</u>
Debt service:					
Interest and other charges	-	-	70,916	-	76,478
Debt principal	-	-	180,000	-	180,000
Total	<u>250,916</u>	<u>250,916</u>	<u>250,916</u>	<u>-</u>	<u>256,478</u>
Capital outlay	-	91,300	68,927	22,373	30,186
Total expenditures	<u>325,476</u>	<u>443,563</u>	<u>449,719</u>	<u>(6,156)</u>	<u>388,776</u>
Revenues over expenditures	<u>-</u>	<u>-</u>	<u>(116,353)</u>	<u>(116,353)</u>	<u>(286,499)</u>
Revenues and appropriated net position over (under) expenditures and other financing sources	<u>\$ -</u>	<u>\$ -</u>	<u>(116,353)</u>	<u>\$ (116,353)</u>	<u>(56,499)</u>
Reconciliation from budgetary basis (modified accrual) to full accrual:					
Capital outlay			68,927		30,186
Contributed capital			-		-
Debt principal			180,000		180,000
Depreciation			(313,912)		(311,614)
Change in net position			<u>\$ (181,338)</u>		<u>\$ (157,927)</u>

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County of Currituck, North Carolina
Agency Funds
Combining Statement of Changes in Assets and Liabilities
For the Fiscal Year Ended June 30, 2015

	Balance June 30 2014	Additions	Deductions	Balance June 30 2015
Social Services				
Assets:				
Cash and cash equivalents	\$ 8,835	\$ 99,244	\$ 100,281	\$ 7,798
Liabilities:				
Accounts Payable	\$ 8,835	\$ 96,932	\$ 97,969	\$ 7,798
Fines and Forfeitures				
Assets:				
Cash and cash equivalents	\$ (36)	\$ 222,112	\$ 222,076	\$ -
Due from other governments	19,711	18,275	19,711	18,275
Total assets	<u>\$ 19,675</u>	<u>\$ 240,387</u>	<u>\$ 241,787</u>	<u>\$ 18,275</u>
Liabilities:				
Due to other governments	<u>\$ 19,675</u>	<u>\$ 240,387</u>	<u>\$ 241,787</u>	<u>\$ 18,275</u>
Deed of Trust Fee				
Assets:				
Cash and cash equivalents	\$ 3,137	\$ 34,844	\$ 37,981	\$ -
Liabilities:				
Due to other governments	<u>\$ 3,137</u>	<u>\$ 39,029</u>	<u>\$ 42,166</u>	<u>\$ -</u>
Totals - All Agency Funds				
Assets:				
Cash and cash equivalents	\$ 11,936	\$ 356,200	\$ 360,338	\$ 7,798
Due from other governments	19,711	18,275	19,711	18,275
Total assets	<u>\$ 31,647</u>	<u>\$ 374,475</u>	<u>\$ 380,049</u>	<u>\$ 26,073</u>
Liabilities:				
Accounts payable	8,835	96,932	97,969	7,798
Intergovernmental payable	22,812	279,416	283,953	18,275
Total liabilities	<u>\$ 31,647</u>	<u>\$ 376,348</u>	<u>\$ 381,922</u>	<u>\$ 26,073</u>

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County of Currituck, North Carolina
General Fund
Schedule of Ad Valorem Taxes Receivable
June 30, 2015

Fiscal Year	Uncollected Balance June 30, 2014	Additions	Collections And Credits	Uncollected Balance June 30, 2015
2014-2015	\$ -	\$ 28,169,309 (a)	\$ 27,838,533 (b)	\$ 330,776 (c)
2013-2014	391,142	178	278,394	112,926
2012-2013	128,359	-	88,314	40,045
2011-2012	71,555	-	48,178	23,377
2010-2011	34,872	-	18,099	16,773
2009-2010	26,713	-	11,667	15,046
2008-2009	18,146	-	9,966	8,180
2007-2008	12,867	-	5,978	6,889
2006-2007	8,304	-	3,351	4,953
2005-2006	9,330	-	2,050	7,280
2004-2005	16,252	-	16,252	-
	717,540	28,169,487	28,320,782 (d)	566,245
Less: allowance for uncollectible accounts: General Fund				(17,205)
Ad valorem taxes receivable - net:				\$ 549,040
<u>Reconciliation with revenues:</u>				
Ad valorem taxes - General Fund				\$ 28,414,557
Reconciling items:				
Interest collected				(126,938)
Taxes written off				33,163
Total reconciling items				(93,775)
Total collections and credits				\$ 28,320,782 (d)

County of Currituck, North Carolina
Analysis of Current Tax Levy
County - wide Levy
For the Fiscal Year Ended June 30, 2015

	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	\$5,872,970,833	0.480	\$ 28,190,260	\$ 27,058,144	\$1,132,116
Penalties	-		21,714	21,714	-
Total	<u>5,872,970,833</u>		<u>28,211,974</u>	<u>27,079,858</u>	<u>1,132,116</u>
Discoveries:					
Current year taxes	143,885	0.480	691	691	-
Prior year taxes	82,771		338	338	-
Penalties	-		146	146	-
Total	<u>226,656</u>		<u>1,175</u>	<u>1,175</u>	<u>-</u>
Abatements	<u>(9,133,333)</u>		<u>(43,840)</u>	<u>(32,929)</u>	<u>(10,911)</u>
Total property valuation	<u>\$5,864,064,156</u>				
Net levy			28,169,309 (a)	27,048,104	1,121,205
Uncollected taxes at June 30, 2015			<u>330,776 (c)</u>	<u>330,776</u>	<u>-</u>
Current year's taxes collected			<u>\$27,838,533 (b)</u>	<u>\$ 26,717,328</u>	<u>\$1,121,205</u>
Current levy collection percentage			<u>98.83%</u>	<u>98.78%</u>	<u>100.00%</u>

County of Currituck, North Carolina
Analysis of Current Tax Levy
County - wide Levy
For the Fiscal Year Ended June 30, 2015

Secondary Market Disclosures:

Assessed Valuation:

Assessment Ratio ¹	100 %
Real Property	\$ 5,628,629,209
Personal Property	152,096,744
Public Service Companies ²	83,338,203
Total Assessed Valuation	\$ 5,864,064,156
Tax Rate per \$100	0.48
Levy (includes discoveries, releases and abatements) ³	\$ 28,169,309

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

Guinea Mill watershed improvement district	10,728
Hog Ditch watershed improvement district	1,257
Moyock watershed improvement district	17,063
Northwest watershed improvement district	2,681
Whalehead solid waste district	876,474
Whalehead watershed improvement district	141,367
Ocean Sands water and sewer district	229,111
Moyock Commons sewer district	88,427
Total	\$ 29,536,417

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, 2015

Taxpayer	Type of Business	2014 Assessed Valuation	Percentage of Total Assessed Valuation
Dominion Power	Utility	\$ 68,546,777	1.22 %
Coastland Properties I LLC	Land Development	22,087,200	0.39
Harrison Inn Corolla LLC	Hotel	19,773,639	0.35
Coastland Corporation	Land Development	17,117,900	0.30
Pine Island Properties LLC	Land Development	13,733,705	0.24
Corolla Bay LLC	Land Development	10,650,100	0.19
Carolina Telephone & Telegraph Co	Utility	9,175,421	0.16
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	7,708,039	0.14
Total		<u>\$ 185,202,381</u>	<u>3.28 %</u>

County of Currituck, North Carolina
Emergency Telephone System Unspent Balance
PSAP Reconciliation
June 30, 2015

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	\$ 21,538
Beginning Balance, PSAP Revenue-Expenditure Report	<u>476,667</u>
Ending Balance, PSAP Revenue-Expenditure Report	<u><u>\$ 498,205</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									
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Governmental activities										
Net investment in capital assets	\$ 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	\$ 103,521,339
Restricted	-	-	-	-	-	15,397,965	12,362,081	18,056,879	21,530,373	21,700,488
Unrestricted	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	19,081,705
Total governmental activities net position	<u>\$ 102,438,456</u>	<u>\$ 113,602,897</u>	<u>\$ 118,568,956</u>	<u>\$ 122,550,171</u>	<u>\$ 122,291,625</u>	<u>\$ 125,663,633</u>	<u>\$ 130,420,968</u>	<u>\$ 136,045,469</u>	<u>\$ 139,361,153</u>	<u>\$ 144,303,532</u>
Business-type activities										
Net investment in capital assets	\$ 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	\$ 31,801,937
Unrestricted	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	11,857,259
Total business-type activities net position	<u>\$ 29,046,157</u>	<u>\$ 31,891,794</u>	<u>\$ 34,014,648</u>	<u>\$ 35,405,601</u>	<u>\$ 36,228,736</u>	<u>\$ 36,953,022</u>	<u>\$ 42,438,447</u>	<u>\$ 42,902,153</u>	<u>\$ 42,792,818</u>	<u>\$ 43,659,196</u>
Primary government										
Net investment in capital assets	\$ 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	\$ 135,323,276
Restricted	-	-	-	-	-	15,397,965	12,362,081	18,056,879	21,530,373	21,700,488
Unrestricted	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	30,938,964
Total governmental activities net position	<u>\$ 131,484,613</u>	<u>\$ 145,494,691</u>	<u>\$ 152,583,604</u>	<u>\$ 157,955,772</u>	<u>\$ 158,520,361</u>	<u>\$ 162,616,655</u>	<u>\$ 172,859,415</u>	<u>\$ 178,947,622</u>	<u>\$ 182,153,971</u>	<u>\$ 187,962,728</u>

Schedule 2

Currituck County, North Carolina
Changes in Net Position

(accrual basis of accounting)

	Fiscal Year									
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Expenses										
Governmental activities:										
General government	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	6,716,864
Public safety	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	19,371,231
Transportation	791,450	576,920	1,379,504	751,195	783,800	1,726,573	1,222,468	1,079,075	1,000,818	884,955
Economic and physical development	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	1,401,180
Environmental protection	238,502	303,871	385,879	390,630	568,900	424,447	385,902	3,174,699	8,490,835	6,735,282
Human services	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	4,551,724
Cultural and recreation	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	2,945,656
Education	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	11,099,664
Interest on long-term debt	354,100	325,600	418,693	492,453	449,982	456,783	359,601	364,671	290,717	196,630
Total governmental activities expenses	<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>	<u>\$ 53,903,186</u>
Business-type activities:										
Solid Waste	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	4,256,648
Water and Sewer	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	8,528,166
Total business-type activities expenses	<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>	<u>12,784,814</u>
Total primary government expenses	<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>	<u>\$ 66,688,000</u>
Program Revenues										
Governmental activities:										
Charges for services:										
General government	596,957	610,955	523,617	732,634	953,864	960,242	1,406,215	2,007,829	1,500,025	1,377,621
Public safety	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	1,788,900
Transportation	109,221	282,624	299,781	331,208	300,395	400,314	444,744	487,746	461,021	357,148
Economic and physical development	95,206	25,450	93,122	-	18,570	16,878	37,641	99,060	85,482	-
Environmental protection	5,100	-	-	-	-	-	9,400	80,039	-	86,965
Human services	-	-	-	16,314	-	-	-	-	-	4,408
Cultural and recreation	35,771	48,593	39,457	59,983	60,577	188,356	66,700	95,097	72,376	70,492
Operating grants and contributions:										
General government	11,715	898,407	433,683	9,392	854,484	40,909	316,482	-	154,237	187,442
Public safety	458,277	399,120	284,580	388,608	495,545	238,506	810,366	187,756	458,824	564,997
Transportation	-	-	262,251	-	-	-	-	-	-	-
Economic and physical development	-	85,302	141,865	40,000	-	-	16,020	33,904	13,547	26,760
Environmental protection	-	27,965	40,683	16,365	56,690	-	32,282	-	273,267	-
Human services	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	2,464,702
Cultural and recreation	-	21,826	21,345	-	28,098	-	22,978	-	27,206	4,170
Education	-	-	-	-	-	-	-	-	-	-
Capital grants and contributions:										
General government	147,671	-	-	-	-	-	-	-	-	-
Public safety	186,000	-	-	-	-	-	27,636	2,520	41,714	207,170
Transportation	139,590	888,757	722,136	740,232	-	1,016,192	682,120	476,612	73,511	98,700
Economic and physical development	80,000	-	-	-	-	-	5,000	500,696	77,500	10,000
Environmental protection	112,755	-	-	-	-	10,650	-	-	-	199,869
Human services	4,577	-	-	-	-	-	-	-	-	-
Cultural and recreation	-	-	-	-	294,155	288,824	158,156	53,020	50,000	750,000
Education	620,980	-	660,325	756,356	-	219,962	-	398,560	270,000	240,000
Total governmental activities program revenues	<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>	<u>8,439,344</u>

	Fiscal Year									
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Business-type activities:										
Charges for services:										
Solid Waste	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	2,756,440
Water and Sewer	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	9,183,083
Operating grants and contributions:										
Solid Waste	1,961,452	1,992,464	139,856	45,481	57,113	67,716	75,477	55,392	26,860	39,024
Water and Sewer	141,663	39,710	1,046	-	-	940	-	113,475	48,984	12,544
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>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>	<u>11,991,091</u>
Total primary government program revenues	<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>	<u>\$ 20,430,435</u>
Net (Expense)/Revenue										
Governmental activities	\$ (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)	\$ (45,463,842)
Business-type activities	<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>	<u>(793,723)</u>
Total primary government net expense	<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>	<u>\$ (46,257,565)</u>
General Revenues and Other Changes in Net Position										
Governmental activities:										
Property taxes	\$ 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	\$ 28,264,857
Intergovernmental	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	24,835,248
Investment earnings	2,459,638	3,475,928	3,795,801	2,141,772	678,816	806,637	537,109	327,131	357,310	386,405
Miscellaneous	92,859	-	-	-	-	-	-	-	-	337,425
Loss on disposal/sale of capital assets	-	-	(22,271)	-	-	-	-	(99,618)	-	(12,662)
Special item	-	-	-	-	(324,419)	-	-	-	-	-
Transfers	(219,040)	(281,367)	(1,742,239)	(1,713,400)	(2,297,456)	(1,436,268)	(677,943)	(900,461)	(600,000)	(1,180,187)
Total governmental activities	<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>	<u>52,631,086</u>
Business-type activities:										
Property taxes	-	-	57,943	109,907	138,053	135,889	131,174	116,393	363,067	315,580
Investment earnings	468,355	672,453	746,480	427,232	148,173	176,875	133,045	115,260	83,032	73,409
Miscellaneous	-	-	-	-	-	-	-	-	-	196,289
Loss on disposal/sale of capital assets	-	-	(6,619)	-	-	-	-	(11,036)	-	3,710
Special item	-	-	-	-	-	-	5,498,458	-	-	-
Transfers	219,040	281,367	1,742,239	1,713,400	2,297,456	1,436,268	677,943	900,461	600,000	1,180,187
Total business-type activities	<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>	<u>1,769,175</u>
Total primary government	<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>	<u>\$ 54,400,261</u>
Change in Net Position										
Governmental activities	\$ 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	\$ 7,167,244
Business-type activities	<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>	<u>975,452</u>
Total primary government	<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>	<u>\$ 8,142,696</u>

Schedule 3

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

	Fiscal Year									
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
General Fund										
Reserved	3,274,084	2,582,266	2,561,068	1,761,527	2,148,111	-	-	-	-	-
Unreserved	24,165,647	21,068,742	22,509,248	8,854,501	6,419,039	-	-	-	-	-
Nonspendable	-	-	-	-	-	982	832	1,257	809	2,067
Restricted	-	-	-	-	-	4,398,634	2,897,830	3,893,453	5,627,104	5,468,650
Committed	-	-	-	-	-	23,214,936	1,132,486	558,516	720,664	497,191
Assigned	-	-	-	-	-	3,794,562	3,526,932	3,457,216	3,078,429	2,802,212
Unassigned	-	-	-	-	-	1,859,873	2,470,171	2,184,656	1,657,309	4,601,431
Total General Fund	<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>	<u>\$ 13,371,551</u>
All Other Governmental Funds										
Reserved	744,618	769,510	1,220,692	715,021	941,130	-	-	-	-	-
Unreserved										
Designated										
Special revenue funds	2,365,459	2,195,443	1,770,885	10,006,848	9,768,088	-	-	-	-	-
Capital project funds	39,038,133	42,182,550	33,655,022	33,931,204	36,934,559	-	-	-	-	-
Nonspendable	-	-	-	-	-	-	-	-	-	11,685
Restricted	-	-	-	-	-	10,999,331	12,749,770	20,971,606	23,082,400	25,046,486
Committed	-	-	-	-	-	1,704,999	28,090,589	14,086,564	13,186,791	15,735,865
Assigned	-	-	-	-	-	1,894,695	279,105	1,137,613	1,069,114	1,827,078
Unassigned	-	-	-	-	-	5,445,286	33,140	-	-	-
Total all other governmental funds	<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>	<u>\$ 42,621,114</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									
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Revenues										
Ad valorem taxes	\$ 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	\$ 29,470,592
Other taxes and licenses	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	23,945,444
Unrestricted intergovernmental	369,270	380,293	355,499	304,553	237,490	237,129	148,006	138,398	154,237	162,807
Restricted intergovernmental	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	4,778,513
Permits and fees	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	2,452,641
Sales and services	386,698	530,740	648,891	652,366	612,201	617,213	803,419	781,993	841,435	621,183
Investment earnings	2,459,527	3,475,928	3,795,801	2,158,155	678,816	806,637	537,109	327,131	357,310	386,404
Miscellaneous	113,654	205,215	102,892	934,262	661,855	346,796	558,250	639,866	560,334	576,849
Total revenues	<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>	<u>62,394,433</u>
Expenditures										
General government	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	5,742,412
Public safety	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	19,047,590
Transportation	884,938	1,049,293	1,077,529	4,081,199	624,425	2,236,988	958,277	1,040,638	522,626	570,173
Environmental protection	255,142	302,508	373,132	384,871	1,858,626	598,363	1,408,739	3,150,732	2,021,474	823,289
Economic and physical development	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	6,604,716
Human services	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	4,513,935
Cultural and recreation	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	2,749,701
Education	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	11,099,664
Capital outlay	-	-	-	-	-	-	-	-	-	-
Debt service	-	-	-	-	-	-	-	-	-	-
Debt issuance cost	-	-	-	-	-	-	-	-	-	-
Principal	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	2,296,344
Interest	354,100	325,600	418,693	492,453	449,982	456,783	359,601	364,671	290,717	196,377
Total expenditures	<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>	<u>53,644,201</u>
Excess of revenues over (under) expenditures	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	8,750,232
Other Financing Sources (Uses)										
Bonds issued	-	-	-	-	-	-	-	-	-	-
Refunding bonds issued	-	-	-	-	-	-	-	-	-	-
Premium on debt issued	-	-	-	-	-	-	-	-	-	-
Payments to escrow agent	-	-	-	-	-	-	-	-	-	-
Transfers in	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	11,469,373
Transfers out	(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)	(12,649,560)
Installment purchase proceeds	-	-	8,000,000	3,271,375	2,100,000	-	6,800,000	3,800,000	-	-
Total other financing sources (uses)	<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>	<u>\$ (1,180,187)</u>
Net change in fund balances	\$ 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	\$ 7,570,045
Debt service as a percent of noncapital expenditures	3.11%	2.28%	4.64%	6.93%	6.88%	7.11%	5.98%	6.56%	8.31%	5.67%

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					
2006	\$ 5,324,828,115	\$ 1,830,395,901	\$ 227,537,047	\$ 146,887,271	\$ 11,593,386	\$ 7,518,054,948	0.320	\$ 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	0.320	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	0.320	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	0.320	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	0.320	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	0.320	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	0.320	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	0.320	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	0.485	5,667,042,041	98.21%
2015	5,218,928,257	274,151,645	235,857,500	152,012,794	16,886,040	5,864,064,156	0.480	6,229,160,254	94.14%

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)

	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
County Direct Rates										
General	0.320	0.320	0.320	0.320	0.320	0.320	0.320	0.320	0.485	0.480
<u>Overlapping Rates</u> ¹										
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	0.010
Moyock Watershed Improvement District	0.015	0.015	0.015	0.015	0.015	0.015	0.015	0.015	0.015	0.015
Northwest Watershed Improvement District	0.020	0.020	0.020	0.020	0.020	0.020	0.020	0.020	0.020	0.020
Whalehead Watershed Improvement District	0.025	0.010	0.040	0.040	0.040	0.040	0.090	0.090	0.155	0.155
Whalehead Beach Solid Waste Collection & Disposal Service District	-	-	-	-	-	-	0.015	0.015	0.025	0.025
Ocean Sands Water and Sewer District	0.015	-	-	-	-	-	-	-	0.050	0.050
Moyock Commons Sewer District	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 2015			Fiscal Year 2005		
		Assessed Value	Rank	Percentage of Total County Taxable Assessed Value	Assessed Value	Rank	Percentage of Total County Taxable Assessed Value
Dominion Power	Utility	\$ 68,546,777	1	1.22%	\$ 52,423,833	3	0.68%
Coastland Properties 1, LLC	Land Development	22,087,200	2	0.39%	75,094,000	2	0.97%
Harrison Inn Corolla LLC	Hotel	19,773,639	3	0.35%			
Coastland Corporation	Land Development	17,117,900	4	0.30%	49,484,631	4	0.64%
Pine Island Properties LLC	Land Development	13,733,705	5	0.24%			
Corolla Bay LLC	Land Development	10,650,100	6	0.19%			
Carolina Telephone	Utility	9,175,421	7	0.16%			
Currituck Assoc Golf Partnership	Land Development	8,319,500	8	0.15%			
Fincher Patrick Weir LLC	Real Estate Investor	8,090,100	9	0.14%			
Monteray Plaza LLC	Real Estate Investor	7,708,039	10	0.14%			
Turnpike Properties	Land Development				115,892,379	1	1.50%
Beach Mar IV LLC	Land Development				19,484,631	5	0.25%
Lane, Kimberly H	Real Estate Investor				14,890,051	6	0.19%
Currituck Assoc Residential Partners	Land Development				14,093,564	7	0.18%
Tudor, John B	Real Estate Investor				12,046,125	8	0.16%
Johnson, James E, Jr.	Real Estate Investor				10,608,449	9	0.14%
Schaeffer, Forrest	Real Estate Investor				9,212,010	10	0.12%
Total		\$ 185,202,381		3.28%	\$ 373,229,673		4.83%

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			Collected within the Fiscal Year of the Levy		Total Collections to Date		
	(Original Levy)	Adjustments	Total Adjusted Levy	Amount	Percentage of Original Levy	Collections in Subsequent Years	Amount	Percentage of Adjusted Levy
2006	24,979,301	(151,120)	24,828,181	24,362,825	97.53%	458,076	24,820,901	99.96%
2007	25,399,676	(103,579)	25,296,097	24,940,030	98.19%	351,114	25,291,144	99.96%
2008	26,009,032	(214,011)	25,795,021	25,322,859	97.36%	465,273	25,788,132	99.95%
2009	26,235,228	(49,467)	26,185,761	25,209,211	96.09%	968,370	26,177,581	99.93%
2010	26,378,391	(42,450)	26,335,941	25,734,726	97.56%	586,169	26,320,895	99.89%
2011	26,474,753	(48,831)	26,425,922	25,941,806	97.99%	467,343	26,409,149	99.87%
2012	26,651,481	(41,274)	26,610,207	26,145,212	98.10%	441,618	26,586,830	99.74%
2013	26,855,308	(75,114)	26,780,194	26,371,383	98.20%	368,766	26,740,149	99.51%
2014	28,242,743	(73,278)	28,169,465	27,778,323	98.36%	278,216	28,056,539	98.61%
2015	28,211,974	(42,665)	28,169,309	27,838,533	98.68%	-	27,838,533	98.83%

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					
2006	7,770,000	-	3,445,000	-	7,658,149	18,873,149	2.57%	0.25%	\$ 476	\$ 800
2007	6,840,000	-	3,195,000	-	6,748,170	16,783,170	2.09%	0.22%	\$ 423	\$ 707
2008	5,920,000	6,852,575	2,935,000	19,000,000	5,806,155	40,513,730	4.88%	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	4.70%	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	4.36%	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	3.64%	0.40%	\$ 971	\$ 1,357
2012	2,425,000	11,021,610	1,805,000	17,015,000	10,775,000	43,041,610	4.90%	0.53%	\$ 899	\$ 1,820
2013	1,575,000	12,308,528	1,490,000	16,475,000	9,745,000	41,593,528	4.47%	0.51%	\$ 797	\$ 1,697
2014	730,000	9,501,548	1,160,000	15,915,000	8,715,000	36,021,548	3.87%	0.65%	\$ 730	\$ 1,476
2015	-	7,935,456	815,000	15,330,000	7,685,000	31,765,456	3.28%	0.54%	\$ 644	\$ 1,267

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

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Assessed Value of Property	\$ 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	\$ 5,864,064,156
Debt Limit, 8% of Assessed Value (Statutory Limitation)	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	469,125,132
Amount of Debt Applicable to Limit										
General Obligation Bonds	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	815,000
Revenue Bonds	-	-	19,000,000	18,500,000	18,025,000	17,525,000	17,015,000	16,475,000	15,915,000	15,330,000
Installment Purchase Agreements	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	15,620,456
Less: General Obligation Bonds paid from Enterprise Funds	(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)	(815,000)
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)	(15,330,000)
Total net debt applicable to limit	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	15,620,456
Legal Debt Margin	<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>	<u>\$ 453,504,676</u>
Total net debt applicable to the limit as a percentage of debt limit	0.20%	0.17%	0.24%	0.22%	0.20%	0.15%	0.29%	0.29%	0.34%	0.27%

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	6/30/15
REVENUES								
Water Sales	\$ 2,479,589	\$ 2,724,425	\$ 2,617,547	\$ 2,624,282	\$ 2,583,481	\$ 2,783,856	\$ 2,740,701	\$ 2,911,883
Water Impact Fees	193,300	336,500	183,500	361,916	199,000	291,013	405,200	595,091
	<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>	<u>\$ 3,506,974</u>
Reconnection Fees	\$ 26,530	\$ 48,530	\$ 47,540	\$ 50,050	\$ 57,685	\$ 55,350	\$ 52,375	\$ 50,355
Penalties	61,127	72,596	76,446	79,052	86,945	75,114	85,169	81,887
Sale of materials	-	24,595	2,684	16,246	14,245	60,099	15,860	30,038
Other	-	-	-	-	-	-	-	100
Investment Earnings	200,131	26,209	5,302	12,253	8,366	7,690	9,756	11,738
	<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>	<u>\$ 174,118</u>
TOTAL REVENUES	\$ 2,960,677	\$ 3,232,855	\$ 2,933,019	\$ 3,143,799	\$ 2,949,722	\$ 3,273,122	\$ 3,309,061	\$ 3,681,092
EXPENSES								
Personnel	\$ 585,721	\$ 627,810	\$ 610,789	\$ 665,592	\$ 657,654	\$ 647,997	\$ 630,832	\$ 124,799
Operations	862,531	805,505	673,669	639,345	616,171	786,119	636,330	1,287,061
Capital Outlay	121,959	50,677	114,542	-	35,130	168,605	80,010	228,944
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	\$ 1,640,804
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	\$ 2,040,288
2008 Water Revenue Bonds	-	500,000	475,000	500,000	510,000	540,000	560,000	585,000
Interest: 2008 Revenue Bonds	-	736,035	756,650	737,223	716,773	695,914	673,828	599,609
TOTAL SENIOR DEBT	\$ -	\$ 1,236,035	\$ 1,231,650	\$ 1,237,223	\$ 1,226,773	\$ 1,235,914	\$ 1,233,828	\$ 1,184,609
2004 General Obligation Bond Refunding	\$ 260,000	\$ 265,000	\$ 275,000	\$ 285,000	\$ 305,000	\$ 315,000	\$ 330,000	\$ 345,000
Interest: 2004 General Obligation Bond Refunding	131,784	123,985	116,035	105,035	90,785	75,535	59,785	46,585
TOTAL SUBORDINATE DEBT	\$ 391,784	\$ 388,985	\$ 391,035	\$ 390,035	\$ 395,785	\$ 390,535	\$ 389,785	\$ 391,585
MINIMUM 1.15 SENIOR DEBT COVERAGE	\$ -	\$ 1,421,440	\$ 1,416,398	\$ 1,422,806	\$ 1,410,789	\$ 1,421,301	\$ 1,418,902	\$ 1,362,300
MINIMUM 1.00 SUBORDINATE DEBT COVERAGE	\$ 391,784	\$ 388,985	\$ 391,035	\$ 390,035	\$ 395,785	\$ 390,535	\$ 389,785	\$ 391,585
SENIOR DEBT SERVICE COVERAGE	N/A	1.41	1.25	1.49	1.34	1.35	1.59	1.72
SUBORDINATE DEBT SERVICE COVERAGE	3.55	1.32	0.77	1.54	1.05	1.11	1.87	2.19
TOTAL DEBT SERVICE COVERAGE	3.55	1.08	0.95	1.13	1.01	1.03	1.21	1.29

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
2006	23,580	734,296	32,033	4,156	2.40%
2007	23,731	801,923	34,542	4,120	2.80%
2008	23,773	829,566	35,485	4,070	3.60%
2009	25,305	836,773	35,859	3,961	6.20%
2010	23,547	843,783	35,676	3,913	4.90%
2011	23,602	879,091	36,741	4,175	5.60%
2012	23,644	933,022	38,727	3,923	4.70%
2013	24,506	930,872	38,129	4,014	5.80%
2014	24,397	968,064	38,760	3,871	5.60%
2015	25,072	*	*	*	5.70%

* Information not yet available

** Projected

Sources:

^a North Carolina Department of Commerce

^b Currituck County Board of Education

^c Bureau of Labor Statistics

^d Bureau of Economic Analysis

Schedule 13

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

Function	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
General government	52.50	53.50	56.60	58.00	58.00	59.00	59.00	62.00	62.00	72.00
Public safety	162.42	164.92	181.92	189.92	189.92	189.92	189.92	188.92	192.92	192.67
Transportation	1.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	1.40
Environmental protection	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00
Community development	28.42	28.42	27.42	25.42	24.00	24.00	24.00	22.00	22.00	23.00
Cultural & recreation	14.15	17.60	12.85	16.85	19.10	19.10	19.10	19.60	19.60	19.48
Human services	43.00	42.75	43.75	42.75	42.75	42.75	42.75	41.75	41.75	41.75
Proprietary operations	20.00	20.00	22.00	22.00	23.00	23.00	26.00	28.00	28.00	25.00
	323.49	331.19	348.54	358.94	360.77	361.77	364.77	366.27	370.27	377.30

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

Source: Currituck County Budget

Schedule 14

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

<u>Employer</u>	<u>2015</u>		<u>2008</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	349	2
Coastal Staffing	100-249	4	----	
Sentara Internal Medicine Physician	100-249	5	100-249	7
Food Lion LLC	100-249	6	100-249	4
Twiddy & Co. of Duck Inc.	50-99	7	50-99	10
Southland Trade Corp.	50-99	8	50-99	8
Corolla Classic Vacations	50-99	9	100-249	6
Hardee's	50-99	10	----	
Presidential Airways	----		100-249	3
EP Management Services	----		100-249	5
Sun Realty	----		50-99	9
Total	<u>1870-3511</u>		<u>1499-2890</u>	

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

Schedule 15
Currituck County, North Carolina
Operating Indicators by Function

Function	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Governmental Activities:										
Public Safety										
Law Enforcement ¹										
Deputies	59	59	59	63	63	63	63	63	63	63
Emergency Medical Services ²										
Emergency Medical Technicians	55	56	71	71	72	72	72	73	76	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	10	10	10	10	10	10	10
Teachers	346	314	315	295	264	264	260	238	248	245
Student Enrollment	4,156	4,120	4,070	3,961	3,913	4,175	4,175	4,014	3,871	3,923
SAT Scores	1,502a	1,466	1,465	1,459	1,414	1,471	1,440	1,434	1,445	1,504
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	N/A
Residential sewer customers	*	24	28	28	27	27	27	27	27	N/A
Commercial sewer customers	*	-	1	1	1	1	1	1	1	N/A
Maple Commerce Park Sewer ⁵										
Treatment capacity (MGD)	*	*	*	*	*	*	*	0.080	0.080	0.080
Annual engineering maximum plant capacity (millions of gallons)	*	*	*	*	*	*	*	0.080	0.080	0.080
Amount treated annually (millions of gallons)	*	*	*	*	*	*	*	1.880	1.880	1.540
Unused capacity (millions of gallons)	*	*	*	*	*	*	*	0.750	0.750	0.075
Percentage of capacity utilized	*	*	*	*	*	*	*	6.00%	6.00%	5.20%
Number of residential customers	*	*	*	*	*	*	*	-	-	-
Number of commercial customers	*	*	*	*	*	*	*	7	8	8
Moyock Commons Sewer ⁵										
Treatment capacity (MGD)	*	0	0.040	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	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	N/A
Number of residential customers	*	-	-	-	-	-	-	-	-	N/A
Number of commercial customers	*	23	21	23	23	25	25	25	23	N/A
Moyock Regional Sewer ⁵										
Treatment capacity (MGD)	*	*	*	*	*	*	*	0	0.099	0.099
Annual engineering maximum plant capacity (millions of gallons)	*	*	*	*	*	*	*	0	0.099	0.099

continued

Amount treated annually (millions of gallons)	*	*	*	*	*	*	*	*	4.790	4.267
Unused capacity (millions of gallons)	*	*	*	*	*	*	*	*	0.086	0.087
Percentage of capacity utilized	*	*	*	*	*	*	*	*	13.00%	12.00%
Number of residential customers	*	*	*	*	*	*	*	*	-	25
Number of commercial customers	*	*	*	*	*	*	*	*	8	32
Walnut Island Sewer ⁵										
Treatment capacity (MGD)	*	*	*	*	*	*	0	0.120	0.120	0.120
Annual engineering maximum plant capacity (millions of gallons)	*	*	*	*	*	*	0	0.120	0.120	0.120
Amount treated annually (millions of gallons)	*	*	*	*	*	*	6.49	4.94	4.84	2.73
Unused capacity (millions of gallons)	*	*	*	*	*	*	0	0.098	0.106	0.112
Percentage of capacity utilized	*	*	*	*	*	*	0	18.00%	11.00%	6.00%
Number of residential customers	*	*	*	*	*	*	257	253	264	258
Number of commercial customers	*	*	*	*	*	*	-	-	-	-
Southern Outer Banks Water ⁵										
Average daily usage (in 1,000 gallons)	*	240	615	333	437	555	668	623	595	672
Water storage capacity (MGD)	*				2	1,500	4,200	4,200	4,200	4,200
Number of water pumping stations	*				1	1	5	5	5	5
Number of residential customers	*	1,181	1,179	1,179	1,183	1,217	3,764	2,905	2,758	2,805
Number of commercial customers	*	2	2	20	22	23	200	197	202	179
Ocean Sands Water and Sewer ⁵										
Average daily water usage (in 1,000 gallons)	*	160	180	171	190	189	166	166	161	153
Water storage capacity (MGD)	*	0	0.150	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	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	0.600
Amount sewer treated annually (millions of gallons)	*	*	*	*	57	59	61	61	59	63
Unused sewer capacity (millions of gallons)	*	*	*	*	0	0.100	0.433	0.433	0.438	0.428
Percentage of sewer capacity utilized	*	*	*	*	1	83.33%	27.85%	27.85%	27.00%	28.60%
Number of residential water customers	*	954	954	955	954	957	959	975	978	994
Number of commercial water customers	*	-	-	8	8	8	8	8	8	8
Number of residential sewer customers	*	953	954	955	954	957	959	975	978	994
Number of commercial sewer customers	*	-	-	8	8	8	8	8	8	8
Mainland Water ⁵										
Water storage capacity (MGD)	*	*	*	*	4	3,600	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	5,253
Commercial water customers	*	*	397	374	385	385	394	394	417	394
Solid Waste ⁶										
Total number of households served	13,217	13,813	14,176	14,192	14,192	14,362	14,469	14,516	14,624	14,814
Total tonnage disposed	34,878	31,374	26,300	26,977	24,602	22,536	22,531	24,576	20,013	22,231
Recycling Program:										
Households served by program	13,217	13,813	14,176	14,192	14,192	14,362	14,469	14,516	14,624	14,814
Tonnage recovered	1,392	1,516	1,713	1,725	1,849	2,186	2,869	2,540	3,368	2,778
Mulching/composting program										
Households served by program	13,217	10,097	10,462	10,477	10,477	14,362	14,469	14,516	14,624	14,814
Tonnage recovered	1,323	1,746	1,023	1,055	1,335	1,405	2,869	1,206	870	1,076
Total cost of solid waste program	\$ 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	\$ 3,893,336
Cost per household	\$ 304	\$ 377	\$ 337	\$ 344	\$ 378	\$ 261	\$ 270	\$ 274	\$ 259	\$ 256
Cost per ton - includes recycling & mulch/compost	\$ 107	\$ 110	\$ 121	\$ 121	\$ 143	\$ 143	\$ 138	\$ 140	\$ 156	\$ 149

Sources:

- ¹Currituck County Sheriff's Department
- ²Currituck County Emergency Medical Services Department
- ³NC Department of Commerce
- ⁴Currituck County Schools
- ⁵Currituck County Utilities Department
- ⁶Currituck County Public Works Department
- ⁷The SAT scores include a new writing test this year.
- *Data not available

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

Function	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Governmental Activities:										
General Government										
Buildings ³	54	54	57	58	61	61	61	61	65	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	11	11	11	11	11	11	11	11	11	11
Cultural and Recreation										
Libraries	2	2	2	2	3	3	3	3	3	3
Parks	2	2	2	3	3	3	3	3	3	3
Community Recreation Facility	-	-	-	-	-	-	1	1	1	1
Enterprise Activities:										
Newtown Road Sewer ⁴										
Miles of sewer lines	*	1	1	1	1	1	1	1	1	1
Number of treatment plants	*	1	1	1	1	1	1	1	1	1
Maple Commerce Park Sewer ⁴										
Miles of sewer lines	*	*	*	*	*	*	1	1.4	1.4	1.4
Number of treatment plants	*	*	*	*	*	*	1	1	1	1
Moyock Commons Sewer ⁴										
Miles of sewer lines	*	1	1	1	1	4	8	6.9	6.9	6.9
Number of treatment plants	*	1	1	1	1	1	1	1	1	1
						62				
Moyock Regional Sewer ⁴										
Miles of sewer lines	*	*	*	*	*	*	*	1	1.2	1.2
Number of treatment plants	*	*	*	*	*	*	*	1	1	1
						62				
Walnut Island Sewer ⁴										
Miles of sewer lines	*	*	*	*	*	2	4	3.6	3.6	3.6
Number of treatment plants	*	*	*	*	*	2	1	1	1	1
						22				
Southern Outer Banks Water ⁴										
Miles of water lines	*	27	27.07	27.07	27.57	41.75	75.00	75.00	75.00	75.00
Number of water wells	*	47	47	47	47	28	113	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	11.09
Miles of sewer lines	*	12	12.40	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	1
Mainland Water ⁴										
Miles of water lines	*	*	*	*	261	261	261	262	262	262
Number of water wells	*	*	*	*	31	31	31	31	31	31
Number of water pumping stations	*	*	*	*	7	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*

Independent Auditor's Report

To the Board of County Commissioners
Currituck County, North Carolina

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the County of Currituck, North Carolina, as of and for the year ended June 30, 2015, and the related notes to the financial statements, which collectively comprises the County of Currituck's basic financial statements, and have issued our report thereon dated December 3, 2015. Our report includes a reference to other auditors who audited the financial statements of the Currituck County ABC Board and the Whalehead Preservation Trust and the Currituck Wildlife Museum, as described in our report on the County of Currituck's financial statements. This report does not include the results of the other auditors' testing of internal control over financial reporting or compliance and other matters that are reported separately by those auditors. The financial statements of the Currituck County ABC Board and the Whalehead Preservation Trust and the Currituck Wildlife Museum were not audited in accordance with *Government Auditing Standards*.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the County of Currituck's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances 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. Accordingly, we do not express an opinion on the effectiveness of the County's internal control.

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 entity's financial statements will not be prevented, or detected and corrected on a timely basis. A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

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 that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify

any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the County of Currituck's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, 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 or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the result of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Carr, Riggs & Ingram LLC

New Bern, NC

December 3, 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

Independent Auditor's Report

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, 2015. 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, 2015.

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
December 3, 2015



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

Independent Auditor's Report

To the Board of County Commissioners
Currituck County, North Carolina

Report on Compliance for Each Major State Program

We have audited the County of Currituck, North Carolina, compliance with the types of compliance requirements described in the *Audit Manual for Governmental Auditors in North Carolina*, issued by the Local Government Commission, that could have a direct and material effect on each of the County of Currituck's major state programs for the year ended June 30, 2015. The County of Currituck's major state programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

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

Auditor's Responsibility

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

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

Opinion on Each Major State Program

In our opinion, the County of Currituck complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major state programs for the year ended June 30, 2015.

Report on Internal Control Over Compliance

Management of the County of Currituck is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the County of Currituck's internal control over compliance with the types of requirements that could have a direct and material effect on a major state program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing our opinion on compliance for each major state program and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the 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 state program on a timely basis. A material weakness in internal control over compliance is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a state program will not be prevented, or detected and corrected, on a timely basis. A significant deficiency in internal control over compliance is a deficiency, or combination of deficiencies, in internal control over compliance with a type of compliance requirement of a state program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

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

Carr, Riggs & Ingram LLC

New Bern, NC
December 3, 2015

CURRITUCK COUNTY, NORTH CAROLINA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the Fiscal Year Ended June 30, 2015

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

Any audit findings disclosed that are required to be reported in accordance with Section 510(a) of Circular A-133 _____ yes __X__ no

Identification of major federal programs:

CFDA Numbers	Names of Federal Program or Cluster
93.778	Medical Assistance Program
93.558 93.596 93.575 93.658	Child Care Cluster

Dollar threshold used to distinguish between Type A and Type B Programs \$422,430

Auditee qualified as low-risk auditee? yes no

State Awards

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

Internal control over major State programs

- Material weakness(es) identified? yes no
- Significant deficiencies identified that are not considered to be material weaknesses yes none reported

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

Identification of major State programs:

Program Name

DOT-18 – Industrial construction

Section II Financial Statement Findings

None Reported

Section III Federal Award Findings and Questioned Costs

None Reported

Section IV State 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, 2015

GRANTOR, PASS THROUGH GRANTOR PROGRAM TITLE	CFDA	AMOUNT EXPENDED		COUNTY
		FEDERAL	STATE	
FEDERAL AWARDS -				
U.S. Department of Agriculture				
North Carolina Department of Health Human Resources: Division of Social Services				
Food Stamps Administrative Match for the Supplemental Nutrition Assistance Program	10.561	162,591	-	-
Total U.S. Department of Agriculture		<u>162,591</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	183,998	-	-
Total U.S. Department of Housing and Urban Development		<u>183,998</u>	<u>-</u>	<u>-</u>
U.S. Department of Transportation				
Passed through NC Department of Transportation				
Construction Grant	20.106	22,621	-	-
Airport Improvements	20.106	98,351	-	-
Total U.S. Department of Transportation		<u>120,972</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	55,871	-	-
TANF	93.558	43,847	-	-
TANF - Work First	93.558	243,840	-	-
Low Income Home Energy Assistance				
Administration	93.568	10,522	-	-
Direct Payments	93.568	79,200	-	-
Crisis Intervention Program	93.568	52,727	-	-
Family Preservation	93.556	10,351	-	-
Permanency Planning	93.645	6,315	-	-
SSBG	93.667	55,161	4,299	-
LINKS	93.674	3,825	956	-
LINKS - Benefit Payments	93.674	2,220	-	-
NC Health Choice	93.767	22,394	538	-
Child Support Enforcement - Title IV-D	93.563	117,774	-	-
Foster Care and Adoption				
Title IV-E Foster Care - Administration	93.658	57,611	27,866	-
Foster Care - Direct Benefit Payments	93.658	22,579	6,709	-
Adoption - Administration	93.659	1,308	-	-
Adoption Assistance - Direct Payments	93.659	52,469	13,873	-
Total Foster Care and Adoption Cluster		<u>133,967</u>	<u>48,448</u>	<u>-</u>

continued

COUNTY OF CURRITUCK
SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS

For the Fiscal Year Ending June 30, 2015

GRANTOR, PASS THROUGH GRANTOR PROGRAM TITLE	CFDA	AMOUNT EXPENDED		COUNTY
		FEDERAL	STATE	
Division of Child Development: <u>Child Care Development Fund Cluster</u>				
Division of Social Services				
Child Care Development Fund - Administration	93.596	80,000	-	-
Division of Child Development:				
Child Care and Development Block Grant	93.575	248,933	-	-
Child Care and Development Fund - Mandatory	93.596	87,325	-	-
Child Care and Development Fund - Match	93.596	24,031	-	-
Total Child Care Development Fund Cluster		440,289	-	-
Foster Care Title IV-E	93.658	5,110	2,647	-
TANF	93.558	66,793	3,338	-
State Appropriations		-	79,676	-
Total Subsidized Child Care		512,192	85,661	-
Centers for Medicare and Medicaid Services: Passed-through NC Department of Health and Human Services, Division of Medical Assistance:				
Direct Benefit Payments	93.778	11,299,331	6,049,603	-
Administration	93.778	575,062	1,604	-
NC Health Choice Benefits	93.767	135,433	42,514	-
Total U.S. Department of Health and Human Services		13,360,032	6,233,623	-
U.S. Department of Homeland Security				
Passed through NC Department of Public Safety				
Emergency Management	97.042	41,030	-	-
Hazard Mitigation Grant	97.039	212,383	-	-
Total U.S. Department of Homeland Security		253,413	-	-
TOTAL FEDERAL AWARDS		14,081,006	6,233,623	-
STATE AWARDS -				
North Carolina Department of Health and Human Services				
Division of Social Services:				
State/County Special Assistance for Adults		-	126,936	-
State Foster Care Benefits		-	39,976	-
State Child Welfare		-	15,200	-
CWS Adoption Subsidy		-	134,298	-
SFHF Maximization		-	34,354	-
Total North Carolina Department of Health and Human Services		-	350,764	-

continued

COUNTY OF CURRITUCK
SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS

For the Fiscal Year Ending June 30, 2015

GRANTOR, PASS THROUGH GRANTOR PROGRAM TITLE	CFDA	AMOUNT EXPENDED		COUNTY
		FEDERAL	STATE	
NC Department of Public Safety				
Juvenile Crime Prevention Programs		-	78,276	
Total North Carolina Department of Public Safety		<u>-</u>	<u>78,276</u>	<u>-</u>
North Carolina Department of Transportation				
Public Transportation Division:				
DOT-18 - Industrial construction		-	750,000	-
Total North Carolina Department of Transportation		<u>-</u>	<u>750,000</u>	<u>-</u>
North Carolina Department of Environment and Natural Resources				
Lottery Fund		-	239,999	
		<u>-</u>	<u>239,999</u>	<u>-</u>
TOTAL STATE AWARDS		<u>-</u>	<u>1,419,039</u>	<u>-</u>
TOTAL FEDERAL AND STATE AWARDS		<u>14,081,006</u>	<u>7,652,662</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

Sub recipients - Of the federal and State expenditures presented in the schedule, Currituck County provided federal and State awards to sub recipients as follows:

Program Title	CFDA	Federal Expenditures	State Expenditures
Partnership of Adolescents and Support Services		-	56,962
JCPC Council Administration		-	14,201

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