

COMPREHENSIVE ANNUAL FINANCIAL REPORT

For the Fiscal Year Ended June 30, 2016



County of Currituck, North Carolina

Prepared by the Currituck County Finance Department

County of Currituck, North Carolina
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June 30, 2016

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BOARD OF COMMISSIONERS

Bobby Hanig., Chairman
Michael D. Hall, Vice-Chairman
Paul M. Beaumont
Mary "Kitty" Etheridge
Marion Gilbert
Michael D. Hall
Bob White

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

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

December 30, 2016

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, 2016. 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 counties. In addition to the more than 22 miles of beaches along the Atlantic Ocean, the County has numerous sounds, rivers, and creeks that provide some of the most memorable game fishing, waterfowl hunting, and other recreational activities that can be experienced. The County has a permanent population of approximately 25,263; 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 6.46 percent from 2007 to 2016.

Not surprisingly, the largest businesses in Currituck County are intimately related to governmental activities and Travel and Tourism: retail trade, real estate and accommodation/services. The largest employers in Currituck County are Currituck County Board of Education, the County of Currituck Government and Academi Training Center LLC, 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 \$5,864,064,156 to \$5,995,996,462, an increase of 2.25 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, 2016 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. Baseball and softball fields as well as concession stands, playgrounds and relocation of the skateboard park were in process throughout this fiscal year on the Currituck mainland. Expansion of the multi-use paths and

design of a restroom facility at Whalehead in Historic Corolla park are underway on the Currituck Outer Banks.

One of the primary focuses during this fiscal year was the completion of an Animal Shelter at the Maple Commerce park and relocating the animal population so that the existing building could be demolished for expansion of the Airport runway.

The Ocean Sands water and sewer district is undergoing major renovations and expansion of the Ocean Sands sewer plant to accommodate existing customers and anticipated growth.

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 the current school facilities through upgrades of HVAC systems, energy management and roof replacements in existing facilities. (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. Expansion of the airport runways continued to be a priority and design was underway at the end of this fiscal year. Completion of the baseball and softball fields and amenities associated with this facility are also major initiatives for the current and upcoming year.

Factors Affecting Financial Condition

In government, much more than in business, the budget is an integral part of a unit's accounting system and daily operations. An annual or projected budget ordinance, as amended by the governing body, creates a legal limit on spending authorizations. For Currituck County, annual budgets are adopted for the General, Special Revenue (except the Multi-Year Grant Fund), 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 to 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 0.591% 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, 2016 the Whalehead Club and the Moyock Library 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 fifteenth 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, 2016. 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**

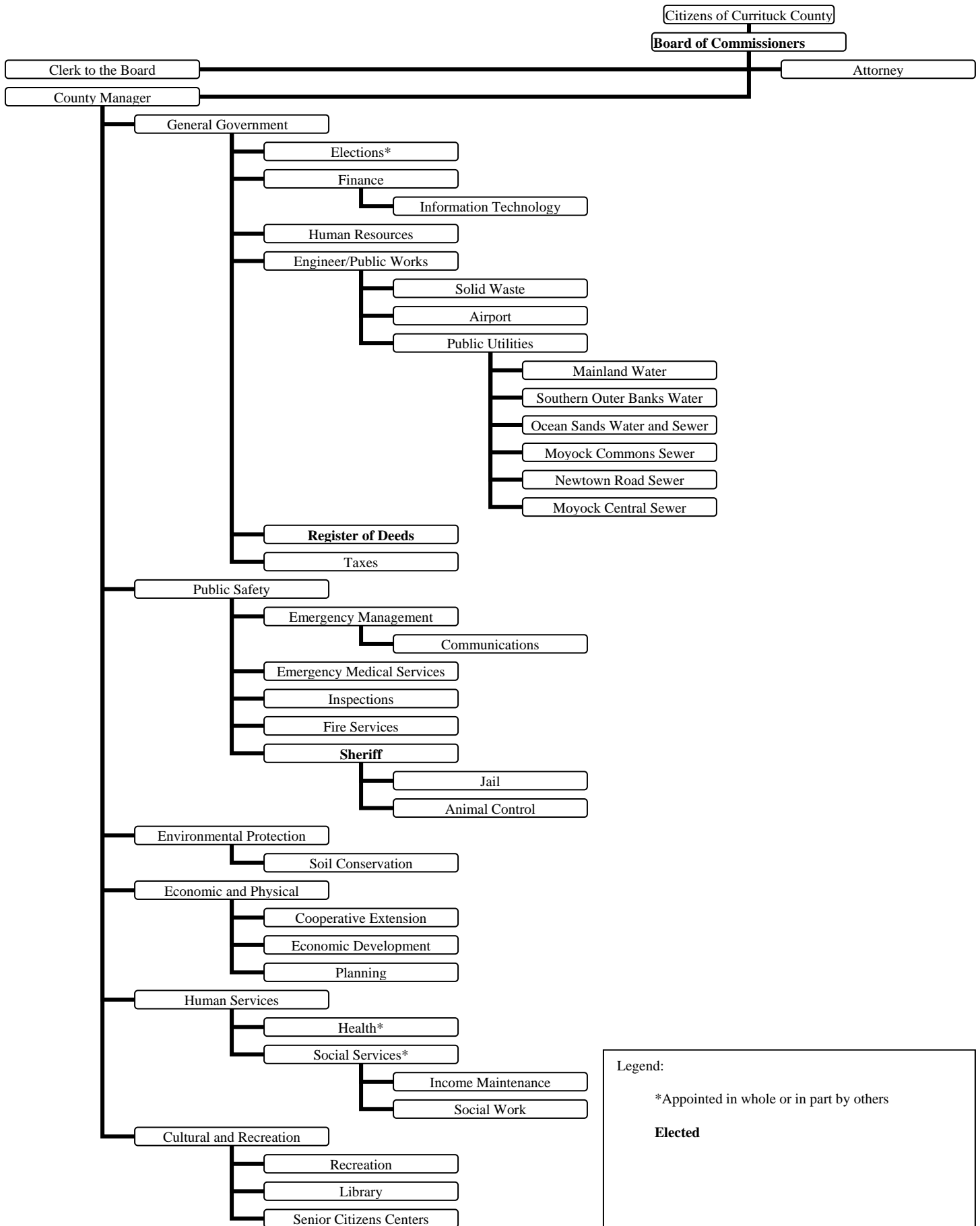
Presented to

**County of Currituck
North Carolina**

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

June 30, 2015

Executive Director/CEO



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

COUNTY OF CURRITUCK, NORTH CAROLINA

BOARD OF COUNTY COMMISSIONERS

David L. Griggs, Chairman

O.Vance Aydlett, Vice Chairman

Paul Beaumont

Marion Gilbert

Michael D. Hall

S. Paul O'Neal

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, 2016, 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, which represents 100 percent of the assets, net position and revenues of the aggregate discretely presented component units. 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 and the Whalehead Preservation Trust and Currituck Wildlife Museum 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, 2016, 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 Liability 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, 100, 101, 102, 103, and 104, 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 *Title 2 U.S. Code of Federal Regulations (CFR) Part 200*, Uniform

Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards 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 30, 2016 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 30, 2016

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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, 2016. 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.

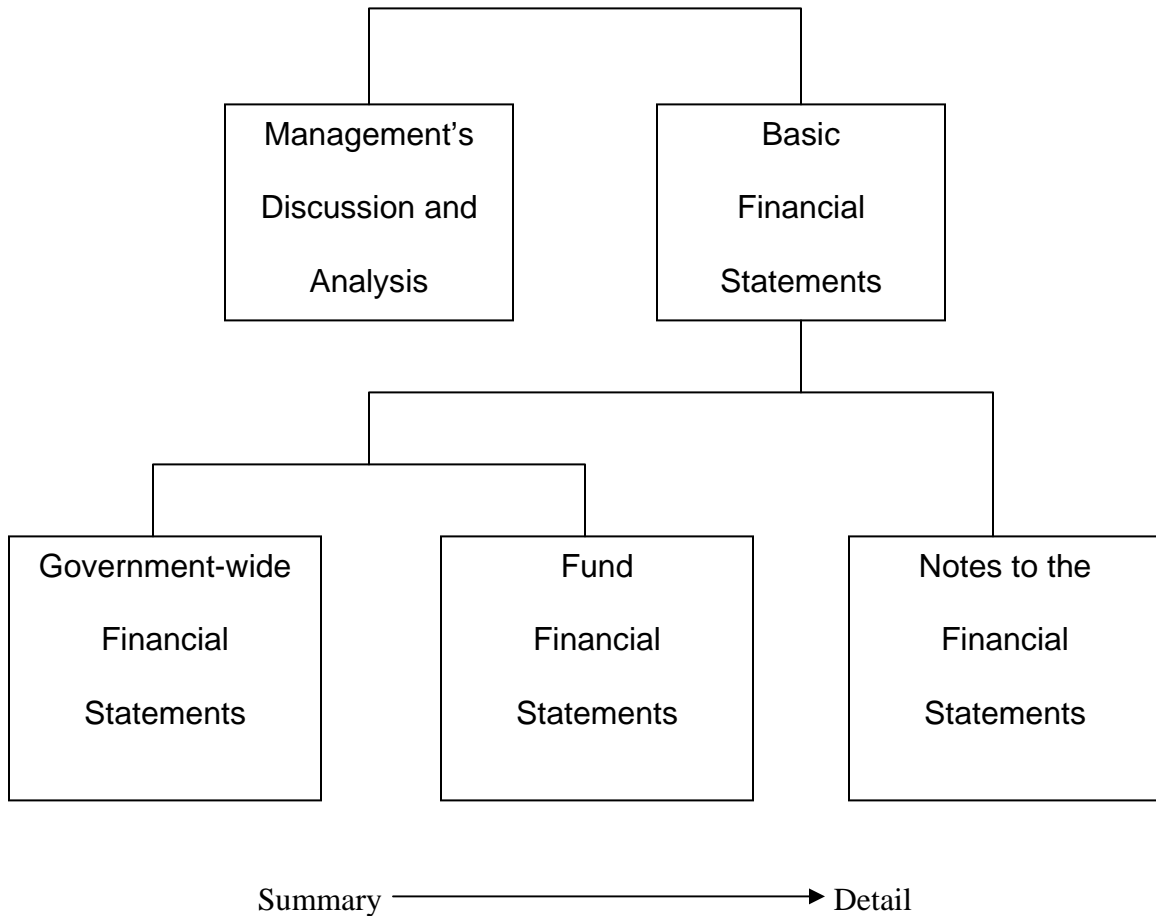
Financial Highlights

- 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 \$183,066,883 (*net position*).
- The government's total net position decreased by \$4,895,845 primarily due to the transfer of the Shawboro Elementary School building from the County to the Board of Education.
- As of the close of the current fiscal year, Currituck County's governmental funds reported combined ending fund balances of \$59,284,412, after a net increase in fund balance of \$3,291,747 . Approximately 55.34% of this total amount, or \$32,812,187, is restricted or nonspendable.
- At the end of the current fiscal year, unassigned fund balance for the General Fund was \$6,900,115 or 15.06% of total general fund expenditures for the fiscal year.
- Currituck County's total debt decreased by \$3,569,561 or 12.65% during the current fiscal year.

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 11) 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 100 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 and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$183,066,883 as of June 30, 2016. The County's net position decreased by \$4,895,845 for the fiscal year ended June 30, 2016. One of the largest portions \$127,795,689 (69.81%) reflects the County's net investment in capital assets (e.g. land, buildings, machinery, and equipment). As of June 30, 2016, 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 \$22,905,623 (12.51%) represents resources that are subject to external restrictions on how they may be used. The remaining balance of \$32,365,571 (17.68%) is unrestricted.

Currituck County's Net Position

Figure 2

	Governmental Activities		Business-type Activities		Total	
	2016	2015	2016	2015	2016	2015
Current and other assets	\$ 64,251,935	\$ 61,074,066	\$ 13,461,188	\$ 13,806,098	\$ 77,713,123	\$ 74,880,164
Capital assets	101,392,443	111,456,796	54,599,142	55,631,937	155,991,585	167,088,733
Total assets	\$ 165,644,378	\$ 172,530,862	\$ 68,060,330	\$ 69,438,035	\$ 233,704,708	\$ 241,968,897
Total deferred outflows of resources	1,097,129	1,080,450	64,879	64,146	1,162,008	1,144,596
Long-term liabilities outstanding	\$ 23,465,532	\$ 22,501,299	\$ 22,731,721	\$ 24,578,018	\$ 46,197,253	\$ 47,079,317
Other liabilities	4,283,631	2,791,306	493,629	1,025,799	4,777,260	3,817,105
Total liabilities	27,749,163	25,292,605	23,225,350	25,603,817	50,974,513	50,896,422
Total deferred inflows of resources	777,114	4,015,175	48,206	239,168	825,320	4,254,343
Net position:						
Net investment in capital assets	95,026,547	103,521,339	32,769,142	31,801,937	127,795,689	135,323,276
Restricted	22,905,623	21,700,488	-	-	22,905,623	21,700,488
Unrestricted	20,283,060	19,081,705	12,082,511	11,857,259	32,365,571	30,938,964
Total net position	\$ 138,215,230	\$ 144,303,532	\$ 44,851,653	\$ 43,659,196	\$ 183,066,883	\$ 187,962,728

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 98.84%, 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
	2016	2015	2016	2015	2016	2015
Revenues:						
Program revenues:						
Charges for services	\$ 3,620,375	\$ 3,685,534	\$ 12,129,031	\$ 11,939,523	\$ 15,749,406	\$ 15,625,057
Operating grants and contributions	3,535,944	3,248,071	55,401	51,568	3,591,345	3,299,639
Capital grants and contributions	2,018,107	1,505,739	-	-	2,018,107	1,505,739
General revenues:						
Property taxes	29,969,020	29,320,892	320,358	315,580	30,289,378	29,636,472
Other taxes	24,796,096	23,779,213	-	-	24,796,096	23,779,213
Other , Unrestricted	679,606	337,425	267,231	196,289	946,837	-
Investment earnings, unrestricted	450,673	386,405	97,040	73,409	547,713	459,814
Total revenues	65,069,821	62,263,279	12,869,061	12,576,369	77,938,882	74,305,934
Expenses:						
General government	7,316,823	6,716,864	-	-	7,316,823	6,716,864
Public safety	20,237,291	19,371,231	-	-	20,237,291	19,371,231
Transportation	1,864,818	884,955	-	-	1,864,818	884,955
Economic and physical development	7,059,866	1,401,180	-	-	7,059,866	1,401,180
Environmental protection	1,112,071	6,735,282	-	-	1,112,071	6,735,282
Human services	4,821,314	4,551,724	-	-	4,821,314	4,551,724
Cultural and recreation	2,337,746	2,945,656	-	-	2,337,746	2,945,656
Education	11,078,398	11,099,664	-	-	11,078,398	11,099,664
Interest on long-term debt	133,147	196,630	-	-	133,147	196,630
Solid Waste	-	-	4,285,157	4,256,648	4,285,157	4,256,648
Water and sewer	-	-	8,669,910	8,528,166	8,669,910	8,528,166
Total expenses	55,961,474	53,903,186	12,955,067	12,784,814	68,916,541	66,688,000
Increase in net position before transfers, special item and capital contributions	9,108,347	8,360,093	(86,006)	(208,445)	9,022,341	8,151,648
Gain (Loss) on sale of capital assets	(110,726)	(12,662)	(152,432)	3,710	(263,158)	(8,952)
Special item - transfer of asset to Board of Education	(13,655,028)	-	-	-	(13,655,028)	-
Transfers	(1,430,895)	(1,180,187)	1,430,895	1,180,187	-	-
Increase in net position	(6,088,302)	7,167,244	1,192,457	975,452	(4,895,845)	8,142,696
Net position, beginning	144,303,532	139,361,153	43,659,196	42,792,818	187,962,728	182,153,971
Net position, beginning, restated	144,303,532	137,136,288	43,659,196	42,683,744	187,962,728	179,820,032
Net position, ending	\$ 138,215,230	\$ 144,303,532	\$ 44,851,653	\$ 43,659,196	\$ 183,066,883	\$ 187,962,728

Governmental activities. Governmental activities decreased the County's net position by \$6,088,302. Key elements of this increase are as follows:

- Transfer of Shawboro Elementary School building to the Board of Education

Business-type activities: Business-type activities increased Currituck County's net position by \$1,192,457. Key elements of this increase are as follows:

- Completion of Capital projects associated with the Southern Outer Banks Water expansion project
- Expansion and renovations of the Ocean Sands Sewer system
- 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 \$9,931,113, while total fund balance reached \$15,879,387. The County currently has an available fund balance of 15.06% of general fund expenditures, while total fund balance represents 34.66% of that same amount.

At June 30, 2016, the governmental funds of Currituck County reported a combined fund balance of \$59,284,412, a 5.88% increase over last year.

Figure 4 below illustrates the changes in fund balances for the County's governmental funds as compared to the prior year.

Figure 4
Changes in Fund Balances for Governmental Funds

	2016 Total	2015 Total	Change in Fund Balances
General	\$ 15,879,387	\$ 13,371,551	\$ 2,507,836
County Governmental Facilities	10,263,122	10,434,638	(171,516)
School Facilities	5,070,306	5,131,437	(61,131)
Tourism Development Authority	10,785,751	11,982,534	(1,196,783)
Transfer Tax Capital Fund	9,424,292	8,681,290	743,002
Other Governmental	7,861,554	6,391,215	1,470,339
	<u>\$ 59,284,412</u>	<u>\$ 55,992,665</u>	<u>\$ 3,291,747</u>

The total fund balance for the County Governmental Facilities reflects a \$171,516 decrease over the prior year due to completion of construction projects funded in prior years. The decrease in the School Facilities fund is due to completion of projects around Central Elementary school. Fund balances in the Tourism Development Authority Fund are for tourism promotion and tourism related expenditures, which funds a portion of the recreation expansion projects. The total fund balance for the Tourism Development Authority reflects a \$1,196,783 decrease over the prior year due funding for capital projects. The Transfer Tax Capital fund was reported as a non-major fund in prior years.

At June 30, 2016, 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	\$ 27,432,305	\$ 28,915,031	\$ 1,482,726
Other taxes and licenses	5,862,285	6,297,876	435,591
Restricted intergovernmental	151,500	160,144	8,644
Unrestricted intergovernmental	3,209,206	3,212,315	3,109
Permits and fees	2,337,551	3,021,772	684,221
Sales and services	648,313	640,584	(7,729)
Investment earnings	60,000	88,069	28,069
Miscellaneous	289,832	543,360	253,528
Total revenues	39,990,992	42,879,151	2,888,159
Expenditures:			
General government	6,614,439	5,895,291	719,148
Public safety	19,637,296	18,528,436	1,108,860
Transportation	567,547	358,041	209,506
Environmental protection	228,015	179,208	48,807
Economic and physical development	1,688,778	1,563,028	125,750
Human services	5,017,444	4,690,256	327,188
Cultural and recreational	2,442,626	2,198,840	243,786
Education	10,718,189	10,694,056	24,133
Debt service	1,702,846	1,702,708	138
Total expenditures	48,617,180	45,809,863	2,807,317
Revenues over (under) expenditures	(8,626,188)	(2,930,712)	5,695,476
Other financing sources (uses):			
Transfers to other funds	(1,504,738)	(1,495,852)	8,886
Transfers from other funds	6,719,257	6,592,986	(126,271)
Total other financing sources (uses)	5,214,519	5,097,134	(117,385)
Revenues and other financing sources over expenditures and other financing uses	(3,411,669)	2,166,422	5,578,091
Appropriated fund balance	3,411,669	-	(3,411,669)
Revenues, appropriated fund balance, and other financing sources over expenditures and other financing uses	\$ -	\$ 2,166,422	\$ 2,166,422

Total amendments to the General Fund increased revenues by \$435,489. General fund revenues recognized modest increases over the prior year, with a total revenue increase of \$1,588,484. The overall actual General fund revenues were \$2,888,159 greater than budget, primarily due to changes in the collections and recognition of revenue of motor vehicle taxes. The final budget for expenditures was \$48,617,180, which was a \$1,225,545 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 \$3,555,511, and those for the Water and Sewer Districts totaled \$8,527,000. The total change in net position for the proprietary funds is shown in Figure 6.

Figure 6
Changes in Net Position for Proprietary Funds

	June 30 2016	June 30 2015	Change in Net Position
Solid Waste	\$ 3,977,358	\$ 4,241,448	\$ (264,090)
Ocean Sands Water and Sewer	8,204,303	7,957,276	247,027
Mainland Water	7,858,590	7,860,132	(1,542)
Southern Outer Banks Water	17,099,075	15,589,892	1,509,183
Moyock Central Sewer	2,298,725	2,308,821	(10,096)
Non-Major Proprietary Funds			
Newtown Road Sewer	195,228	264,488	(69,260)
Maple Commerce Park Sewer	1,676,931	1,741,686	(64,755)
Moyock Commons Sewer	323,108	347,905	(24,797)
Walnut Island Sewer	3,218,335	3,347,548	(129,213)
Total	\$ 44,851,653	\$ 43,659,196	\$ 1,192,457

Capital Asset and Debt Administration

Capital assets. Currituck County's capital assets for its governmental and business – type activities as of June 30, 2016, totals \$155,991,585, 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 an animal shelter
- Construction of baseball and softball fields in Maple
- Expansion of the Ocean Sands Sewer
- Construction of the Southern Parallel Taxiway
- Transfer of the Shawboro Elementary School to the Board of Education

Figure 7

CURRITUCK COUNTY'S CAPITAL ASSETS
(net of depreciation)

	Governmental Activities 2016	Business-type Activities 2016	Total 2016	Total 2015
Land	\$ 19,721,045	\$ 1,282,039	\$ 21,003,084	\$ 21,691,998
Buildings and system	49,830,326	40,051,938	89,882,264	100,645,182
Computer Equipment	574,695	145,810	720,505	958,964
Furniture & Fixtures	19,697,662	9,339,573	29,037,235	16,483,797
Equipment	8,336,874	265,085	8,601,959	17,783,821
Vehicles and motorized equipment	1,984,553	190,035	2,174,588	4,377,844
Construction in progress	1,247,288	3,324,662	4,571,950	5,147,127
Total	\$ 101,392,443	\$ 54,599,142	\$ 155,991,585	\$ 167,088,733

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, 2016, Currituck County had total bonded debt outstanding of \$15,175,000, 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 \$3,451,609, \$2,914,286, \$1,980,000, and \$4,675,000, 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	
	2016	2015	2016	2015	2016	2015
Installment Purchase	\$ 6,365,896	\$ 7,935,457	\$ 6,655,000	\$ 7,685,000	\$ 13,020,896	\$ 15,620,457
Revenue bonds	-	-	14,635,000	15,330,000	14,635,000	15,330,000
General obligation bonds	-	-	540,000	815,000	540,000	815,000
Total debt	\$ 6,365,896	\$ 7,935,457	\$ 21,830,000	\$ 23,830,000	\$ 28,195,896	\$ 31,765,457

Figure 8

Currituck County's total debt decreased by \$3,569,562 (12.66%) during the past fiscal year. This reduction is due to scheduled debt payments.

As mentioned in the financial highlights section of this document, Currituck County's bond ratings are Aa3 from Moody's Investor Service and AA from Standard and Poor's Corporation.

The State of North Carolina limits the amount of general obligation debt that a unit of government can issue to 8 percent of the total assessed value of taxable property located within that government's boundaries. The legal debt margin for Currituck County is \$466,658,821. The County has no bonds authorized but un-issued at June 30, 2016.

Additional information regarding Currituck County's long-term debt can be found in note III.B.7 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, 2016, Currituck County had one of the lowest unemployment rates in the State with a rate of 4.80%, compared to the State average of 6.3%.

Budget Highlights for the Fiscal Year Ending June 30, 2017

Governmental Activities: Currituck County's octennial revaluation became effective for the 2014 fiscal year. Governmental fund revenues are budgeted conservatively with a 7.28% decrease from the actual revenues received for the year ended June 30, 2016 due to collections of motor vehicle taxes for overlapping years and increases in permits and fees realized after the budget was adopted.

Budgeted expenditures in the General Fund are anticipated to be \$49,701,540 before transfers to other funds, approximately 2.23% increase over the prior year, due to increases in salaries and benefits.

Business – type Activities: For the upcoming fiscal year, the County will continue to evaluate the operations of all business-type activities. Expansion of the Ocean Sands Sewer system replacement will continue construction for the next several years. 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, 2016

	Primary Government			Component Units	
	Governmental Activities	Business-type Activities	Total	Whalehead Preservation Trust and Currituck Wildlife Museum	Currituck County ABC Board
ASSETS					
Cash and cash equivalents	\$ 56,975,983	\$ 12,831,228	\$ 69,807,211	\$ 466,708	\$ 754,589
Restricted Cash	1,357,559	94,000	1,451,559	-	-
Receivables (net)	541,777	557	542,334	42,741	600
Other receivables (net)	126,640	1,513,835	1,640,475	-	-
Due from other governments	4,012,318	-	4,012,318	-	-
Due from component unit	148,605	-	148,605	-	-
Due from other funds	978,432	(978,432)	-	-	-
Inventories	12,610	-	12,610	-	652,702
Prepaid items	-	-	-	1,433	10,982
Endowment fund	-	-	-	23,353	-
Non-endowed funds	-	-	-	7,452	-
Net pension asset	98,010	-	98,010	-	-
Capital assets:			-		
Land, improvements, non-depreciable collections and construction in progress	20,968,333	4,606,701	25,575,034	-	425,900
Other capital assets, net of depreciation	80,424,110	49,992,441	130,416,551	-	1,621,074
Total capital assets	101,392,443	54,599,142	155,991,585	-	2,046,974
Total assets	165,644,378	68,060,330	233,704,708	541,687	3,465,847
DEFERRED OUTFLOWS OF RESOURCES	1,097,129	64,879	1,162,008	-	20,719
LIABILITIES					
Accounts payable and accrued expenses	4,283,631	399,629	4,683,260	8,681	210,505
Customer deposits	-	94,000	94,000	-	-
Due to primary government	-	-	-	-	148,605
Long-term liabilities:					
Net pension liability - LGERS	1,198,892	68,951	1,267,843	-	21,543
Net pension liability - LEOSSA	44,726	-	44,726	-	-
Due within one year	1,573,087	2,035,000	3,608,087	-	-
Due in more than one year	20,648,827	20,627,770	41,276,597	-	-
Total long-term liabilities	23,465,532	22,731,721	46,197,253	-	21,543
Total liabilities	27,749,163	23,225,350	50,974,513	8,681	380,653
DEFERRED INFLOWS OF RESOURCES	777,114	48,206	825,320	-	11,214
NET POSITION					
Net investment in capital assets	95,026,547	32,769,142	127,795,689	-	2,046,974
Restricted for:					
Stabilization by State Statute	5,266,550	-	5,266,550	-	-
Public Safety	120,049	-	120,049	-	-
Education	2,594,471	-	2,594,471	-	-
Working capital	-	-	-	-	149,888
Capital assets	14,924,553	-	14,924,553	363,303	-
Unrestricted (deficit)	20,283,060	12,082,511	32,365,571	169,703	897,837
Total net position	\$ 138,215,230	\$ 44,851,653	\$ 183,066,883	\$ 533,006	\$ 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, 2016

Functions/Programs	Program Revenues				Net (Expense or Revenue)
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities
Primary government:					
Governmental Activities:					
General government	\$ 7,316,823	\$ 1,333,039	\$ 174,287	\$ -	\$ (5,809,497)
Public safety	20,237,291	1,779,070	851,728	216,999	(17,389,494)
Transportation	1,864,818	375,589	-	1,052,019	(437,210)
Economic and physical development	7,059,866	68,765	-	-	(6,991,101)
Environmental protection	1,112,071	-	26,629	-	(1,085,442)
Human services	4,821,314	224	2,483,300	-	(2,337,790)
Cultural and recreation	2,337,746	63,688	-	459,090	(1,814,968)
Education	11,078,398	-	-	289,999	(10,788,399)
Interest on long-term debt	133,147	-	-	-	(133,147)
Total governmental activities	<u>55,961,474</u>	<u>3,620,375</u>	<u>3,535,944</u>	<u>2,018,107</u>	<u>(46,787,048)</u>
Business-type activities:					
Solid Waste	4,285,157	2,789,931	41,780	-	-
Water and Sewer	8,669,910	9,339,100	13,621	-	-
Total business-type activities	<u>12,955,067</u>	<u>12,129,031</u>	<u>55,401</u>	<u>-</u>	<u>-</u>
	<u>\$ 68,916,541</u>	<u>\$ 15,749,406</u>	<u>\$ 3,591,345</u>	<u>\$ 2,018,107</u>	<u>(46,787,048)</u>
Component units:					
Whalehead Preservation Trust	\$ 60,939	\$ -	\$ 110,943	\$ 50	
ABC Board	4,121,194	4,121,081	-	-	
Total component units	<u>\$ 4,182,133</u>	<u>\$ 4,121,081</u>	<u>\$ 110,943</u>	<u>\$ 50</u>	
General revenues:					
Taxes:					
Property taxes, levied for general purpose					28,906,574
Property taxes, levied for sewer district					-
Property taxes, levied for watershed improvement					1,062,446
Local option sales taxes					9,230,331
Land transfer taxes					3,367,062
Occupancy taxes					11,065,242
Deed stamp excise tax					727,127
Franchise taxes					365,170
Other taxes					41,165
Investment earnings, unrestricted					450,673
Miscellaneous, unrestricted					679,606
Gain (loss) on sales of assets					(110,726)
Gain (loss) on endowment fund investments					-
Distribution of assets to primary government					-
Total general revenues, excluding transfers and special items					<u>55,784,669</u>
Special item - Transfer of asset to Board of Education					(13,655,028)
Transfers					<u>(1,430,895)</u>
Total general revenues and transfers					<u>40,698,746</u>
Change in net position					<u>(6,088,302)</u>
Net position, beginning					144,303,532
Net position-ending					<u>\$ 138,215,230</u>

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

Exhibit 2

Change in Net Position

Primary Government	Component Units		
	Whalehead Preservation Trust and Currituck Wildlife Museum	Currituck County ABC Board	
Business-type Activities	Total		
	\$ (5,809,497)		
	(17,389,494)		
	(437,210)		
	(6,991,101)		
	(1,085,442)		
	(2,337,790)		
	(1,814,968)		
	(10,788,399)		
	(133,147)		
-	(46,787,048)		
(1,453,446)	(1,453,446)		
682,811	682,811		
(770,635)	(770,635)		
(770,635)	(47,557,683)		
		\$ 50,054	\$ -
		-	(113)
		50,054	(113)
-	28,906,574	-	-
320,358	320,358	-	-
-	1,062,446	-	-
-	9,230,331	-	-
-	3,367,062	-	-
-	11,065,242	-	-
-	727,127	-	-
-	365,170	-	-
-	41,165	-	-
97,040	547,713	1,452	113
267,231	946,837	-	-
(152,432)	(263,158)	-	-
-	-	(949)	-
-	-	(56,454)	-
532,197	56,316,866	(55,951)	113
1,430,895	-	-	-
1,963,092	42,661,838	(55,951)	113
1,192,457	(4,895,845)	(5,897)	-
43,659,196	187,962,728	538,903	3,094,699
\$ 44,851,653	\$ 183,066,883	\$ 533,006	\$ 3,094,699

County of Currituck, North Carolina
Balance Sheet
Governmental Funds
June 30, 2016
Major

	Major					Nonmajor	
	General	County Governmental Facilities Fund	School Facilities Fund	Tourism Development Authority Fund	Transfer Tax Capital Fund	Other Governmental Funds	Total Governmental Funds
ASSETS							
Cash and cash equivalents	\$ 15,332,815	\$ 10,543,704	\$ 4,834,350	\$ 9,998,187	\$ 9,424,292	\$ 6,842,635	\$ 56,975,983
Restricted Cash	1,131,214	-	226,345	-	-	-	1,357,559
Taxes receivable, net	540,630	-	-	-	-	1,147	541,777
Other receivables, net	125,117	-	-	1,523	-	-	126,640
Due from other governments	2,151,594	684,769	9,611	27,615	-	1,138,729	4,012,318
Due from component unit	148,605	-	-	-	-	-	148,605
Due from other funds	51,360	-	-	927,072	-	-	978,432
Inventories	925	-	-	11,685	-	-	12,610
Total assets	\$ 19,482,260	\$ 11,228,473	\$ 5,070,306	\$ 10,966,082	\$ 9,424,292	\$ 7,982,511	\$ 64,153,924
LIABILITIES AND FUND BALANCES							
Liabilities:							
Accounts payable and accrued liabilities	\$ 3,018,139	\$ 965,351	\$ -	\$ 180,331	\$ -	\$ 119,810	\$ 4,283,631
Total liabilities	3,018,139	965,351	-	180,331	-	119,810	4,283,631
DEFERRED INFLOWS OF RESOURCES							
Property taxes receivable	540,630	-	-	-	-	1,147	541,777
Prepaid taxes	44,104	-	-	-	-	-	44,104
Total deferred inflows (outflows) of resources	584,734	-	-	-	-	1,147	585,881
Fund balances:							
Nonspendable:							
Inventories	925	-	-	11,685	-	-	12,610
Restricted:							
Stabilization by State Statute	2,476,676	684,769	9,611	956,210	-	1,139,284	5,266,550
Emergency Telephone System	-	-	-	-	-	120,049	120,049
County Governmental Assets	2,955,915	-	-	-	9,424,292	2,544,346	14,924,553
School Capital Assets	-	-	226,345	-	-	2,368,126	2,594,471
Tourism	-	-	-	9,254,679	-	-	9,254,679
Watershed Improvements	-	-	-	-	-	443,848	443,848
Whalehead Beach Solid Waste	-	-	-	-	-	195,427	195,427
Committed:							
Carova Beach Service District	-	-	-	31,728	-	-	31,728
Fire Protection	31,782	-	-	-	-	-	31,782
Fire Equipment Replacement	-	-	-	-	-	315,546	315,546
County Governmental Assets	-	9,578,353	-	-	-	-	9,578,353
School Capital Assets	-	-	4,834,350	-	-	-	4,834,350
Tax Revaluation	482,956	-	-	-	-	-	482,956
Assigned:							
Subsequent year's expenditures	3,031,018	-	-	531,449	-	734,928	4,297,395
Unassigned:	6,900,115	-	-	-	-	-	6,900,115
Total fund balances	15,879,387	10,263,122	5,070,306	10,785,751	9,424,292	7,861,554	59,284,412
Total liabilities, deferred inflows of resources, and fund balances	\$ 19,482,260	\$ 11,228,473	\$ 5,070,306	\$ 10,966,082	\$ 9,424,292	\$ 7,982,511	

continued

**County of Currituck, North Carolina
Balance Sheet
Governmental Funds
June 30, 2016**

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

Total Fund Balance, Governmental Funds	\$ 59,284,412
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.	101,392,443
Net pension asset	98,010
Contributions to pension plans in the current fiscal year are deferred outflows of resources on the Statement of Net Position	1,097,129
Net pension liability	(1,243,618)
Deferred inflows of resources for taxes and special assessments receivable	541,777
Pension related deferrals	(733,009)
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.	<u>(22,221,914)</u>
Net position of governmental activities	<u><u>\$ 138,215,230</u></u>

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

County of Currituck, North Carolina
Statement of Revenues, Expenditures, and Changes in Fund Balance
Governmental Funds
For the Year Ended June 30, 2016

	Major					Nonmajor	
	General Fund	County Governmental Facilities Fund	School Facilities Fund	Tourism Development Authority Fund	Transfer Tax Capital Fund	Other Governmental Funds	Total Governmental Funds
REVENUES							
Ad valorem taxes	\$ 28,915,031	\$ -	\$ -	\$ -	\$ -	\$ 1,062,446	\$ 29,977,477
Other taxes and licenses	6,297,876	-	-	11,065,242	3,367,062	4,240,152	24,970,332
Unrestricted intergovernmental	160,144	-	-	-	-	-	160,144
Restricted intergovernmental	3,212,315	1,312,539	289,999	-	-	216,999	5,031,852
Permits and fees	3,021,772	-	-	12,704	-	-	3,034,476
Sales and services	640,584	-	-	198,250	-	-	838,834
Investment earnings	108,483	121,886	33,212	87,226	54,783	45,083	450,673
Miscellaneous	543,360	-	-	66,275	-	-	609,635
Total revenues	<u>42,899,565</u>	<u>1,434,425</u>	<u>323,211</u>	<u>11,429,697</u>	<u>3,421,845</u>	<u>5,564,680</u>	<u>65,073,423</u>
EXPENDITURES							
Current:							
General government	5,895,291	-	-	-	-	107,622	6,002,913
Public safety	18,528,436	1,814,897	-	-	-	569,989	20,913,322
Transportation	358,041	1,110,491	-	-	-	-	1,468,532
Environmental protection	179,208	-	-	-	-	186,945	366,153
Economic and physical development	1,563,028	-	-	5,504,528	-	144,076	7,211,632
Human services	4,690,256	-	-	-	-	-	4,690,256
Cultural and recreational	2,198,840	4,718,028	-	-	-	-	6,916,868
Intergovernmental:							
Education	10,694,056	-	384,342	-	-	-	11,078,398
Debt service:							
Principal	1,569,561	-	-	-	-	-	1,569,561
Interest	133,147	-	-	-	-	-	133,147
Total expenditures	<u>45,809,863</u>	<u>7,643,416</u>	<u>384,342</u>	<u>5,504,528</u>	<u>-</u>	<u>1,008,632</u>	<u>60,350,781</u>
Excess (deficiency) of revenues over expenditures	<u>(2,910,298)</u>	<u>(6,208,991)</u>	<u>(61,131)</u>	<u>5,925,169</u>	<u>3,421,845</u>	<u>4,556,048</u>	<u>4,722,642</u>
OTHER FINANCING SOURCES (USES)							
Transfers from other funds	6,792,986	6,037,475	-	-	-	267,000	13,097,461
Transfers to other funds	<u>(1,374,852)</u>	<u>-</u>	<u>-</u>	<u>(7,121,952)</u>	<u>(2,678,843)</u>	<u>(3,352,709)</u>	<u>(14,528,356)</u>
Total other financing sources and uses	<u>5,418,134</u>	<u>6,037,475</u>	<u>-</u>	<u>(7,121,952)</u>	<u>(2,678,843)</u>	<u>(3,085,709)</u>	<u>(1,430,895)</u>
Net change in fund balance	2,507,836	(171,516)	(61,131)	(1,196,783)	743,002	1,470,339	3,291,747
Fund balances-beginning	13,371,551	10,434,638	5,131,437	11,982,534	8,681,290	6,391,215	55,992,665
Fund balances-ending	<u>\$ 15,879,387</u>	<u>\$ 10,263,122</u>	<u>\$ 5,070,306</u>	<u>\$ 10,785,751</u>	<u>\$ 9,424,292</u>	<u>\$ 7,861,554</u>	<u>\$ 59,284,412</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, 2016

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

Net changes in fund balances - total governmental funds	\$ 3,291,747
Governmental funds report capital outlays as expenditures. However, in the Statement of Activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlay exceeded depreciation in the current period	3,701,404
Cost of capital asset disposed of during the year, not recognized on modified accrual basis	(110,726)
Cost of capital assets transferred to the Board of Education, not recognized on the modified accrual basis	(13,655,028)
Contributions to the pension plan in the current fiscal year are not included on the Statement of Activities	1,088,828
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds	(8,457)
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.	1,569,561
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>(1,965,631)</u>
Total changes in net position of governmental activities	<u><u>(\$6,088,302)</u></u>

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

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, 2016

	General Fund				
	2016			Variance With Final Positive (Negative)	2015
	Original Budget	Final Budget	Actual		Actual
Revenues:					
Ad valorem taxes	\$ 27,395,682	\$ 27,432,305	\$ 28,915,031	\$ 1,482,726	\$ 28,414,557
Other taxes and licenses	5,762,850	5,862,285	6,297,876	435,591	6,150,241
Unrestricted intergovernmental	151,500	151,500	160,144	8,644	162,807
Restricted intergovernmental	3,055,930	3,209,206	3,212,315	3,109	2,998,505
Permits and fees	2,317,197	2,337,551	3,021,772	684,221	2,424,141
Sales and services	602,344	648,313	640,584	(7,729)	580,230
Investment earnings	60,000	60,000	88,069	28,069	75,573
Miscellaneous	210,000	289,832	543,360	253,528	484,614
Total revenues	<u>39,555,503</u>	<u>39,990,992</u>	<u>42,879,151</u>	<u>2,888,159</u>	<u>41,290,667</u>
Expenditures					
Current:					
General government	6,366,826	6,614,439	5,895,291	719,148	5,627,198
Public safety	19,176,682	19,637,296	18,528,436	1,108,860	17,711,568
Transportation	569,779	567,547	358,041	209,506	416,712
Environmental protection	228,015	228,015	179,208	48,807	182,662
Economic and physical development	1,581,903	1,688,778	1,563,028	125,750	1,439,261
Human services	5,040,119	5,017,444	4,690,256	327,188	4,513,935
Cultural and recreational	2,007,276	2,442,626	2,198,840	243,786	1,785,845
Intergovernmental:					
Education	10,718,189	10,718,189	10,694,056	24,133	10,497,939
Debt service	1,702,846	1,702,846	1,702,708	138	2,492,722
Total expenditures	<u>47,391,635</u>	<u>48,617,180</u>	<u>45,809,863</u>	<u>2,807,317</u>	<u>44,667,842</u>
Revenues over (under) expenditures	<u>(7,836,132)</u>	<u>(8,626,188)</u>	<u>(2,930,712)</u>	<u>5,695,476</u>	<u>(3,377,175)</u>
Other financing sources (uses):					
Transfers to other funds	(1,504,738)	(1,504,738)	(1,495,852)	8,886	(1,676,306)
Transfers from other funds	6,395,508	6,719,257	6,592,986	(126,271)	6,998,983
Total other financing sources (uses)	<u>4,890,770</u>	<u>5,214,519</u>	<u>5,097,134</u>	<u>(117,385)</u>	<u>5,322,677</u>
Revenues and other financing sources over expenditures and other financing uses	<u>(2,945,362)</u>	<u>(3,411,669)</u>	<u>2,166,422</u>	<u>5,578,091</u>	<u>1,945,502</u>
Appropriated fund balance	<u>2,945,362</u>	<u>3,411,669</u>	<u>-</u>	<u>(3,411,669)</u>	<u>-</u>
Revenues, appropriated fund balance, and other financing sources over expenditures and other financing uses	<u>\$ -</u>	<u>\$ -</u>	<u>2,166,422</u>	<u>\$ 2,166,422</u>	<u>1,945,502</u>
Fund balances:					
Beginning of year, July 1			10,274,094		8,328,592
End of year, June 30			<u>\$ 12,440,516</u>		<u>\$ 10,274,094</u>

Tourism Development Authority				
2016				2015
Original Budget	Final Budget	Actual	Variance With Final Positive (Negative)	Actual
\$ -	\$ -	\$ -	\$ -	\$ -
10,200,000	10,667,812	11,065,242	397,430	10,844,887
-	-	-	-	-
30,040	30,040	12,704	(17,336)	274,269
139,000	148,625	198,250	49,625	28,500
60,000	66,500	70,907	4,407	40,953
68,400	97,988	66,275	(31,713)	85,863
<u>10,497,440</u>	<u>11,010,965</u>	<u>11,413,378</u>	<u>402,413</u>	<u>11,366,707</u>
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
5,427,299	6,335,717	5,498,028	837,689	4,879,102
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
<u>5,427,299</u>	<u>6,335,717</u>	<u>5,498,028</u>	<u>837,689</u>	<u>4,879,102</u>
5,070,141	4,675,248	5,915,350	1,240,102	6,487,605
(6,694,339)	(7,280,632)	(7,141,952)	138,680	(4,908,379)
-	-	-	-	-
<u>(6,694,339)</u>	<u>(7,280,632)</u>	<u>(7,141,952)</u>	<u>138,680</u>	<u>(4,908,379)</u>
(1,624,198)	(2,605,384)	(1,226,602)	1,378,782	1,579,226
1,624,198	2,605,384	-	(2,605,384)	-
<u>\$ -</u>	<u>\$ -</u>	(1,226,602)	<u>\$ (1,226,602)</u>	1,579,226
		11,980,625		10,401,399
		<u>\$ 10,754,023</u>		<u>\$ 11,980,625</u>

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

	General Fund			
	2016			2015
	Original Budget	Final Budget	Actual	Variance With Final Positive (Negative)
				Actual
General Fund ending fund balance, June 30			\$ 12,440,516	\$ 10,274,094
Revaluation Fund				
Investment earnings			2,696	2,113
Transfer-in from General Fund			121,000	121,000
Expenditures			-	-
Beginning Fund Balance, Revaluation			359,260	236,147
Land Banking Fund				
Investment earnings			17,718	18,621
Transfer-out to General Fund			-	-
Transfer-out to Moyock Central Sewer Fund			-	-
Transfer-in from Transfer Tax Capital Fund			200,000	200,000
Expenditures			-	-
Beginning Fund Balance, Land Banking Fund			2,738,197	2,519,576
Carova Beach Service District Fund				
Revenues			-	-
Transfer-in from Tourism Development Authority Fund			-	-
Expenditures			-	-
Beginning Fund Balance, School Capital Construction Fund			-	-
Ending Fund Balance, June 30 (Exhibit 4)			<u>\$ 15,879,387</u>	<u>\$ 13,371,551</u>

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

Tourism Development Authority				
2016			2015	
Original Budget	Final Budget	Actual	Variance With Final Positive (Negative)	Actual
		\$ 10,754,023		\$ 11,980,625
		-		-
		-		-
		-		-
		-		-
		-		-
		-		-
		-		-
		16,319		222
		20,000		-
		(6,500)		(73,044)
		1,909		74,731
		<u>\$ 10,785,751</u>		<u>\$ 11,982,534</u>

County of Currituck, North Carolina
Statement of Net Position
Proprietary Funds
June 30, 2016

	Enterprise Funds						Totals	
	Ocean Sands		Mainland Water Fund	Moyock		Non-Major Proprietary Funds	June 30, 2016	June 30, 2015
	Solid Waste Fund	Water and Sewer District Fund		Southern Outer Banks Water System Fund	Central Sewer Construction Fund			
ASSETS								
Current assets:								
Cash and cash equivalents	\$ 3,568,047	\$ 3,458,775	\$ 3,862,835	\$ 1,916,676	\$ -	\$ 24,895	\$ 12,831,228	\$ 13,992,852
Restricted cash	-	450	85,900	7,500	-	150	94,000	89,928
Taxes receivable, net	164	393	-	-	-	-	557	4,448
Receivables, net	91,760	279,961	528,872	507,953	15,155	90,134	1,513,835	1,837,668
Total current assets	3,659,971	3,739,579	4,477,607	2,432,129	15,155	115,179	14,439,620	15,924,896
Noncurrent assets:								
Restricted cash, cash equivalents, and investments								
Capital assets:								
Land, improvements, and construction in progress	78,987	3,582,735	5,150	42,600	688,914	208,315	4,606,701	6,095,104
Other capital assets, net of depreciation	342,860	973,048	19,251,557	20,700,096	3,628,041	5,096,839	49,992,441	49,536,833
Total capital assets	421,847	4,555,783	19,256,707	20,742,696	4,316,955	5,305,154	54,599,142	55,631,937
Total noncurrent assets	421,847	4,555,783	19,256,707	20,742,696	4,316,955	5,305,154	54,599,142	55,726,994
Total assets	4,081,818	8,295,362	23,734,314	23,174,825	4,332,110	5,420,333	69,038,762	71,651,890
DEFERRED OUTFLOWS OF RESOURCES	-	4,370	33,047	27,462	-	-	64,879	64,146
LIABILITIES								
Current liabilities:								
Accounts payable	104,460	66,536	101,038	40,202	2,025	6,581	320,842	870,331
Due to other funds	-	-	-	927,072	51,360	-	978,432	1,153,586
Customer deposits	-	450	85,900	7,500	-	150	94,000	89,928
Accrued salaries	-	4,940	43,649	30,198	-	-	78,787	65,540
General obligation bonds payable	-	-	270,000	-	-	-	270,000	275,000
Revenue bonds payable	-	-	735,000	-	-	-	735,000	695,000
Notes payable	-	-	-	850,000	180,000	-	1,030,000	1,030,000
Total current liabilities	104,460	71,926	1,235,587	1,854,972	233,385	6,731	3,507,061	4,179,385
Noncurrent liabilities:								
Liabilities payable from restricted assets:								
Accrued vacation	-	3,062	47,655	28,082	-	-	78,799	69,486
Due to other funds	-	-	-	-	-	-	-	1,060,269
General obligation bonds payable	-	-	270,000	-	-	-	270,000	540,000
Revenue bonds payable	-	-	13,900,000	-	-	-	13,900,000	14,635,000
Notes payable	-	-	-	3,825,000	1,800,000	-	5,625,000	6,655,000
Net pension liability	-	4,806	33,996	30,149	-	-	68,951	-
Other postemployment benefits	-	12,418	394,078	347,475	-	-	753,971	678,532
Total noncurrent liabilities	-	20,286	14,645,729	4,230,706	1,800,000	-	20,696,721	23,638,287
Total liabilities	104,460	92,212	15,881,316	6,085,678	2,033,385	6,731	24,203,782	27,817,672
DEFERRED INFLOWS OF RESOURCES	-	3,217	27,455	17,534	-	-	48,206	239,168
NET POSITION								
Net investment in capital assets	421,847	4,555,783	4,081,707	16,067,696	2,336,955	5,305,154	32,769,142	31,801,937
Unrestricted	3,555,511	3,648,520	3,776,883	1,031,379	(38,230)	108,448	12,082,511	11,857,259
Total net position	\$ 3,977,358	\$ 8,204,303	\$ 7,858,590	\$ 17,099,075	\$ 2,298,725	\$ 5,413,602	\$ 44,851,653	\$ 43,659,196

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, 2016

	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, 2016	June 30, 2015
OPERATING REVENUES								
Charges for services	\$ 2,789,931	\$ 1,307,791	\$ 3,083,273	\$ 3,065,431	\$ 110,132	\$ 183,605	\$ 10,540,163	\$ 10,171,715
Water and sewer taps	-	3,600	624,723	957,630	-	-	1,585,953	1,762,822
Miscellaneous	-	2,915	-	-	-	-	2,915	4,986
Total operating revenues	2,789,931	1,314,306	3,707,996	4,023,061	110,132	183,605	12,129,031	11,939,523
OPERATING EXPENSES								
Administration	181,576	85,287	401,401	448,719	11,309	82,611	1,210,903	1,088,964
Water operations	-	536,390	1,042,392	925,117	-	-	2,503,899	2,378,630
Sewer operations	-	534,473	-	-	60,263	114,576	709,312	702,073
Landfill operations	4,065,837	-	-	-	-	-	4,065,837	4,054,808
Depreciation	37,744	184,491	1,923,620	1,039,081	317,236	246,515	3,748,687	3,610,024
Total operating expenses	4,285,157	1,340,641	3,367,413	2,412,917	388,808	443,702	12,238,638	11,834,499
Operating income (loss)	(1,495,226)	(26,335)	340,583	1,610,144	(278,676)	(260,097)	(109,607)	105,024
NONOPERATING REVENUES (EXPENSES)								
Tax revenue	85,155	234,682	-	-	-	521	320,358	315,580
Contributed capital	-	-	-	-	-	-	-	-
Grant	-	-	-	-	-	-	-	-
Sale of capital assets	-	-	-	-	-	-	-	3,710
Rent	-	-	-	167,107	-	3,600	170,707	160,849
Unrestricted intergovernmental revenues	41,780	13,621	-	-	-	-	55,401	51,568
Restricted intergovernmental revenues	-	-	-	-	-	-	-	-
Investment earnings	24,514	35,061	18,550	17,927	656	332	97,040	73,409
Interest expenses	-	-	(469,485)	(181,590)	(65,354)	-	(716,429)	(950,315)
Insurance recovery	-	-	84,835	-	11,689	-	96,524	35,440
Loss on disposition of assets	-	(10,002)	(38,025)	(104,405)	-	-	(152,432)	-
Total nonoperating revenue (expenses)	151,449	273,362	(404,125)	(100,961)	(53,009)	4,453	(128,831)	(309,759)
Income (loss) before contributions and	(1,343,777)	247,027	(63,542)	1,509,183	(331,685)	(255,644)	(238,438)	(204,735)
Transfers from (to) other funds	1,079,687	-	62,000	-	321,589	(32,381)	1,430,895	1,180,187
Change in net position	(264,090)	247,027	(1,542)	1,509,183	(10,096)	(288,025)	1,192,457	975,452
Total net position, beginning	4,241,448	7,957,276	7,860,132	15,589,892	2,308,821	5,701,627	43,659,196	42,792,818
Restatement	-	-	-	-	-	-	-	(109,074)
Total net position, restated	4,241,448	7,957,276	7,860,132	15,589,892	2,308,821	5,701,627	43,659,196	42,683,744
Total net position - ending	\$ 3,977,358	\$ 8,204,303	\$ 7,858,590	\$ 17,099,075	\$ 2,298,725	\$ 5,413,602	\$ 44,851,653	\$ 43,659,196

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, 2016

							Totals	
	Solid Waste Fund	Ocean Sands Water and Sewer Fund	Mainland Water Fund	Southern Outer Banks Water System Fund	Moyock Central Sewer Fund	Non-Major Proprietary Funds	June 30, 2016	June 30, 2015
Cash flows from operating activities:								
Cash received from customers	\$ 2,808,396	\$ 1,277,242	\$ 3,673,270	\$ 4,438,867	\$ 99,341	\$ 157,704	\$ 12,454,820	\$ 11,407,936
Cash paid for goods and services	(4,323,984)	(1,423,994)	(688,171)	(811,994)	(104,642)	(193,919)	(7,546,704)	(6,506,737)
Cash paid to employees for services	-	(82,412)	(694,687)	(594,971)	-	-	(1,372,070)	(1,309,819)
Customer deposits received	-	1,575	4,170	-	-	-	5,745	12,439
Customer deposits returned	-	(1,125)	(2,465)	-	-	-	(3,590)	(132)
Other operating revenue	-	2,915	-	-	-	-	2,915	4,986
Net cash provided (used) by operating activities	(1,515,588)	(225,799)	2,292,117	3,031,902	(5,301)	(36,215)	3,541,116	3,608,673
Cash flows from noncapital financing								
Tax revenues	87,089	234,682	-	-	-	521	322,292	354,573
Rental Income	-	-	-	167,107	-	3,600	170,707	160,848
Loan from other funds	-	-	-	-	-	-	-	-
Transfer from (to) other funds	1,079,687	-	62,000	-	321,589	28,165	1,491,441	1,180,187
Net cash provided by noncapital financing	1,166,776	234,682	62,000	167,107	321,589	32,286	1,984,440	1,695,608
Cash flows from capital and related financing activities:								
Acquisition and construction of capital assets	(16,025)	(2,376,150)	(272,506)	(103,910)	(99,724)	-	(2,868,315)	(1,650,304)
Principal paid on bond maturities and installment purchase contracts	-	-	(970,000)	(2,136,783)	(180,000)	-	(3,286,783)	(3,085,449)
Interest paid on bond maturities and installment purchase contracts	-	-	(469,485)	(181,590)	(65,354)	-	(716,429)	(950,315)
Transfer from (to) other funds	-	-	-	-	-	(60,546)	(60,546)	12,544
Grants	41,780	13,621	-	-	-	-	55,401	16,650
Sale of capital assets	-	-	-	-	-	-	-	22,500
Insurance recovery	-	-	84,835	-	11,689	-	96,524	-
Net cash provided (used) by capital and related financing activities	25,755	(2,362,529)	(1,627,156)	(2,422,283)	(333,389)	(60,546)	(6,780,148)	(5,634,374)
Cash flows from investing activities:								
Interest on investments	24,514	35,061	18,550	17,927	656	332	97,040	73,409
Net increase (decrease) in cash and cash equivalents	(298,543)	(2,318,585)	745,511	794,653	(16,445)	(64,143)	(1,157,552)	(256,684)
Cash and cash equivalents, July 1	3,866,590	5,777,810	3,203,224	1,129,523	16,445	89,188	14,082,780	14,339,464
Cash and cash equivalents, June 30	<u>\$ 3,568,047</u>	<u>\$ 3,459,225</u>	<u>\$ 3,948,735</u>	<u>\$ 1,924,176</u>	<u>\$ -</u>	<u>\$ 25,045</u>	<u>\$ 12,925,228</u>	<u>\$ 14,082,780</u>
Reconciliation of operating income to net cash provided by operating activities:								
Operating income (loss)	\$ (1,495,226)	\$ (26,335)	\$ 340,583	\$ 1,610,144	\$ (278,676)	\$ (260,097)	\$ (109,607)	\$ 105,024
Adjustments to reconcile operating income to net cash provided (used) by operating activities:								
Depreciation	37,744	184,491	1,923,620	1,039,081	317,236	246,515	3,748,687	3,610,024
Pension expense	-	-	-	-	-	-	-	4,083
Changes in assets and liabilities:								
(Increase) decrease in accounts receivable	18,464	(37,064)	(34,726)	415,806	(10,791)	(25,900)	325,789	(526,601)
(Increase) decrease in net pension asset	-	6,250	49,743	39,064	-	-	95,057	-
(Increase) decrease in deferred outflows of resources for pensions	-	(390)	(2,205)	1,862	-	-	(733)	-
Increase (decrease) in accounts payable and accrued liabilities	(76,570)	(349,890)	28,708	(70,582)	(84,430)	3,267	(549,497)	378,534
(Increase) decrease in due to other funds	-	-	-	-	51,360	-	51,360	-
(Increase) decrease in accrued salaries	-	(1,999)	8,397	6,849	-	-	13,247	-
(Increase) decrease in accrued vacation	-	660	6,146	2,507	-	-	9,313	6,242
(Increase) decrease in deferred outflows of resources for pensions	-	(12,507)	(97,702)	(80,753)	-	-	(190,962)	(64,146)
Increase (decrease) in net pension liability	-	4,806	33,996	30,149	-	-	68,951	-
Increase in OPEB payable	-	5,729	33,852	35,858	-	-	75,439	83,474
Increase (decrease) in customer deposits	-	450	1,705	1,917	-	-	4,072	12,039
Total adjustments	(20,362)	(199,464)	1,951,534	1,421,758	273,375	223,882	3,650,723	3,503,649
Net cash provided (used) by operating activities	<u>\$ (1,515,588)</u>	<u>\$ (225,799)</u>	<u>\$ 2,292,117</u>	<u>\$ 3,031,902</u>	<u>\$ (5,301)</u>	<u>\$ (36,215)</u>	<u>\$ 3,541,116</u>	<u>\$ 3,608,673</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, 2016

	Pension Trust Fund	Agency Funds
Assets		
Cash and cash equivalents	\$ 1,278,882	\$ 41,229
Total assets	1,278,882	41,229
Liabilities and Net Position		
Liabilities:		
Accounts payable	59,382	23,926
Due to other governments	-	17,303
Total liabilities	59,382	41,229
Net position:		
Assets held for pension benefits	\$ 1,219,500	\$ -

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, 2016

	Post-employment Benefits Fund	
	June 30 2016	June 30 2015
Additions:		
Employer contributions		
Law enforcement separation allowance	\$ 50,466	\$ 44,405
Postemployment benefits	194,417	162,278
	<u>244,883</u>	<u>206,683</u>
Investment income:		
Interest	7,673	8,082
Total additions	<u>252,556</u>	<u>214,765</u>
Deductions:		
Benefits		
Law enforcement separation allowance	15,745	5,601
Postemployment benefits	151,667	167,271
Administrative expense	5,806	262
Total deductions	<u>173,218</u>	<u>173,134</u>
Change in net position	79,338	41,631
Net position:		
Beginning of year, July 1		
Law enforcement separation allowance	547,344	507,348
Postemployment benefits	592,818	591,183
Beginning of year, totals	<u>1,140,162</u>	<u>1,098,531</u>
End of year, June 30		
Law enforcement separation allowance	577,640	547,344
Postemployment benefits	641,860	592,818
Net position - end of year, totals	<u>\$ 1,219,500</u>	<u>\$ 1,140,162</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, 2016

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 and Currituck Wildlife Museum	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. The County assumed the operations of the facility on April 7, 2015. On June 14, 2016, Articles of Dissolution were filed and the Whalehead Trust is in the process of turning all assets over to the County. The Whalehead Trust, which has a June 30 year-end, is presented as a proprietary fund.	The Whalehead Preservation Trust 153 Courthouse Rd Currituck, NC 27929

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 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.

Transfer Tax Capital Fund. This fund accounts for financial resources accumulated from the excise tax on instruments conveying real property in Currituck County, approved by the General Assembly in September 1985, to be used by the county only for capital expenditures for solid waste and county-operated buildings and related equipment or to retire any indebtedness incurred by the county for these purposes.

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.

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, and School Capital Projects 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 of Resources, and Fund Equity

1. Deposits and Investments

All deposits of the County, the Whalehead Preservation Trust, 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.

General Statute [G.S. 159-30(c)] authorizes the County, the Whalehead Preservation Trust, 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 majority of the County, the Whalehead Preservation Trust, and the ABC Board's investments are carried at fair value. Non-participating interest earning contracts are accounted for at cost. The NC Capital Management Trust Cash Portfolio, a SEC-registered 2a-7 external investment pool, is measured at amortized cost, which is the NCCMT's share price.

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. Money in the School Facilities Fund is classified as restricted because its use is restricted per North Carolina General Statute 159-18.

Currituck County Restricted Cash

Governmental Activities		
General Fund	Tax Revaluation	\$ 482,956
General Fund	Deposits Held in Trust	648,258
School Facilities Fund	Grant Funds	226,345
Total Governmental Activities		<u>\$ 1,357,559</u>
Business-Type Activities		
Ocean Sands Water & Sewer District	Customer deposits	450
Mainland Water Fund	Customer deposits	85,900
Southern Outer Banks Water Fund	Customer deposits	7,500
Moyock Commons Sewer Fund	Customer deposits	150
Total Business-Type Activities		<u>\$ 94,000</u>
Total Restricted Cash		<u>\$ 1,451,559</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 and the ABC Board 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 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 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 received prior to July 1, 2015 are recorded at their estimated fair value at the date of donation. Donated capital assets received after July 1, 2015 are recorded at acquisition cost. 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

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

The Whalehead Preservation Trust conveyed all assets to the County in June 2016 and are reflected on the County records at fiscal year end.

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 - 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, 2016.

10. Compensated Absences

The vacation policy of the County provides for the accumulation of up to Two Hundred Forty (240) hours of earned vacation leave with such leave being fully vested when earned. For the County's governmental funds, the current portion of the accumulated vacation pay is not considered to be material; therefore, no expenditure or liability has been reported. For the County's proprietary funds an expense and a liability for compensated absences and the salary-related payments are recorded as the leave is earned. The ABC Board employees earn one week of vacation in the first year, two weeks per year at completion of one year until fifteen years of service are completed and three weeks per year for additional years of service. Employees may choose to take the vacation time or be compensated for it. Accumulated earned vacation at June 30, 2016 and 2015 amounted to approximately \$3,246 and \$3,747, 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.

On June 30, 2016, the Whalehead Preservation Trust had no employees.

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 fun 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.

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 two 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 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 \$78,930,818 consists of several elements as follows:

<u>Description</u>	<u>Amount</u>
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)	154,208,931
Less accumulated depreciation	(52,816,488)
Net capital assets	<u>101,392,443</u>
Net pension asset	98,010
Net pension liability	(1,243,618)
Contributions to the pension plan in the current fiscal year	1,097,129
Deferred inflows of resources for taxes and special assessments receivable	541,777
Pension related deferrals	(733,009)
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	(6,365,896)
Compensated absences	(1,335,493)
Other postemployment benefits	<u>(14,520,525)</u>
Total adjustment	<u>\$ 78,930,818</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 (\$9,380,049) as follows:

Description	Amount
Capital outlay expenditures recorded in the fund statements but capitalized as assets in the statement of activities	\$ 9,702,469
Cost of disposed capital asset not recorded on fund statement	(110,726)
Depreciation expense, the allocation of those assets over their useful lives, that is recorded on the statement of activities but not in the fund statements.	(6,001,066)
Special item - Cost of assets transferred to the Board of Education, not recognized on the modified accrual basis	(13,655,028)
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	1,569,561
Contributions to the pension plan in the current fiscal year are not included on the Statement of Activities	1,088,828
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	(36,109)
Other postemployment benefits	(1,254,067)
County's portion of collective pension expense	(609,022)
Net pension cost for Law Enforcement Separation Allowance	(66,432)
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 7/1/15	(550,234)
Recording of tax receipts deferred in the fund statements as of 6/30/16	541,777
Total adjustment	<u>\$ (9,380,049)</u>

II. Detail Notes on All Funds

A. Assets

1. Deposits

All of the County's, the Whalehead Preservation Trust'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, the Whalehead Preservation Trust'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, the Whalehead Preservation Trust, 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, the Whalehead Preservation Trust, or the ABC Board or with the escrow agent. Because of the inability to measure the exact amount of collateral pledged for the County, the Whalehead Preservation Trust, 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 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 have no formal policy regarding custodial credit risk for deposits.

At June 30, 2016, the County's deposits had a carrying amount of \$27,586,118 and a bank balance of \$28,430,116. Of the bank balance, \$858,499 was covered by federal depository insurance and \$27,571,617 in interest bearing deposits were covered by collateral held under the Pooling Method.

At June 30, 2016, the County had \$2,735 cash on hand.

At June 30, 2016, the carrying amount of deposits for Currituck County ABC Board was \$749,589. At June 30, 2016 the ABC Board's deposits had a bank balance of \$1,124,182. 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, 2016, the Whalehead Preservation Trust's deposits had a carrying amount of \$466,708 and a bank balance of \$466,708. The Trust maintains its cash balances at three banks. Of this amount, \$456,296 was covered by federal depository insurance and \$10,412 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, 2016, the County had the following investments and maturities:

Investment Type	Valuation Measurement Method	Fair Value	Less Than		
			6 Months	6-12 Months	1-5 Years
Commercial Paper	Fair Value - Level 2	\$ 30,792,140	\$ -	\$ 30,792,140	\$ -
Federal agencies	Fair Value - Level 1	14,024,597	-	-	14,024,597
NC Capital Management Trust:					
Cash Portfolio	Amortized Cost	173,291	N/A	N/A	N/A
Total Investments		\$ 44,990,028	\$ -	\$ 30,792,140	\$ 14,024,597

All investments are measured using the market approach: using prices and other relevant information generated by market transactions involving identical or comparable assets or a group of assets.

Level of fair value hierarchy: Level 1: Debt securities valued using directly observable, quoted prices (unadjusted) in active markets for identical assets. Level 2: Debt securities are valued using a matrix pricing technique. Matrix pricing is used to value securities based on the securities' relationship to benchmark quoted prices.

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 five 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, 2016, 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, 2016.

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, 2016, the County had no investments held by a counter-party that were not in the County's name. The County had no policy on custodial credit risk.

Concentration of Credit Risk. The County places no limit on the amount that the County may invest in any one issuer. More than 5 percent of the County's investments are in Federal Home Loan Mortgage Corporation and Commercial Paper from Coca Cola, Bank of Tokyo, and Credit Suisse First Boston Bank of New York. These investments are 16.03%, 26.44%, 6.67%, and 19.86% 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
2013	\$ 907,107	\$ 297,078	\$ 1,204,185
2014	1,105,215	269,489	1,374,704
2015	1,094,062	161,374	1,255,436
2016	1,098,781	63,180	1,161,961
Total	\$ 4,205,165	\$ 791,121	\$ 4,996,286

4. Receivables

Receivables at the government-wide level at June 30, 2016, were as follows:

	Taxes and Related Accrued Due from Other			
	Accounts	Interest	Governments	Total
Governmental Activities:				
General	\$ 125,117	\$ 557,835	\$ 2,151,594	\$ 2,834,546
County Governmental Facilities	-	-	684,769	684,769
School Facilities	-	-	9,611	9,611
Tourism Development Authority	1,523	-	27,615	29,138
Other Governmental	-	1,147	1,138,729	1,139,876
Total receivables	126,640	558,982	4,012,318	4,697,940
Allowance for doubtful accounts	-	(17,205)	-	(17,205)
Total-governmental activities	\$ 126,640	\$ 541,777	\$ 4,012,318	\$ 4,680,735
Business-type Activities				
Solid Waste	\$ 91,760	\$ 164	\$ -	\$ 91,924
Ocean Sands Water and Sewer	290,459	393	-	290,852
Mainland Water	560,570	-	-	560,570
Southern Outer Banks Water	529,653	-	-	529,653
Moyock Central Sewer	15,155	-	-	15,155
Other Proprietary	90,134	-	-	90,134
Total receivables	1,577,731	557	-	1,578,288
Allowance for doubtful accounts	(63,896)	-	-	(63,896)
Total - business-type activities	\$ 1,513,835	\$ 557	\$ -	\$ 1,514,392

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

NC Department of Transportation; DMV taxes	\$104,480
NC Department of Transportaion; Division of Aviation State aide to airport	599,944
NC Department of Revenue; Franchise taxes	85,941
NC Department of Revenue; Sales and Use tax distribution	2,440,156
NC Department of Revenue; Sales and Use tax refund	463,299
NC DHHS; County Administration	102,510
NC DHHS; Child Support Enforcement	1,256
NC DHHS; Child Daycare	63,008
NC DHHS; Ambulance Fees	3,095
NC DENR; CAMA minor permits	2,200
College of the Albemarle; refund for operations	24,133
NC Office of State Controller; 911 funds	14,520
Other	107,776
Total	<u>\$4,012,318</u>

5. Capital Assets

Capital asset activity for the year ended June 30, 2016, was as follows:

	Beginning Balances	Increases	Decreases	Reclassifications	Ending Balances
Governmental activities:					
Capital assets not being depreciated:					
Land	\$ 19,721,045	-	-	-	\$ 19,721,045
Construction in progress	1,022,976	3,919,162	3,694,850	-	1,247,288
Total capital assets not being depreciated	<u>20,744,021</u>	<u>3,919,162</u>	<u>3,694,850</u>	<u>-</u>	<u>20,968,333</u>
Capital assets being depreciated:					
Buildings	89,854,749	3,086,940	17,789,998	75,409	75,227,100
Computer equipment	4,093,925	175,840	260,271	-	4,009,494
Furniture and fixtures	24,431,517	4,639,609	68,242	578,140	29,581,024
Equipment	10,191,930	525,915	5,085	3,213,300	13,926,060
Vehicles and motor equipment	13,727,861	1,049,851	413,943	(3,866,849)	10,496,920
Total capital assets being depreciated	<u>142,299,982</u>	<u>9,478,155</u>	<u>18,537,539</u>	<u>-</u>	<u>133,240,598</u>
Less accumulated depreciation for:					
Buildings	27,277,207	2,212,240	4,101,234	8,561	25,396,774
Computer equipment	3,472,168	186,998	224,367	-	3,434,799
Furniture and fixtures	8,122,070	1,600,449	27,059	187,902	9,883,362
Equipment	3,185,456	1,109,780	5,085	1,299,035	5,589,186
Vehicles and motor equipment	9,530,306	891,599	414,040	(1,495,498)	8,512,367
Total accumulated depreciation	<u>51,587,207</u>	<u>6,001,066</u>	<u>4,771,785</u>	<u>-</u>	<u>52,816,488</u>
Total capital assets being depreciated, net	<u>90,712,775</u>				<u>80,424,110</u>
Governmental activity capital assets, net	\$ <u>111,456,796</u>				\$ <u>101,392,443</u>

Primary Government

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

General government	\$ 1,316,234
Public safety	1,994,045
Transportation	521,059
Environmental protection	784,742
Economic and physical development	-
Human services	73,689
Cultural and recreational	1,311,397
Total depreciation expense	<u>\$ 6,001,166</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
Construction in process	-	16,025	-	16,025
Total capital assets not being depreciated	62,962	-	-	78,987
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	551,671	27,864	-	579,535
Equipment	134,589	9,880	-	144,469
Vehicles and motor equipment	12,736	-	-	12,736
Total accumulated depreciation	698,996	37,744	-	736,740
Total capital assets being depreciated, net	380,604	-	-	342,860
Solid Waste capital assets, net	\$ 443,566			\$ 421,847
Ocean Sands Water and Sewer District				
Capital assets not being depreciated:				
Land	\$ 963,012	-	-	\$ 963,012
Construction in process	269,047	2,350,676	-	2,619,723
Total capital assets not being depreciated	1,232,059	2,350,676	-	3,582,735
Capital assets being depreciated:				
Plant and distribution systems	4,197,363	-	-	4,197,363
Computer equipment	547,804	-	-	547,804
Furniture and maintenance equipment	639,432	25,475	10,022	654,885
Vehicles and motor equipment	86,405	-	-	86,405
Total capital assets being depreciated	5,471,004	25,475	10,022	5,486,457
Less accumulated depreciation for:				
Plant and distribution systems	3,339,025	84,943	-	3,423,968
Computer equipment	485,752	38,975	-	524,727
Furniture and maintenance equipment	465,082	44,033	40	509,075
Vehicles and motor equipment	39,078	16,561	-	55,639
Total accumulated depreciation	4,328,937	184,512	40	4,513,409
Total capital assets being depreciated, net	1,142,067	-	-	973,048
Ocean Sands Water and Sewer District capital assets, net	\$ 2,374,126			\$ 4,555,783
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	18,635,881	-	-	18,635,881
Computer equipment	160,385	-	-	160,385
Equipment	20,393,904	207,965	45,200	20,556,669
Vehicles	348,183	64,541	20,765	391,959
Total capital assets being depreciated	39,538,353	272,506	65,965	39,744,894
Less accumulated depreciation for:				
Buildings	5,451,350	604,939	-	6,056,289
Computer equipment	83,359	23,530	-	106,889
Equipment	12,797,595	1,258,265	7,176	14,048,684
Vehicles	265,354	36,886	20,765	281,475
Total accumulated depreciation	18,597,658	1,923,620	27,941	20,493,337
Total capital assets being depreciated, net	20,940,695	-	-	19,251,557
Mainland Water capital assets, net	\$ 20,945,845			\$ 19,256,707

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	387,117	16,955	-	404,072
Total accumulated depreciation	387,117	16,955	-	404,072
Total capital assets being depreciated, net	121,505			104,550
Newtown Road Sewer District capital assets, net	\$ 208,505			\$ 191,550

	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	193,264	64,421	-	257,685
Total accumulated depreciation	193,264	64,421	-	257,685
Total capital assets being depreciated, net	1,739,375			1,674,954
Maple Commerce Park Sewer Fund capital assets, net	\$ 1,739,375			\$ 1,674,954

	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	87,858	11,535	-	99,393
Equipment	37,247	2,428	-	39,675
Total accumulated depreciation	125,105	13,963	-	139,068
Total capital assets being depreciated, net	265,572			251,609
Moyock Commons Sewer District capital assets, net	\$ 333,197			\$ 319,234

	Ending Balances	Increases	Decreases	Ending Balances
Southern Outer Banks Water System				
Capital assets not being depreciated:				
Land	\$ 42,600	-	-	\$ 42,600
Construction in Process	3,855,104	7,602	3,862,706	-
Total capital assets not being depreciated	3,897,704	7,602	3,862,706	42,600
Capital assets being depreciated:				
Buildings	21,883,401	3,855,104	-	25,738,505
Computer equipment	430,945	34,341	-	465,286
Other equipment	3,158,565	69,570	113,313	3,114,822
Vehicles	266,186	45,682	-	311,868
Total capital assets being depreciated	25,739,097	4,004,697	113,313	29,630,481
Less accumulated depreciation for:				
Buildings	6,080,326	857,950	-	6,938,276
Computer equipment	232,816	43,958	-	276,774
Other equipment	1,325,334	135,826	8,908	1,452,252
Vehicles	216,053	47,030	-	263,083
Total accumulated depreciation	7,854,529	1,084,764	8,908	8,930,385
Total capital assets being depreciated, net	17,884,568			20,700,096
Southern Outer Banks Water Fund capital assets, net	\$ 21,782,272			\$ 20,742,696

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>-</u>	<u>-</u>	<u>688,914</u>
Capital assets being depreciated:				
Buildings	3,365,550	8	-	3,365,558
Equipment	1,412,087	99,724	-	1,511,811
Total capital assets being depreciated	<u>4,777,637</u>	<u>99,732</u>	<u>-</u>	<u>4,877,369</u>
Less accumulated depreciation for:				
Buildings	326,913	112,185	-	439,098
Equipment	605,179	205,051	-	810,230
Total accumulated depreciation	<u>932,092</u>	<u>317,236</u>	<u>-</u>	<u>1,249,328</u>
Total capital assets being depreciated, net	<u>3,845,545</u>			<u>3,628,041</u>
Moyock Central Sewer System capital assets, net	<u>\$ 4,534,459</u>			<u>\$ 4,316,955</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>-</u>	<u>-</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>-</u>	<u>-</u>	<u>3,665,844</u>
Less accumulated depreciation for:				
Plant and distribution systems	323,076	106,977	-	430,053
Other equipment	125,866	44,199	-	170,065
Total accumulated depreciation	<u>448,942</u>	<u>151,176</u>	<u>-</u>	<u>600,118</u>
Total capital assets being depreciated, net	<u>3,216,902</u>			<u>3,065,726</u>
Walnut Island Sewer System capital assets, net	<u>\$ 3,270,592</u>			<u>\$ 3,119,416</u>

Business-type activities capital assets, net	<u>\$ 55,631,938</u>			<u>\$ 54,599,142</u>
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Construction commitments

Currituck County has active construction projects as of June 30, 2016, as listed below. At June 30, 2016 the government's commitments with contractors are as follows:

Project	Spent-to-date	Remaining Commitment
Airport Taxiway	\$ -	\$ 1,105,480
Airport fuel tank upgrades	-	3,898
Connecting Corolla Projects	-	506,825
Parking lot - Skate Park	136,000	114,000
Parking lot - Softball Field	170,000	80,000
Park - Shingle Landing Road	-	3,500
Maple Concession Stand	765,625	76,563
Maple Softball/Baseball Fields	129,150	2,562,294
Historic Corolla Park - Boat Facility	-	8,181
Historic Corolla Park - Restrooms	46,513	244,000
Veteran's Park Dock Improvements	-	158,500
Total	\$ 1,247,288	\$ 3,088,538

Discretely presented component units

Activity for the ABC Board for the year ended June 30, 2016, 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	273,885	30,791	-	304,676
Vehicles	34,827	-	-	34,827
Leasehold improvements	26,706	-	-	26,706
Total capital assets being depreciated	<u>2,518,346</u>	<u>30,791</u>	-	<u>2,549,137</u>
Less accumulated depreciation:				
Buildings	605,129	66,967	-	672,096
Furniture and equipment	192,979	21,388	-	214,367
Vehicles	34,827	-	-	34,827
Leasehold improvements	6,246	527	-	6,773
Total accumulated depreciation	<u>839,181</u>	<u>88,882</u>	-	<u>928,063</u>
ABC capital assets, net	<u>\$ 2,105,065</u>			<u>\$ 2,046,974</u>

The Whalehead Preservation Trust and Currituck Wildlife Museum filed for dissolution on June 14, 2016 and all assets were turned over to the County, the primary government prior to June 30, 2016.

B. Liabilities

1. Payables

Payables at the government-wide level at June 30, 2016, were as follows:

	<u>Vendors</u>	<u>Other</u>	<u>Total</u>
Governmental Activities:			
General	\$ 1,954,720	\$ 1,063,419	\$ 3,018,139
County Governmental Facilities	965,351	-	965,351
School Facilities	-	-	-
Tourism Development Authority	62,146	118,185	180,331
Transfer Tax Capital Fund	-	-	-
Other Governmental	119,810	-	119,810
	<hr/>	<hr/>	<hr/>
Total-governmental activities	\$ 3,102,027	\$ 1,181,604	\$ 4,283,631
	<hr/>	<hr/>	<hr/>
Business-type Activities			
Solid Waste	\$ 104,460	\$ -	\$ 104,460
Ocean Sands Water and Sewer	66,536	-	66,536
Mainland Water	101,038	-	101,038
Southern Outer Banks Water	37,995	2,207	40,202
Mbyock Central Sewer	2,025	-	2,025
Other Proprietary	6,581	-	6,581
	<hr/>	<hr/>	<hr/>
Total - business-type activities	\$ 318,635	\$ 2,207	\$ 320,842

2. Pension Plan and Other Post Employment 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 \$1,150,130 and contributions to the pension plan from the ABC Board were \$17,443 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, 2016, the County reported a liability of \$1,267,843 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2015. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2014. The total pension liability was then rolled forward to the measurement date of June 30, 2015 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 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, 2015, the County's proportion was .283%, which was a decrease of .001% from its proportion measured as of June 30, 2014. The ABC Board's proportion was 0.00408%, which was an increase of 0.00072% from its proportion measured as of June 30, 2014.

For the year ended June 30, 2016, the County recognized pension expense of \$645,425 and the ABC Board recognized pension expense of \$12,255. At June 30, 2016, the County and ABC Board 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	\$ -	\$ 298,015	\$ -	\$ 5,063
Net difference between projected and actual earnings on pension plan investments	-	360,951	-	6,133
Changes in proportion and differences between County contributions and proportionate share of contributions	-	120,235	3,276	18
County contributions subsequent to the measurement date	1,150,130	-	17,443	-
Total	\$ 1,150,130	\$ 779,201	\$ 20,719	\$ 11,214

\$1,150,130 reported as deferred outflows of resources related to pensions resulting from County contributions and \$17,443 reported as deferred outflows of resources related to pensions resulting from ABC Board contributions subsequent to the measurement date will be recognized as

decreases of the net pension liability in the year ended June 30, 2017. 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:		
2017	\$ (459,226)	\$ (6,295)
2018	(449,226)	(6,295)
2019	(458,439)	(6,287)
2020	597,691	10,937
2021	-	-
Thereafter	-	-

Actuarial Assumptions. The total pension liability in the December 31, 2014 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, 2014 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, 2015 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	29.0%	2.2%
Global Equity	42.0%	5.8%
Real Estate	8.0%	5.2%
Alternatives	8.0%	9.8%
Credit	7.0%	6.8%
Inflation Protection	6.0%	3.4%
Total	<u>100%</u>	

The information above is based on 30 year expectations developed with the consulting actuary for the 2014 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 3.00%. All rates of return and inflation are annualized.

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 liability to changes in the discount rate. The following presents the County's proportionate share of the net pension liability 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)	\$ 8,840,846	\$ 1,267,843	\$ (5,112,244)
ABC Board's proportionate share of the net pension liability (asset)	150,215	21,543	(86,862)

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.

All full-time County law enforcement officers are covered by the Separation Allowance. At December 31, 2015, the Separation Allowance's membership consisted of:

Retirees receiving benefits	1
Active plan members	<u>63</u>
Total	<u><u>64</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 on a pay as you go basis 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.

The Separation Allowance has no assets accumulated in a trust that meets the following criteria which are outlined in GASB Statements 67 and 68:

- contributions to the pension plan and earnings on those contributions are irrevocable
- pension plan assets are dedicated to providing benefits to plan members
- pension plan assets are legally protected from the creditors or employers

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 on a pay as you go basis by making contributions based on actuarial valuations. For the current year, the County contributed \$50,466, or 1.40% 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, 2015 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, 2015, was 15 years.

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	\$	116,076
Interest on net pension obligation		(1,085)
Adjustment to annual required contribution		1,907
Annual pension cost	\$	116,898
Employer contributions made for fiscal year		50,466
Decrease in net pension obligation	\$	66,432
Net pension obligation beginning of fiscal year		(21,706)
Net pension obligation end of fiscal year	\$	44,726

4. Funded Status and Funding Progress.

3 Year Trend Information			
For Year Ended June 30	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
2014	\$ 93,155	65.68%	\$ (80,051)
2015	102,750	43.22%	(21,706)
2016	116,898	43.17%	44,726

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 100 of this report.

As of December 31, 2015, the most recent actuarial valuation date, the plan was 0% funded. The actuarial accrued liability for benefits was \$1,754,373, and the actuarial value of assets was \$0, resulting in an unfunded actuarial accrued liability (UAAL) of \$1,754,373. The covered payroll (annual payroll of active employees covered by the plan) was \$3,611,475, and the ratio of the UAAL to the covered payroll was 48.58%.

The schedule of funding progress, presented as required supplementary information following the notes to the financial statements, presents multi-year trend information about whether the actuarial value of plan assets are increasing or decreasing over time relative to the actuarial accrued liability for benefits.

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, 2016, were \$219,629, which consisted of \$172,385 from the County and \$47,244 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 5.40% 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, 2016 were \$952,898 which consisted of \$731,810 from the County and \$221,088 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 \$3,577 for the year ended June 30, 2016.

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

At June 30, 2016, the County reported an asset of \$98,010 for its proportionate share of the net pension asset. The net pension asset was measured as of June 30, 2015. The total pension liability used to calculate the net pension asset was determined by an actuarial valuation as of December 31, 2014. The total pension liability was then rolled forward to the measurement date of June 30, 2015 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, 2015, the County's proportion was 0.423%, which was a decrease of 0.005% from its proportion measured as of June 30, 2014.

For the year ended June 30, 2016, the County recognized pension expense of \$67. At June 30, 2016, the County reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 480	\$ 1,622
Net difference between projected and actual earnings on pension plan investments	4,861	-
Changes in proportion and differences between County contributions and proportionate share of contributions	2,960	-
County contributions subsequent to the measurement date	<u>3,577</u>	<u>-</u>
Total	<u>\$ 11,878</u>	<u>\$ 1,622</u>

\$3,577 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, 2017. Other amounts reported as deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended June 30:

2017	\$ 3,030
2018	1,233
2019	1,103
2020	1,312
2021	-
Thereafter	-

Actuarial Assumptions. The total pension liability in the December 31, 2014 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, 2014 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 2.2%:

The information above is based on 30 year expectations developed with the consulting actuary for the 2014 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)	\$ 88,426	\$ (98,010)	\$ (106,257)

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, 2015, the State contributed \$13,900,000 to the plan. The County of Currituck's proportionate share of the State's contribution is \$23,202.

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, 2016, 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 \$60,691. The net pension liability was measured as of June 30, 2015. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2014. The total pension liability was then rolled forward to the measurement date of June 30, 2015 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, 2015 and at June 30, 2014 was 0%.

For the year ended June 30, 2016, the County recognized pension expense of \$4,857 and revenue of \$4,857 for support provided by the State. At June 30, 2016, 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, 2014 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 11.33% of annual covered payroll. For the current year, the County contributed \$194,417 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 \$15,274,496. 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)	\$ 1,727,788
b)	Valuation Discount Rate	4.00%
c)	Interest on Net OPEB Obligation:	557,799
d)	Amortization Factor	26.1695
e)	Adjustment to ARC:	761,663
f)	Annual OPEB Cost: (a) + (c) - (e)	<u>1,523,924</u>
g)	Employer Contributions made for current fiscal year*	<u>194,417</u>
h)	Increase (decrease) in Net OPEB Obligation: (f) - (g)	1,329,507
i)	Net OPEB Obligation Beginning of Fiscal Year	13,944,989
j)	Net OPEB Obligation Ending of Fiscal Year: (h) + (i)	<u><u>\$ 15,274,496</u></u>

** 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. 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 2016 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>
2014	2,425,066	6.1%	\$12,618,973
2015	1,523,924	13.0%	\$13,944,989
2016	1,523,924	12.8%	\$15,274,496

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	\$ -	298,015
Register of Deeds	480	1,622
Pensions - difference between projected and actual investment earnings - LGERS	-	360,951
Pensions - difference between projected and actual investment earnings - ROD	4,861	-
Pensions - change in proportion and difference between employer contributions and proportionate share of contributions	2,960	120,235
Contributions to pension plan in 2015-2016 fiscal year	1,153,707	-
Prepaid taxes not yet earned (General)	-	44,104
Taxes receivable, net, less penalties (General)	-	540,630
Taxes receivable, net, less penalties (Special Revenue)	-	1,147
Total	<u>\$ 1,162,008</u>	<u>\$ 1,366,704</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 and Currituck Wildlife Museum 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, 2016, 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 2017 through 2023 interest at 1.95%. \$2,660,000

\$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; \$221,659 2017; \$225,242 2018; \$344,708 2019 through 2020 interest at 1.61%. – Interest rate modified February 1, 2013. 791,609

\$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 2017; \$1,942,855 2018 through 2019 interest at 1.66%. 2,914,287

Total serviced by the General Fund \$6,365,896

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 2016 through 2027; interest at 3.09%. \$1,980,000

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%. 4,675,000

Total Installment Purchase Debt \$13,020,895

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
2017	\$ 1,573,087	\$ 106,220	\$ 1,030,000	\$ 165,999
2018	1,576,673	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	380,000	20,378	1,030,000	62,832
2022-2026	760,000	122,813	1,325,000	109,346
2027	-	-	180,000	4,172
	<u>\$ 6,365,896</u>	<u>\$ 409,156</u>	<u>\$ 6,655,000</u>	<u>\$ 685,595</u>

b. General Obligation Indebtedness

As of June 30, 2016, 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, 2016, 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, \$270,000 2017; interest at 3.6%, \$270,000; interest at 3.7%.

	540,000
Total General Obligation Bond debt	\$540,000

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

Year Ending June 30	<u>Business-type Activities</u>	
	Principal	Interest
2017	270,000	19,710
2018	270,000	9,990
	<u>\$540,000</u>	<u>\$29,700</u>

At June 30, 2016, Currituck County had no bonds authorized but un-issued and a legal debt margin of \$466,658,821.

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

14,635,000

\$14,635,000

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

Year Ending	Business-type Activities	
	Principal	Interest
June 30		
2017	\$ 735,000	\$ 420,196
2018	775,000	399,093
2019	1,090,000	376,841
2020	1,135,000	345,545
2021	1,180,000	312,958
2022-2026	6,660,000	1,028,312
2027-2028	3,060,000	132,649
Total	<u>\$ 14,635,000</u>	<u>\$ 3,015,594</u>

Debt Related to Capital Activities – Of the total Governmental Activities debt listed, all \$6,365,896 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, 2016:

	Balance			Balance	Current Portion of
	June 30, 2015	Increases	Decreases		
Governmental activities:					
Installment purchase	\$ 7,935,457	\$ -	\$ 1,569,561	\$ 6,365,896	\$ 1,573,087
Compensated absences	1,299,385	624,364	588,256	1,335,493	-
Net pension liability (LGERS)	-	1,198,892	-	1,198,892	-
Net pension liability (LEOSSA)	-	44,726	-	44,726	-
Other postemployment benefits	13,266,457	1,254,068	-	14,520,525	-
Total governmental activities	<u>\$ 22,501,299</u>	<u>\$ 3,122,050</u>	<u>\$ 2,157,817</u>	<u>\$ 23,465,532</u>	<u>\$ 1,573,087</u>
Business-type activities:					
General obligation debt	\$ 815,000	\$ -	\$ 275,000	\$ 540,000	\$ 270,000
Revenue bonded debt	15,330,000	-	695,000	14,635,000	735,000
Installment purchase	7,685,000	-	1,030,000	6,655,000	1,030,000
Compensated absences	69,486	112,147	102,834	78,799	-
Net pension liability (LGERS)	-	68,951	-	68,951	-
Other postemployment benefits	678,532	75,439	-	753,971	-
Total business-type activities	<u>\$ 24,578,018</u>	<u>\$ 256,537</u>	<u>\$ 2,102,834</u>	<u>\$ 22,731,721</u>	<u>\$ 2,035,000</u>
Discretely presented component units:					
Compensated absences - ABC Board	3,747	1,794	2,295	3,246	3,246
Total discretely presented component units long-term liabilities	<u>\$ 3,747</u>	<u>\$ 1,794</u>	<u>\$ 2,295</u>	<u>\$ 3,246</u>	<u>\$ 3,246</u>

The LGERS plan had a net pension asset as of June 30, 2016; 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, 2016, 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 Solid Waste fund for operations	1,079,687
From the General fund to the Maple Commerce Sewer fund for operations	28,165
Total transfers from the General fund	<u>\$ 1,374,852</u>
From the Tourism Development Authority to the General fund for Economic Development	435,267
From the Tourism Development Authority to the General fund for Airport promotions	12,136
From the Tourism Development Authority to the General fund for Administrative Fee	120,652
From the Tourism Development Authority to the General fund for Sheriff Deputies, Vehicle Purchase	1,159,673
From the Tourism Development Authority to the General fund for Emergency Medical Services Personnel	1,189,359
From the Tourism Development Authority to the General fund the Currituck Rural Center	321,590
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 Restrooms at Historic Corolla Park	250,000
From the Tourism Development Authority fund to the Co Governmental Facilities fund for Veteran's Park Water Access	163,000
From the Tourism Development Authority fund to the Co Governmental Facilities fund for Corolla Multi-use path Phase III & IV	3,000,000
From the Tourism Development Authority fund to the Co Governmental Facilities fund for Pine Island overflow parking	300,000
From the Tourism Development Authority fund to the Co Governmental Facilities fund for Corolla Village Road Phase III	168,675
Total transfers from the Tourism Development Authority Fund	<u>\$ 7,121,952</u>
From the Transfer Tax Capital fund to the Land Banking fund to accumulate resources for future land purchases.	200,000
From the Transfer Tax Capital fund to the Land Banking fund for replacement of Maple skate park.	695,715
From the Transfer Tax Capital fund to the County Governmental Facilities fund for Maple baseball/softball fields.	980,085
From the Transfer Tax Capital fund to the Land Banking fund for County match for airport projects.	280,000
From the Transfer Tax Capital fund to the County Governmental Facilities fund for capital projects at Currituck County Rural Center.	200,000
From the Transfer Tax Capital fund to the Mainland Water fund.	62,000
From the Transfer Tax Capital fund to the Moyock Central Sewer fund for debt payment.	261,043
Total transfers from Transfer Tax Capital Fund	<u>\$ 2,678,843</u>
From the Whalehead Subdivision Drainage District fund to the General fund for debt service payment	670,943
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	1,031,766
From the School Capital fund to the General fund for capital purchases for the Currituck County Schools.	1,000,000
Total transfers from other governmental funds	<u>\$ 3,352,709</u>
From the Newtown Road Sewer fund to the Moyock Central Sewer fund for system consolidation	51,464
From the Moyock Commons Sewer fund to the Moyock Central Sewer fund for system consolidation	9,082
Total transfers from enterprise funds	<u>\$ 60,546</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	\$ 20,968,333	\$ 4,606,701
Other capital assets	<u>133,240,598</u>	<u>87,316,583</u>
Total capital assets	<u>154,208,931</u>	<u>91,923,284</u>
Depreciation	<u>(52,816,488)</u>	<u>(37,324,142)</u>
Total capital assets, net of depreciation	<u>101,392,443</u>	<u>54,599,142</u>
Outstanding general obligation debt	-	(540,000)
Outstanding revenue bonded debt	-	(14,635,000)
Outstanding installment purchase debt	<u>(6,365,896)</u>	<u>(6,655,000)</u>
Total outstanding debt	<u>(6,365,896)</u>	<u>(21,830,000)</u>
Total capital assets, net of depreciation and debt	<u>\$ 95,026,547</u>	<u>\$ 32,769,142</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	\$ 15,879,387
Less:	
Inventories	925
County Governmental Assets	2,955,915
Stabilization by State Statute	2,476,676
Appropriated Fund Balance in subsequent budget	3,031,018
Fire Protection	31,782
Tax Revaluation	482,956
Remaining Fund Balance	6,900,115

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 \$132,639 to Albemarle Regional Health Services during the fiscal year ended June 30, 2016, 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, 2016. 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, 2016. In accordance with the intergovernmental agreement between the participating governments, the County appropriated \$63,155 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 \$82,122 to the Authority during the fiscal year ended June 30, 2016, 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, 2016. 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, 2016, expenditures were \$545,238. 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, 2016. 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 \$19,977 to the Commission during the fiscal year ended June 30, 2016.

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	\$ 57,531	\$ -
Medicaid	11,771,168	6,274,726
Food stamp program	3,062,079	-
LINKS	2,634	-
Adoption assistance	46,019	11,906
Adult assistance	-	147,517
Title IV-E, foster care	50,632	13,110
CWS Adoption	-	137,258
State foster care	-	32,867
NC Health Choice	256,248	7,809
Total	<u>\$ 15,246,311</u>	<u>\$ 6,625,193</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 \$33,623 to Air Concepts, Inc. from July 1, 2015 through June 30, 2016. Commissioner Michael Payment, sworn in to office on December 1, 2014, is a principal owner of this business.

VIII. Special Item

During the year ended June 30, 2016, the County transferred the Shawboro Elementary School facility to the Currituck County Board of Education. This item is reflected on the government-wide statements as a special item because it is unusual in nature but under the control of management. The school had a book value of \$13,655,028.

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)
12/31/2006	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%
12/31/2015	-	1,754,373	1,754,373	-	3,611,475	48.58%

Schedule of Employer Contributions

Year Ending June 30	Annual Required Contributions	Percentage Contributed
2007	41,070	94.67%
2008	39,507	598.92%
2009	41,483	95.24%
2010	49,022	76.83%
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%
2016	50,466	43.17%

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%
12/31/2015	-	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	10.81%
2016	1,727,788	11.25%

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

Local Governmental Employees' Retirement System

Last Three Fiscal Years*

	<u>2016</u>	<u>2015</u>	<u>2014</u>
County's proportion of the net pension liability (asset) %	0.283%	0.284%	0.295%
County's proportionate share of the net pension liability (asset) \$	\$ 1,267,843	\$ (1,673,817)	\$ 3,557,088
County's covered-employee payroll	17,127,313	15,952,995	15,466,682
County's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	7.40%	(10.49%)	22.99%
Plan fiduciary net position as a percentage of the total pension liability	98.09%	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 Three Fiscal Years*

	<u>2016</u>	<u>2015</u>	<u>2014</u>
Contractually required contribution	\$ 1,150,130	\$ 1,135,921	\$ 1,091,528
Contributions in relation to the contractually required contribution	<u>1,150,130</u>	<u>1,135,921</u>	<u>1,091,528</u>
Contribution deficiency (excess)	<u>-</u>	<u>-</u>	<u>-</u>
County's covered-employee payroll	\$ 17,127,313	\$ 15,952,995	\$ 15,466,682
Contributions as a percentage of covered-employee payroll	6.71%	7.12%	7.06%

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

Register of Deeds' Supplemental Pension Fund

Last Three Fiscal Years*

	2016	2015	2014
County's proportion of the net pension liability (asset) %	0.423%	0.428%	0.455%
County's proportionate share of the net pension liability (asset) \$	\$ (98,010)	\$ (96,929)	\$ (97,263)
County's covered-employee payroll	53,623	52,571	49,886
County's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	(182.78%)	(184.38%)	(194.97%)
Plan fiduciary net position as a percentage of the total pension liability	197.29%	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 Three Fiscal Years*

	2016	2015	2014
Contractually required contribution	\$ 3,577	\$ 3,717	\$ 3,492
Contributions in relation to the contractually required contribution	3,577	3,717	3,492
Contribution deficiency (excess)	\$ -	\$ -	\$ -
County's covered-employee payroll	\$ 53,623	\$ 52,571	\$ 49,886
Contributions as a percentage of covered-employee payroll	6.67%	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 Two Fiscal Years**

	<u>2016</u>	<u>2015</u>
County's proportion of the net pension liability (asset) %	0.00%	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	<u>\$ 60,691</u>	<u>\$ 49,324</u>
Total	<u>\$ 60,691</u>	<u>\$ 49,324</u>
County's covered-employee payroll	\$ 4,013,300	\$ 3,890,337
County's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	1.51%	1.27%
Plan fiduciary net position as a percentage of the total pension liability	91.40%	93.42%

* The amounts presented are for the prior fiscal year.

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, 2016

	2016			Variance with Final Budget Positive (Negative)	2015
	Budgeted Amounts		Actual		Actual
	Original	Final			
Revenues:					
Ad valorem taxes:					
Taxes	\$ -	\$ -	\$ 28,811,334	\$ -	\$ 28,287,619
Interest	-	-	103,697	-	126,938
Total	<u>27,395,682</u>	<u>27,432,305</u>	<u>28,915,031</u>	<u>1,482,726</u>	<u>28,414,557</u>
Other taxes and licenses:					
Sexually oriented business license	-	-	2,150	-	1,475
Animal tax	-	-	12,075	-	12,354
Marriage license	-	-	26,940	-	29,520
Franchise tax	-	-	365,170	-	466,328
Deed stamp excise tax	-	-	727,127	-	625,393
Article 39 local option sales tax	-	-	4,944,570	-	4,677,598
Article 44 local option sales tax	-	-	(250)	-	(7)
Medicaid hold harmless funds	-	-	220,094	-	337,580
Total	<u>5,762,850</u>	<u>5,862,285</u>	<u>6,297,876</u>	<u>435,591</u>	<u>6,150,241</u>
Unrestricted intergovernmental:					
Gasoline tax refund	-	-	2,814	-	2,211
Payments in lieu of taxes-outside sources	-	-	47,039	-	43,718
Beer and wine tax	-	-	110,291	-	116,878
Total	<u>151,500</u>	<u>151,500</u>	<u>160,144</u>	<u>8,644</u>	<u>162,807</u>
Restricted intergovernmental:					
Federal and State grants	-	-	3,000,861	-	2,802,241
Safe roads act	-	-	3,989	-	4,379
Crime control act	-	-	6,120	-	11,921
Court facility fees	-	-	65,685	-	63,048
Jail fees	-	-	30,861	-	24,247
Officer fees	-	-	90,657	-	79,071
ABC bottles taxes	-	-	14,143	-	13,598
Total	<u>3,055,930</u>	<u>3,209,206</u>	<u>3,212,315</u>	<u>3,109</u>	<u>2,998,505</u>
Permits and fees:					
Ambulance service fees	-	-	1,128,273	-	1,074,772
Administration and filing fees	-	-	753,470	-	618,700
Peddler License Fee	-	-	1,010	-	1,050
Register of deeds fees	-	-	196,542	-	196,100
Building permit fees	-	-	593,505	-	432,174
Re-inspection fees	-	-	21,450	-	25,375
Planning fees	-	-	63,755	-	34,463
Tour operator fees	-	-	1,462	-	-
Payment in Lieu of Open Space	-	-	239,663	-	18,736
Zoning violation fees	-	-	-	-	3,641
Homeowners' recovery fees	-	-	5,010	-	4,750
CAMA permits	-	-	8,400	-	6,800
Sheriff fees	-	-	8,692	-	6,780
Animal control fees	-	-	540	-	800
Total	<u>2,317,197</u>	<u>2,337,551</u>	<u>3,021,772</u>	<u>684,221</u>	<u>2,424,141</u>
Sales and services:					
Rents	-	-	133,954	-	129,597
Airport fees	-	-	108,888	-	79,520
Vending sales	-	-	4,634	-	4,434
Senior meals	-	-	224	-	862
Animal adoption fees	-	-	16,196	-	-
Animal reclamation fees	-	-	2,638	-	-
EMS revenues	-	-	2,365	-	3,546

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, 2016

	2016			Variance with Final Budget Positive (Negative)	2015
	Budgeted Amounts		Actual		Actual
	Original	Final			
Jail housing	-	-	9,400	-	-
Sale of materials	-	-	884	-	678
Aviation fuel sales	-	-	266,701	-	277,628
Sale of fixed assets	-	-	37,108	-	17,908
Recreation fees	-	-	57,592	-	66,058
Total	<u>602,344</u>	<u>648,313</u>	<u>640,584</u>	<u>(7,729)</u>	<u>580,230</u>
Investment earnings	<u>60,000</u>	<u>60,000</u>	<u>88,069</u>	<u>28,069</u>	<u>75,573</u>
Miscellaneous:					
Donations	-	-	25,999	-	16,466
Insurance recoveries	-	-	49,195	-	22,439
ABC Education distribution	-	-	20,929	-	23,479
ABC Law enforcement distribution	-	-	14,949	-	16,771
ABC profits	-	-	408,578	-	375,195
Other	-	-	23,709	-	30,264
Total	<u>210,000</u>	<u>289,832</u>	<u>543,360</u>	<u>253,528</u>	<u>484,614</u>
Total revenues	<u>39,555,503</u>	<u>39,990,992</u>	<u>42,879,151</u>	<u>2,888,159</u>	<u>41,290,667</u>
Expenditures:					
General government:					
Administration:					
Salaries and employee benefits	-	-	489,141	-	450,404
Other operating expenditures	-	-	79,825	-	89,438
Capital Outlay	-	-	-	-	4,527
Total	<u>607,799</u>	<u>607,799</u>	<u>568,967</u>	<u>38,832</u>	<u>544,369</u>
Legal:					
Salaries and employee benefits	-	-	292,850	-	282,766
Other operating expenditures	-	-	138,860	-	43,547
Capital outlay	-	-	-	-	-
Total	<u>330,921</u>	<u>437,421</u>	<u>431,711</u>	<u>5,710</u>	<u>326,313</u>
Governing body:					
Salaries and employee benefits	-	-	109,803	-	108,511
Other operating expenditures	-	-	27,831	-	28,506
Capital Outlay	-	-	-	-	-
Total	<u>158,397</u>	<u>158,397</u>	<u>137,634</u>	<u>20,763</u>	<u>137,017</u>
Elections:					
Salaries and employee benefits	-	-	143,918	-	116,419
Other operating expenditures	-	-	60,929	-	59,260
Capital outlay	-	-	-	-	-
Total	<u>201,310</u>	<u>207,433</u>	<u>204,846</u>	<u>2,587</u>	<u>175,679</u>
Finance					
Salaries and employee benefits	-	-	360,266	-	349,143
Other operating expenditures	-	-	91,057	-	82,679
Total	<u>478,192</u>	<u>486,142</u>	<u>451,323</u>	<u>34,819</u>	<u>431,822</u>
Information Technology:					
Salaries and employee benefits	-	-	330,804	-	338,951
Other operating expenditures	-	-	234,375	-	221,665
Capital outlay	-	-	29,453	-	50,424
Total	<u>775,267</u>	<u>783,167</u>	<u>594,632</u>	<u>188,535</u>	<u>611,041</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, 2016

	2016			Variance with Final Budget Positive (Negative)	2015
	Budgeted Amounts		Actual		Actual
	Original	Final			
Human resources:					
Salaries and employee benefits	-	-	135,853	-	131,695
Other operating expenditures	-	-	12,456	-	9,682
Total	157,221	162,321	148,309	14,012	141,376
Taxes:					
Salaries and employee benefits	-	-	390,450	-	392,415
Other operating expenditures	-	-	145,860	-	110,263
Total	578,211	579,911	536,309	43,602	502,679
Public works:					
Salaries and employee benefits	-	-	701,374	-	655,743
Other operating expenditures	-	-	330,906	-	314,099
Capital outlay	-	-	59,831	-	145,092
Total	1,201,643	1,235,157	1,092,111	143,046	1,114,934
Public utilities:					
Salaries and employee benefits	-	-	217,184	-	208,554
Operating expenditures	-	-	18,079	-	19,731
Capital outlay	-	-	-	-	-
Total	240,741	240,741	235,263	5,478	228,284
Register of deeds:					
Salaries and employee benefits	-	-	257,946	-	253,401
Other operating expenditures	-	-	425,315	-	394,990
Capital outlay	-	-	-	-	1,580
Total	643,781	734,726	683,261	51,465	649,971
Court facilities:					
Operating expenditures	-	-	134,480	-	142,610
Capital outlay	-	-	11,664	-	20,496
Total	205,055	205,055	146,144	58,911	163,106
Agency appropriations:					
Operating expenditures	-	-	38,200	-	37,900
Total	39,200	39,200	38,200	1,000	37,900
Central services:					
Operating expenditures	-	-	626,582	-	562,707
Total	749,088	736,969	626,582	110,387	562,707
Total general government	6,366,826	6,614,439	5,895,291	719,148	5,627,198
Public safety:					
Sheriff:					
Salaries and employee benefits	-	-	4,912,498	-	4,733,833
Other operating expenditures	-	-	590,976	-	708,973
Capital outlay	-	-	425,160	-	528,844
Total	6,307,486	6,307,486	5,928,635	378,851	5,971,650
Jail:					
Salaries and employee benefits	-	-	1,584,472	-	1,528,832
Other operating expenditures	-	-	443,201	-	442,995
Capital outlay	-	-	67,883	-	41,480
Total	2,268,514	2,273,633	2,095,556	178,077	2,013,307

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, 2016

	2016			Variance with Final Budget Positive (Negative)	2015
	Budgeted Amounts		Actual		Actual
	Original	Final			
Animal control:					
Salaries and employee benefits	-	-	331,068	-	182,274
Other operating expenditures	-	-	182,420	-	200,394
Capital outlay	-	-	3,361	-	28,576
Total	<u>331,824</u>	<u>581,623</u>	<u>516,849</u>	<u>64,774</u>	<u>411,244</u>
Jury commission:					
Operating expenditures	-	-	2,900	-	1,750
Total	<u>2,300</u>	<u>2,900</u>	<u>2,900</u>	<u>0</u>	<u>1,750</u>
Emergency medical services:					
Salaries and employee benefits	-	-	5,475,050	-	5,359,129
Other operating expenditures	-	-	566,740	-	613,817
Capital outlay	-	-	308,279	-	222,234
Total	<u>6,492,048</u>	<u>6,539,287</u>	<u>6,350,069</u>	<u>189,218</u>	<u>6,195,180</u>
Emergency management:					
Salaries and employee benefits	-	-	146,414	-	128,882
Other operating expenditures	-	-	52,904	-	50,108
Capital outlay	-	-	36,035	-	12,742
Total	<u>234,167</u>	<u>312,033</u>	<u>235,353</u>	<u>76,680</u>	<u>191,732</u>
Communications:					
Salaries and employee benefits	-	-	723,505	-	686,191
Other operating expenditures	-	-	198,141	-	176,417
Capital outlay	-	-	-	-	1,289
Total	<u>1,021,332</u>	<u>1,021,332</u>	<u>921,646</u>	<u>99,686</u>	<u>863,897</u>
Building inspections:					
Salaries and employee benefits	-	-	543,571	-	409,511
Other operating expenditures	-	-	56,476	-	52,742
Capital outlay	-	-	29,896	-	27,806
Total	<u>691,401</u>	<u>693,755</u>	<u>629,943</u>	<u>63,812</u>	<u>490,058</u>
Fire prevention:					
Salaries and employee benefits	-	-	125,664	-	-
Other operating expenditures	-	-	25,456	-	-
Capital outlay	-	-	37,479	-	-
Total	<u>166,780</u>	<u>232,417</u>	<u>188,599</u>	<u>43,818</u>	<u>-</u>
Volunteer fire departments:					
Carova Beach Volunteer Fire Department	-	-	214,608	-	200,400
Corolla Fire & Rescue Squad	-	-	301,717	-	292,931
Crawford Volunteer Fire Department	-	-	331,459	-	315,675
Lower Currituck Volunteer Fire Department	-	-	344,257	-	347,031
Knotts Island Volunteer Fire Department	-	-	215,240	-	188,172
Moyock Volunteer Fire Department	-	-	228,207	-	218,191
Total	<u>1,648,830</u>	<u>1,648,830</u>	<u>1,635,487</u>	<u>13,343</u>	<u>1,562,401</u>
Medical examiner:					
Contracted services	-	-	23,400	-	10,350
Total	<u>12,000</u>	<u>24,000</u>	<u>23,400</u>	<u>600</u>	<u>10,350</u>
Total public safety	<u>19,176,682</u>	<u>19,637,296</u>	<u>18,528,436</u>	<u>1,108,860</u>	<u>17,711,568</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, 2016

	2016			Variance with Final Budget Positive (Negative)	2015
	Budgeted Amounts		Actual		Actual
	Original	Final			
Transportation:					
Airport:					
Salaries and employee benefits	-	-	47,301	-	53,350
Other operating expenditures	-	-	261,115	-	320,566
Capital outlay	-	-	14,282	-	2,399
Total	<u>505,403</u>	<u>505,403</u>	<u>322,698</u>	<u>182,705</u>	<u>376,315</u>
Inter-county transportation:					
Contracted services	-	-	35,343	-	40,397
Total	<u>64,376</u>	<u>62,144</u>	<u>35,343</u>	<u>26,801</u>	<u>40,397</u>
Total transportation	<u>569,779</u>	<u>567,547</u>	<u>358,041</u>	<u>209,506</u>	<u>416,712</u>
Environmental protection:					
Forestry:					
Contracted services	-	-	47,104	-	49,306
Total	<u>76,250</u>	<u>76,250</u>	<u>47,104</u>	<u>29,146</u>	<u>49,306</u>
Soil and water conservation:					
Salaries and employee benefits	-	-	119,938	-	122,433
Other operating expenditures	-	-	12,165	-	10,923
Total	<u>151,765</u>	<u>151,765</u>	<u>132,103</u>	<u>19,662</u>	<u>133,356</u>
Total environmental protection	<u>228,015</u>	<u>228,015</u>	<u>179,208</u>	<u>48,807</u>	<u>182,662</u>
Economic and physical development:					
Cooperative extension:					
Salaries and employee benefits	-	-	108,053	-	119,033
Other operating expenditures	-	-	295,093	-	321,011
Contracted services	-	-	33,773	-	33,376
Capital outlay	-	-	-	-	4,683
Total	<u>488,351</u>	<u>492,226</u>	<u>436,918</u>	<u>55,308</u>	<u>478,103</u>
Economic development:					
Salaries and employee benefits	-	-	151,701	-	131,136
Other operating expenditures	-	-	244,390	-	159,654
Capital outlay	-	-	-	-	-
Total	<u>359,006</u>	<u>444,006</u>	<u>396,091</u>	<u>47,915</u>	<u>290,790</u>
Planning and inspections:					
Salaries and employee benefits	-	-	626,514	-	623,290
Other operating expenditures	-	-	101,607	-	44,697
Capital outlay	-	-	1,898	-	2,381
Total	<u>734,546</u>	<u>752,546</u>	<u>730,019</u>	<u>22,527</u>	<u>670,368</u>
Total economic and physical development	<u>1,581,903</u>	<u>1,688,778</u>	<u>1,563,028</u>	<u>125,750</u>	<u>1,439,261</u>
Human services:					
Health:					
Contracted services	-	-	132,639	-	127,000
Total	<u>137,800</u>	<u>137,800</u>	<u>132,639</u>	<u>5,161</u>	<u>127,000</u>
Mental health:					
Contracted services	-	-	63,155	-	63,914
Total	<u>61,012</u>	<u>61,012</u>	<u>63,155</u>	<u>(2,143)</u>	<u>63,914</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, 2016

	2016			Variance with Final Budget Positive (Negative)	2015
	Budgeted Amounts		Actual		Actual
	Original	Final			
Social services:					
Administration:					
Salaries and employee benefits	-	-	2,476,188	-	2,286,096
Other operating expenditures	-	-	688,102	-	681,697
Capital outlay	-	-	55,114	-	88,683
Total	<u>3,398,814</u>	<u>3,407,228</u>	<u>3,219,404</u>	<u>187,824</u>	<u>3,056,477</u>
Public Assistance:					
Electronic issuance	-	-	3,127	-	3,201
Medical Transportation	-	-	28,399	-	37,350
TANF	-	-	235	-	(27)
Special assistance for adults	-	-	147,517	-	146,454
Special adoption assistance	-	-	3,195	-	36,040
State foster care and boarding home payments	-	-	174,564	-	144,008
Title IV-E foster care	-	-	74,537	-	45,068
Special assistance for the blind	-	-	852	-	887
Title IV-E adoption assistance	-	-	11,643	-	12,159
Title IV-B adoption assistance	-	-	51,740	-	47,470
Title IV-B adoption assistance vendor payments	-	-	1,828	-	1,266
Child daycare	-	-	520,710	-	516,642
Home care block grant	-	-	45,349	-	62,700
LINKS special assistance	-	-	2,063	-	2,806
Other assistance	-	-	108,039	-	112,806
Total	<u>1,340,614</u>	<u>1,305,925</u>	<u>1,173,798</u>	<u>132,127</u>	<u>1,168,829</u>
Total social services	<u>4,739,428</u>	<u>4,713,153</u>	<u>4,393,202</u>	<u>319,951</u>	<u>4,225,305</u>
Juvenile crime prevention control					
Improving outcomes for youth	-	-	-	-	-
JCPC council	-	-	14,984	-	14,202
and support services	-	-	72,717	-	74,269
Restitution	-	-	13,558	-	9,245
Total	<u>101,879</u>	<u>105,479</u>	<u>101,259</u>	<u>4,220</u>	<u>97,715</u>
Total human services	<u>5,040,119</u>	<u>5,017,444</u>	<u>4,690,256</u>	<u>327,188</u>	<u>4,513,935</u>
Cultural and recreational:					
Senior citizens centers:					
Salaries and employee benefits	-	-	196,372	-	189,589
Other operating expenditures	-	-	140,677	-	132,304
Capital outlay	-	-	19,419	-	-
Total	<u>369,097</u>	<u>370,625</u>	<u>356,468</u>	<u>14,157</u>	<u>321,894</u>
Libraries:					
Salaries and employee benefits	-	-	470,751	-	452,135
Other operating expenditures	-	-	74,487	-	89,596
Total	<u>563,976</u>	<u>563,976</u>	<u>545,238</u>	<u>18,738</u>	<u>541,731</u>
Parks and Recreation:					
Salaries and employee benefits	-	-	432,182	-	431,332
Other operating expenditures	-	-	258,545	-	273,736
Capital outlay	-	-	284,819	-	41,139
Total	<u>869,767</u>	<u>1,094,840</u>	<u>975,545</u>	<u>119,295</u>	<u>746,207</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, 2016

	2016			Variance with Final Budget Positive (Negative)	2015
	Budgeted Amounts		Actual		Actual
	Original	Final			
Rural Center					
Salaries and employee benefits	-	-	136,891	-	127,307
Other operating expenditures	-	-	47,352	-	48,707
Capital outlay	-	-	137,345	-	-
Total	<u>204,436</u>	<u>413,185</u>	<u>321,588</u>	<u>91,597</u>	<u>176,014</u>
Total cultural and recreational	<u>2,007,276</u>	<u>2,442,626</u>	<u>2,198,840</u>	<u>243,786</u>	<u>1,785,845</u>
Education:					
Public schools - current	-	-	9,503,189	-	9,353,526
Public schools - capital outlay	-	-	1,000,000	-	1,000,000
Community college	-	-	190,867	-	144,413
Total education	<u>10,718,189</u>	<u>10,718,189</u>	<u>10,694,056</u>	<u>24,133</u>	<u>10,497,939</u>
Debt service:					
Principal retirement	-	-	1,569,561	-	2,296,091
Interest and other charges	-	-	133,147	-	196,630
Total debt service	<u>1,702,846</u>	<u>1,702,846</u>	<u>1,702,708</u>	<u>138</u>	<u>2,492,722</u>
Total expenditures	<u>47,391,635</u>	<u>48,617,180</u>	<u>45,809,863</u>	<u>2,807,317</u>	<u>44,667,842</u>
Revenues over (under) expenditures	<u>(7,836,132)</u>	<u>(8,626,188)</u>	<u>(2,930,712)</u>	<u>5,695,476</u>	<u>(3,377,175)</u>
Other financing sources (uses):					
Transfers to other funds:					
Special Revenue Funds	-	-	(121,000)	-	(121,000)
Capital Projects Funds	-	-	(267,000)	-	(459,619)
Enterprise Funds	-	-	(1,107,852)	-	(1,095,687)
Total transfers to other funds	<u>(1,504,738)</u>	<u>(1,504,738)</u>	<u>(1,495,852)</u>	<u>8,886</u>	<u>(1,676,306)</u>
Transfers from other funds:					
Tourism Development Authority	-	-	3,240,277	-	2,856,104
Special Revenue Funds	-	-	670,943	-	678,353
Capital Projects Funds	-	-	2,681,766	-	3,464,526
Total transfers from other funds	<u>6,395,508</u>	<u>6,719,257</u>	<u>6,592,986</u>	<u>(126,271)</u>	<u>6,998,983</u>
Total other financing sources (uses)	<u>4,890,770</u>	<u>5,214,519</u>	<u>5,097,134</u>	<u>(117,385)</u>	<u>5,322,677</u>
Revenues and other financing sources over (under) expenditures and other financing uses	<u>(2,945,362)</u>	<u>(3,411,669)</u>	<u>2,166,422</u>	<u>5,578,091</u>	<u>1,945,502</u>
Appropriated fund balance	<u>2,945,362</u>	<u>3,411,669</u>	<u>-</u>	<u>(3,411,669)</u>	<u>-</u>
Revenues, other sources, and appropriated fund balance over (under) expenditures	<u>\$ -</u>	<u>\$ -</u>	<u>2,166,422</u>	<u>\$ 2,166,422</u>	<u>1,945,502</u>
Fund balances:					
Beginning of year, July 1			<u>10,274,094</u>		<u>8,328,592</u>
End of year, June 30			<u>\$ 12,440,516</u>		<u>\$ 10,274,094</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, 2016

	2016			Variance with Final Positive (Negative)	2015
	Budgeted Amounts		Actual		Actual
	Original	Final			
Revenues:					
Investment earnings	\$ -	\$ -	\$ 2,696	\$ 2,696	\$ 2,113
Expenditures:					
Current:					
General government:					
Contract services	-	-	-	-	-
Total expenditures	<u>121,000</u>	<u>121,000</u>	<u>-</u>	<u>121,000</u>	<u>-</u>
Revenues over (under) expenditures	<u>(121,000)</u>	<u>(121,000)</u>	<u>2,696</u>	<u>123,696</u>	<u>2,113</u>
Other financing sources:					
Operating transfer in:					
General Fund	<u>121,000</u>	<u>121,000</u>	<u>121,000</u>	<u>-</u>	<u>121,000</u>
Revenues and other sources over (under) expenditures	<u>\$ -</u>	<u>\$ -</u>	<u>123,696</u>	<u>\$ 123,696</u>	<u>123,113</u>
Fund balances:					
Beginning of year, July 1			<u>359,260</u>		<u>236,147</u>
End of year, June 30			<u>\$ 482,956</u>		<u>\$ 359,260</u>

County of Currituck, North Carolina
Land Banking Fund
Schedule of Revenues, Expenditures, and
Changes in Fund Balances - Budget and Actual
For the Fiscal Year Ended June 30, 2016

	2016			Variance with Final Positive (Negative)	2015
	Original Budget	Final Budget	Actual		Actual
Revenues:					
Investment earnings	\$ -	\$ -	\$ 17,718	\$ 17,718	\$ 18,621
Total revenues	<u>-</u>	<u>-</u>	<u>17,718</u>	<u>17,718</u>	<u>18,621</u>
Expenditures:					
Capital outlay	-	-	-	-	-
Total expenditures	<u>200,000</u>	<u>200,000</u>	<u>-</u>	<u>-</u>	<u>-</u>
Revenues over (under) expenditures	<u>(200,000)</u>	<u>(200,000)</u>	<u>17,718</u>	<u>217,718</u>	<u>18,621</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>200,000</u>
Revenues and other financing sources (uses)	<u>\$ -</u>	<u>\$ -</u>	<u>217,718</u>	<u>\$ 217,718</u>	<u>218,621</u>
Fund balances:					
Beginning of year, July 1			<u>2,738,197</u>		<u>2,519,576</u>
End of year, June 30			<u>\$ 2,955,915</u>		<u>\$ 2,738,197</u>

County of Currituck, North Carolina
Combining Balance Sheet
Non-Major Governmental Funds
June 30, 2016

	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
ASSETS						
Cash and cash equivalents	\$ -	\$ 382,674	\$ 124,165	\$ 5,541	\$ 69,418	\$ 22,941
Accounts receivable, net	-	-	-	-	-	-
Taxes receivable, net	-	-	271	46	582	158
Due from other governments	9,754	24,737	246	18	307	45
Total assets	<u>\$ 9,754</u>	<u>\$ 407,411</u>	<u>\$ 124,682</u>	<u>\$ 5,605</u>	<u>\$ 70,307</u>	<u>\$ 23,144</u>
LIABILITIES AND FUND BALANCES						
Liabilities:						
Accounts payable and accrued liabilities	\$ -	\$ 21,683	\$ -	\$ -	\$ -	\$ -
Due to operating fund	592	-	-	-	-	-
Total liabilities	<u>592</u>	<u>21,683</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
DEFERRED INFLOWS OF RESOURCES						
Taxes receivable	-	-	271	46	582	158
Total deferred inflows of resources	<u>-</u>	<u>-</u>	<u>271</u>	<u>46</u>	<u>582</u>	<u>158</u>
Fund balances:						
Restricted:						
Stabilization by State Statute	9,162	24,737	517	64	889	203
Emergency Telephone System	-	120,049	-	-	-	-
Watershed Improvements	-	-	23,894	495	11,836	3,783
Whalehead Beach Solid Waste	-	-	-	-	-	-
Capital Assets	-	-	-	-	-	-
Committed:						
Fire Equipment	-	-	-	-	-	-
Assigned:						
Subsequent year's expenditures	-	240,942	100,000	5,000	57,000	19,000
Unassigned						
Total fund balances	<u>9,162</u>	<u>385,728</u>	<u>124,411</u>	<u>5,559</u>	<u>69,725</u>	<u>22,986</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 9,754</u>	<u>\$ 407,411</u>	<u>\$ 124,682</u>	<u>\$ 5,605</u>	<u>\$ 70,307</u>	<u>\$ 23,144</u>

Whalehead Watershed Improvement Fund	Whalehead Beach Solid Waste Service District	Total Non-Major Special Revenue Funds	Fire Equipment Replacement Fund	Capital Improvements Fund	School Capital Fund	Total Non-Major Capital Projects Funds	Total Non-Major Governmental Funds
\$ 492,429	\$ 204,463	\$ 1,301,631	\$ 628,532	\$ 2,544,346	\$ 2,368,126	\$ 5,541,004	\$ 6,842,635
-	-	-	-	-	-	-	-
22	68	1,147	-	-	-	-	1,147
5,070	60	40,237	421	568,567	529,504	1,098,492	1,138,729
<u>\$ 497,521</u>	<u>\$ 204,591</u>	<u>\$ 1,343,015</u>	<u>\$ 628,953</u>	<u>\$ 3,112,913</u>	<u>\$ 2,897,630</u>	<u>\$ 6,639,496</u>	<u>\$ 7,982,511</u>
\$ 88,567	\$ 8,968	\$ 119,218	\$ -	\$ -	\$ -	\$ -	\$ 119,218
-	-	592	-	-	-	-	592
<u>88,567</u>	<u>8,968</u>	<u>119,810</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>119,810</u>
22	68	1,147	-	-	-	-	1,147
<u>22</u>	<u>68</u>	<u>1,147</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,147</u>
5,092	128	40,792	421	568,567	529,504	1,098,492	1,139,284
-	-	120,049	-	-	-	-	120,049
403,840	-	443,848	-	-	-	-	443,848
-	195,427	195,427	-	-	-	-	195,427
-	-	-	-	2,544,346	2,368,126	4,912,472	4,912,472
-	-	-	315,546	-	-	315,546	315,546
-	-	421,942	312,986	-	-	312,986	734,928
-	-	-	-	-	-	-	-
<u>408,932</u>	<u>195,555</u>	<u>1,222,058</u>	<u>628,953</u>	<u>3,112,913</u>	<u>2,897,630</u>	<u>6,639,496</u>	<u>7,861,554</u>
<u>\$ 497,521</u>	<u>\$ 204,591</u>	<u>\$ 1,343,015</u>	<u>\$ 628,953</u>	<u>\$ 3,112,913</u>	<u>\$ 2,897,630</u>	<u>\$ 6,639,496</u>	<u>\$ 7,982,511</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, 2016

	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
REVENUES						
Ad valorem taxes	\$ -	\$ -	\$ 14,140	\$ 1,646	\$ 18,656	\$ 3,069
Other taxes and licenses	-	174,236	-	-	-	-
Restricted						
intergovernmental	216,999	-	-	-	-	-
Investment earnings	81	2,614	770	31	423	141
Total revenues	<u>217,080</u>	<u>176,850</u>	<u>14,910</u>	<u>1,677</u>	<u>19,079</u>	<u>3,210</u>
EXPENDITURES						
Current:						
General government	-	-	-	-	-	-
Public safety	144,499	289,327	-	-	-	-
Economic and physical development	144,076	-	-	-	-	-
Environmental protection	-	-	-	-	8,250	-
Total expenditures	<u>288,575</u>	<u>289,327</u>	<u>-</u>	<u>-</u>	<u>8,250</u>	<u>-</u>
Issuance of debt	-	-	-	-	-	-
Transfers (to) from other funds	-	-	-	-	-	-
Total other financing sources and uses	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	(71,495)	(112,477)	14,910	1,677	10,829	3,210
Fund balances - beginning	80,657	498,205	109,501	3,882	58,896	19,776
Fund balances - ending	<u>\$ 9,162</u>	<u>\$ 385,728</u>	<u>\$ 124,411</u>	<u>\$ 5,559</u>	<u>\$ 69,725</u>	<u>\$ 22,986</u>

Whalehead Watershed Improvement Fund	Whalehead Beach Solid Waste Service District	Total Non-Major Special Revenue Funds
\$ 882,514	\$ 142,421	\$ 1,062,446
-	-	174,236
-	-	216,999
4,193	1,332	9,585
886,707	143,753	1,463,266

Fire Equipment Replacement Fund	Capital Improvements Fund	School Capital Fund	Total Non-major Capital Projects Funds	Total Non-Major Governmental Funds
\$ -	\$ -	\$ -	\$ -	\$ 1,062,446
-	2,108,559	1,957,357	4,065,916	4,240,152
-	-	-	-	216,999
3,403	18,161	13,934	35,498	45,083
3,403	2,126,720	1,971,291	4,101,414	5,564,680

-	107,622	107,622
-	-	433,826
-	-	144,076
178,695	-	186,945
178,695	107,622	872,469

-	-	-	-	107,622
136,163	-	-	136,163	569,989
-	-	-	-	144,076
-	-	-	-	186,945
136,163	-	-	136,163	1,008,632

-	-	-
(670,943)	-	(670,943)
(670,943)	-	(670,943)
37,069	36,131	(80,146)
371,863	159,424	1,302,204
\$ 408,932	\$ 195,555	\$ 1,222,058

-	-	-	-	-
267,000	(1,681,766)	(1,000,000)	(2,414,766)	(3,085,709)
267,000	(1,681,766)	(1,000,000)	(2,414,766)	(3,085,709)
134,240	444,954	971,291	1,550,485	1,470,339
494,713	2,667,959	1,926,339	5,089,011	6,391,215
\$ 628,953	\$ 3,112,913	\$ 2,897,630	\$ 6,639,496	\$ 7,861,554

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, 2016

	Project Authorization	Prior Year	Actual Current Year	Total to Date	Variance Positive (Negative)
Revenues					
Restricted intergovernmental:					
Hazard Mitigation Elevation Grant	\$ 337,710	\$ 15,870	\$ 72,500	\$ 88,370	\$ (249,340)
DPR 1 Law Enforcement Info Sharing Grant	150,000	-	144,499	144,499	(5,501)
Investment Earnings	-	1,764	81	1,845	1,845
Total revenues	<u>487,710</u>	<u>17,634</u>	<u>217,080</u>	<u>234,714</u>	<u>(252,996)</u>
Expenditures					
Public safety:					
DPR 1 Law Enforcement Info Sharing Grant	150,000	-	144,499	144,499	5,501
Economic and physical development:					
Hazard Mitigation Elevation Grant	<u>337,710</u>	<u>15,850</u>	<u>144,076</u>	<u>159,926</u>	<u>177,784</u>
Total expenditures	<u>487,710</u>	<u>15,850</u>	<u>288,575</u>	<u>304,425</u>	<u>183,285</u>
Revenues under expenditures	<u>\$ -</u>	<u>\$ 1,784</u>	<u>(71,495)</u>	<u>\$ (69,711)</u>	<u>\$ (69,711)</u>
Fund balance:					
Beginning of year, July 1			<u>80,657</u>		
End of Year, June 30			<u>\$ 9,162</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, 2016

	2016			Variance with Final Positive (Negative)	2015
	Budgeted Amounts		Actual		Actual
	Original	Final			
Revenues					
Other taxes and licenses:					
911 system subscriber fees	\$ 174,236	\$ 174,236	\$ 174,236	\$ -	\$ 166,231
Investment earnings	2,000	2,000	2,614	614	3,435
Total revenues	<u>176,236</u>	<u>176,236</u>	<u>176,850</u>	<u>614</u>	<u>169,666</u>
Expenditures					
Public safety	-	-	138,082	-	148,128
Capital Outlay	-	-	151,245	-	-
Total expenditures	<u>302,900</u>	<u>452,136</u>	<u>289,327</u>	<u>162,809</u>	<u>148,128</u>
Revenues over (under) expenditures	(126,664)	(275,900)	(112,477)	163,423	21,538
Appropriated fund balance	<u>126,664</u>	<u>275,900</u>	<u>-</u>	<u>(275,900)</u>	<u>-</u>
Revenues, other finance sources and appropriated fund balance over (under) expenditures	<u>\$ -</u>	<u>\$ -</u>	(112,477)	<u>\$ (112,477)</u>	21,538
Fund balances:					
Beginning of year, July 1			498,205		476,667
End of year, June 30			<u>\$ 385,728</u>		<u>\$ 498,205</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, 2016

	2016			Variance with Final Positive (Negative)	2015
	Budgeted Amounts		Actual		Actual
	Original	Final			
Revenues:					
Ad valorem taxes:					
Current year	\$ 10,695	\$ 10,695	\$ 11,986	\$ 1,291	\$ 11,941
Prior years	-	-	1,933	1,933	248
Interest	-	-	221	221	72
Total ad valorem taxes	10,695	10,695	14,140	3,445	12,261
Investment earnings	-	-	770	770	802
Total revenues	10,695	10,695	14,910	4,215	13,063
Expenditures:					
Current:					
Environmental protection:	10,695	10,695	-	10,695	4,500
Total expenditures	10,695	10,695	-	10,695	4,500
Revenues over (under) expenditures	\$ -	\$ -	14,910	\$ 14,910	8,563
Fund balances:					
Beginning of year, July 1			109,501		100,938
End of year, June 30			\$ 124,411		\$ 109,501

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, 2016

	2016			Variance with Final Positive (Negative)	2015
	Budgeted Amounts		Actual		Actual
	Original	Final			
Revenues:					
Ad valorem taxes:					
Current year	\$ 1,259	\$ 1,259	\$ 1,537	\$ 278	\$ 1,295
Prior years taxes	-	-	98	98	7
Interest	-	-	11	11	9
Total ad valorem taxes	1,259	1,259	1,646	387	1,311
Miscellaneous grants	-	-	-	-	10,000
Investment earnings	-	-	31	31	20
Total revenues	1,259	1,259	1,677	418	11,331
Expenditures:					
Current:					
Environmental protection:	1,259	1,259	-	1,259	9,950
Total expenditures	1,259	1,259	-	1,259	9,950
Revenues over (under) expenditures	\$ -	\$ -	1,677	\$ 1,677	1,381
Fund balances:					
Beginning of year, July 1			3,882		2,501
End of year, June 30			\$ 5,559		\$ 3,882

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, 2016

	2016			Variance with Final Positive (Negative)	2015
	Budgeted Amounts		Actual		Actual
	Original	Final			
Revenues:					
Ad valorem taxes:					
Current year	\$ 16,705	\$ 16,705	\$ 18,425	\$ 1,720	\$ 18,606
Prior years taxes	-	-	174	174	184
Interest	-	-	57	57	57
Total ad valorem taxes	16,705	16,705	18,656	1,951	18,847
Investment earnings	-	-	423	423	473
Total revenues	16,705	16,705	19,079	2,374	19,320
Expenditures:					
Current:					
Environmental protection:	16,705	16,705	8,250	8,455	14,375
Total expenditures	16,705	16,705	8,250	8,455	14,375
Revenues over (under) expenditures	\$ -	\$ -	10,829	\$ 10,829	4,945
Fund balances:					
Beginning of year, July 1			58,896		53,951
End of year, June 30			\$ 69,725		\$ 58,896

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, 2016

	2016			Variance with Final Positive (Negative)	2015
	Budgeted Amounts		Actual		Actual
	Original	Final			
Revenues:					
Ad valorem taxes:					
Current year	\$ 2,645	\$ 2,645	\$ 2,886	\$ 241	\$ 2,882
Prior years taxes	-	-	155	155	1
Interest	-	-	28	28	1
Total ad valorem taxes	2,645	2,645	3,069	424	2,884
Investment earnings	-	-	141	141	139
Total revenues	2,645	2,645	3,210	565	3,023
Expenditures:					
Current:					
Environmental protection:	2,645	2,645	-	2,645	-
Total expenditures	2,645	2,645	-	2,645	-
Revenues over (under) expenditures	\$ -	\$ -	3,210	\$ 3,210	3,023
Fund balances:					
Beginning of year, July 1			19,776		16,753
End of year, June 30			\$ 22,986		\$ 19,776

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, 2016

	2016			Variance with Final Positive (Negative)	2015
	Budgeted Amounts		Actual		Actual
	Original	Final			
Revenues:					
Ad valorem taxes:					
Current year	\$ 866,078	\$ 866,078	\$ 881,323	\$ 15,245	\$ 875,831
Prior year taxes	-	-	-	-	2,056
Interest	-	-	1,191	1,191	1,124
Total ad valorem taxes	<u>866,078</u>	<u>866,078</u>	<u>882,514</u>	<u>16,436</u>	<u>879,011</u>
Investment earnings	-	-	4,193	4,193	2,023
Total revenues	<u>866,078</u>	<u>866,078</u>	<u>886,707</u>	<u>20,629</u>	<u>881,034</u>
Expenditures:					
Current:					
Operations	-	-	61,494	(61,494)	611,801
Capital outlay	-	-	117,201	-	-
Total expenditures	<u>195,134</u>	<u>195,134</u>	<u>178,695</u>	<u>16,439</u>	<u>611,801</u>
Revenues over (under) expenditures	<u>670,944</u>	<u>670,944</u>	<u>708,012</u>	<u>37,068</u>	<u>269,233</u>
Other financing sources (uses):					
Transfers to operating fund	(670,944)	(670,944)	(670,943)	(1)	(678,353)
Transfers to enterprise fund	-	-	-	-	-
Issuance of debt	-	-	-	-	-
Total other financing sources (uses)	<u>(670,944)</u>	<u>(670,944)</u>	<u>(670,943)</u>	<u>(1)</u>	<u>(678,353)</u>
Revenues and other financing sources (uses) over (under) expenditures	<u>-</u>	<u>-</u>	<u>37,069</u>	<u>37,069</u>	<u>(409,120)</u>
Fund balances:					
Beginning of year, July 1			371,863		780,983
End of year, June 30			<u>\$ 408,932</u>		<u>\$ 371,863</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, 2016

	2016			Variance with Final Positive (Negative)	2015
	Budgeted Amounts		Actual		Actual
	Original	Final			
Revenues:					
Ad valorem taxes:					
Current year	\$ 139,448	\$ 139,448	\$ 141,853	\$ 2,405	\$ 141,128
Prior year taxes	-	-	365	365	402
Interest	-	-	203	203	191
Total ad valorem taxes	<u>139,448</u>	<u>139,448</u>	<u>142,421</u>	<u>2,973</u>	<u>141,721</u>
Investment earnings	-	-	1,332	1,332	1,249
Total revenues	<u>139,448</u>	<u>139,448</u>	<u>143,753</u>	<u>4,305</u>	<u>142,970</u>
Expenditures:					
Current:					
General government	<u>139,448</u>	<u>139,448</u>	<u>107,622</u>	<u>31,826</u>	<u>115,214</u>
Total expenditures	<u>139,448</u>	<u>139,448</u>	<u>107,622</u>	<u>31,826</u>	<u>115,214</u>
Revenues over (under) expenditures	<u>\$ -</u>	<u>\$ -</u>	36,131	<u>\$ 36,131</u>	27,756
Fund balances:					
Beginning of year, July 1			<u>159,424</u>		<u>131,668</u>
End of year, June 30			<u>\$ 195,555</u>		<u>\$ 159,424</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, 2016

	2016			Variance with Final Positive (Negative)	2015
	Budgeted Amounts		Actual		Actual
	Original	Final			
Revenues:					
Investment earnings	\$ -	\$ -	\$ 3,403	\$ 3,403	\$ 2,601
Expenditures:					
Current:					
Debt payment on behalf of Moyock VFD	-	-	30,965	(30,965)	131,000
Capital outlay	-	-	105,198		
	<u>356,000</u>	<u>443,986</u>	<u>136,163</u>	<u>307,823</u>	<u>131,000</u>
Revenues over (under) expenditures	(356,000)	(443,986)	(132,760)	311,226	(128,399)
Other financing sources:					
Transfers from general fund	<u>267,000</u>	<u>267,000</u>	<u>267,000</u>	-	<u>267,000</u>
Revenues and other financing sources over expenditures	<u>(89,000)</u>	<u>(176,986)</u>	<u>134,240</u>	<u>311,226</u>	<u>138,601</u>
Appropriated fund balance	<u>89,000</u>	<u>176,986</u>	<u>-</u>	<u>(176,986)</u>	<u>-</u>
Revenues and other finance sources appropriated fund balance over over (under) expenditures	<u>\$ -</u>	<u>\$ -</u>	134,240	<u>\$ 134,240</u>	138,601
Fund balances:					
Beginning of year, July 1			<u>494,713</u>		<u>356,112</u>
End of year, June 30			<u>\$ 628,953</u>		<u>\$ 494,713</u>

County of Currituck, North Carolina
Capital Improvements Fund
Schedule of Revenues, Expenditures, and
Changes in Fund Balances - Budget and Actual
For the Fiscal Year Ended June 30, 2016

	2016			Variance with Final Positive (Negative)	2015
	Budgeted Amounts		Actual		Actual
	Original	Final			
Revenues:					
Other taxes and licenses:					
Article 40 supplemental sales tax	\$ 867,842	\$ 867,842	\$ 1,125,116	\$ 257,274	\$ 1,044,611
Article 42 supplemental sales tax	872,347	872,347	983,443	111,096	929,257
Investment earnings	-	-	18,161	18,161	19,946
Total revenues	<u>1,740,189</u>	<u>1,740,189</u>	<u>2,126,720</u>	<u>386,531</u>	<u>1,993,814</u>
Expenditures:					
Contingency	58,289	58,289	-	(58,289)	-
Total expenditures	<u>58,289</u>	<u>58,289</u>	<u>-</u>	<u>(58,289)</u>	<u>-</u>
Revenues over expenditures	1,681,900	1,681,900	2,126,720	444,820	1,993,814
Other financing uses:					
Transfers to other funds:					
General fund	(1,681,900)	(1,681,900)	(1,681,766)	134	(1,698,026)
County Government Facilities fund	-	-	-	-	-
School Facilities fund	-	-	-	-	-
Total other financing uses	<u>(1,681,900)</u>	<u>(1,681,900)</u>	<u>(1,681,766)</u>	<u>134</u>	<u>(1,698,026)</u>
Revenues over (under) other financing uses	<u>\$ -</u>	<u>\$ -</u>	444,954	<u>\$ 444,954</u>	295,788
Fund balances:					
Beginning of year, July 1			2,667,959		2,372,171
End of year, June 30			<u>\$ 3,112,913</u>		<u>\$ 2,667,959</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, 2016

	2016			Variance with Final Positive (Negative)	2015
	Budgeted Amounts		Actual		Actual
	Original	Final			
Revenues:					
Other taxes and licenses:					
Article 40 supplemental sales tax	\$ 391,526	\$ 391,526	\$ 482,193	\$ 90,667	\$ 447,690
Article 42 supplemental sales tax	1,274,878	1,274,878	1,475,164	200,286	1,393,885
Investment earnings	-	-	13,934	13,934	13,263
Total revenues	<u>1,666,404</u>	<u>1,666,404</u>	<u>1,971,291</u>	<u>304,887</u>	<u>1,854,838</u>
Expenditures:					
Contingency	<u>666,404</u>	<u>666,404</u>	-	(666,404)	-
Total expenditures	<u>666,404</u>	<u>666,404</u>	-	(666,404)	-
Revenues over expenditures	1,000,000	1,000,000	1,971,291	971,291	1,854,838
Other financing uses:					
Transfers to other funds:					
General fund	(1,000,000)	(1,000,000)	(1,000,000)	-	(1,766,500)
School capital projects fund	-	-	-	-	-
Total other financing uses	<u>(1,000,000)</u>	<u>(1,000,000)</u>	<u>(1,000,000)</u>	<u>-</u>	<u>(1,766,500)</u>
Revenues over (under) other financing uses	<u>\$ -</u>	<u>\$ -</u>	971,291	<u>\$ 971,291</u>	88,338
Fund balances:					
Beginning of year, July 1			<u>1,926,339</u>		<u>1,838,001</u>
End of year, June 30			<u>\$ 2,897,630</u>		<u>\$ 1,926,339</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, 2016

	Project Authorization	Actual		Total to Date	Variance Positive (Negative)
		Prior Years	Current Year		
Revenues					
Intergovernmental revenues:					
State aid to airports	\$ 2,057,931	\$ 21,614	\$ 1,041,362	\$ 1,062,976	\$ (994,955)
Crawford VFD Construction Grant	-	21,314	10,657	31,971	31,971
PARTF - Maple soccer field project	265,000	-	258,520	258,520	(6,480)
Incinerator Grant	-	-	2,000	2,000	2,000
Total	2,322,931	42,928	1,312,539	1,355,467	(967,464)
Investment earnings	-	-	121,886	121,886	121,886
Total revenues	2,322,931	42,928	1,434,425	1,477,353	(845,578)
Expenditures					
Public safety:					
Animal Shelter	2,500,000	648,378	1,743,337	2,391,715	108,285
Shooting Range	268,619	158,901	71,560	230,461	38,158
Total public safety	2,768,619	807,279	1,814,897	2,622,176	146,443
Transportation:					
S Parallel Taxiway (FY 2016)	2,154,069	-	1,048,589	1,048,589	1,105,480
Upgrades to Fuel Tanks	103,055	37,255	61,902	99,157	3,898
Total transportation	2,257,124	37,255	1,110,491	1,147,746	1,109,378
Cultural and recreational:					
Connect Corolla Parking	150,000	8,200	-	8,200	141,800
Connect Corolla Bike Path	2,204,217	128,096	1,796,864	1,924,960	279,257
Connect Corolla East Side Walkway	100,000	14,232	-	14,232	85,768
Historic Corolla Park - Boat Facility	9,625	-	1,444	1,444	8,181
Historic Corolla Park - Restrooms	250,000	-	6,000	6,000	244,000
Recreation baseball/softball fields - Maple	5,736,663	88,415	2,815,391	2,903,806	2,832,857
Recreation soccer fields - Maple	3,400,146	3,080,492	80,829	3,161,321	238,825
Recreation maintenance building - Maple	682,469	668,054	10,000	678,054	4,415
Recreation - Shingle Landing Park	6,500	-	3,000	3,000	3,500
Veteran's Park Dock Improvements	163,000	-	4,500	4,500	158,500
Total cultural and recreational	12,702,620	3,987,489	4,718,028	8,705,517	3,997,103
Education					
Bus Garage	37,185	-	-	-	37,185
	37,185	-	-	-	37,185
Total expenditures	17,728,363	4,832,023	7,643,416	12,475,439	5,252,924
Revenues under expenditures	(15,405,432)	(4,789,095)	(6,208,991)	(10,998,086)	4,407,346

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, 2016

	Project Authorization	Prior Years	Actual Current Year	Total to Date	Variance Positive (Negative)
Other financing sources (uses):					
Transfers (to) from other funds:					
General fund	268,619	268,619	-	268,619	-
Tourism Development Authority	10,281,820	6,400,145	3,881,675	10,281,820	-
Capital improvements fund	2,699,193	6,425,464	-	6,425,464	3,726,271
Transfer tax capital fund	2,155,800	1,283,927	2,155,800	3,439,727	1,283,927
Total other financing sources (uses)	<u>15,405,432</u>	<u>14,378,155</u>	<u>6,037,475</u>	<u>20,415,630</u>	<u>5,010,198</u>
Revenues and other sources over (under) expenditures	<u>\$ -</u>	<u>\$ 9,589,060</u>	<u>(171,516)</u>	<u>\$ 9,417,544</u>	<u>\$ 9,417,544</u>
Fund balances:					
Beginning of year, July 1			<u>10,434,638</u>		
End of year, June 30			<u>\$ 10,263,122</u>		

County of Currituck, North Carolina
School Capital Projects Fund
Schedule of Revenues, Expenditures, and
Changes in Fund Balances - Budget and Actual
From Inception and for the Fiscal Year Ended June 30, 2016

	Project Authorization	Actual		Total to Date	Variance Positive (Negative)
		Prior Years	Current Year		
Revenues					
State Lottery proceeds	\$ 824,810	\$ 534,811	\$ 289,999	\$ 824,810	\$ -
Investment earnings	115,305	2,292,165	33,212	2,325,377	2,210,072
Total revenues	<u>940,115</u>	<u>2,826,976</u>	<u>323,211</u>	<u>3,150,187</u>	<u>2,210,072</u>
Expenditures					
Intergovernmental - education:					
Central Elementary School Parking	750,000	686,045	-	686,045	63,955
Central Elementary School Gym Roof	91,043	-	91,043	91,043	-
Griggs - Upgrade Energy Management	30,000	-	13,796	13,796	16,204
Moyock Elementary School Gym HVAC	114,828	1,920	95,062	96,982	17,846
Moyock Elementary School Kitchen Roof HVAC	20,000	-	630	630	19,370
Moyock Elementary School 2 Cafeteria Split Systems	44,000	-	630	630	43,370
Moyock Middle - Upgrade Energy Management	38,149	-	-	-	38,149
JPK Gym Roof Replacement	115,172	115,171	-	115,171	1
JPK Technology Roof Replacement	26,825	26,825	-	26,825	-
Knotts Island Elementary Gym HVAC	65,000	-	-	-	65,000
Knotts Island Elementary Rooftop HVAC	23,000	-	1,710	1,710	21,290
Currituck Middle School - HVAC lobby	67,967	67,967	-	67,967	-
Currituck Middle School - Auditorium HVAC	95,824	2,240	93,586	95,826	(2)
Currituck High School RTF House HVAC	7,000	-	6,907	6,907	93
System-wide Technology	86,000	-	80,978	80,978	5,022
Total expenditures	<u>1,574,808</u>	<u>900,168</u>	<u>384,342</u>	<u>1,284,510</u>	<u>290,298</u>
Revenues over (under) expenditures	<u>(634,693)</u>	<u>1,926,808</u>	<u>(61,131)</u>	<u>1,865,677</u>	<u>2,500,370</u>
Other financing sources (uses):					
Transfers from					
General Fund	-	249,295	-	249,295	249,295
School Capital Improvements Fund	-	410,000	-	410,000	410,000
Transfer Tax Capital Fund	719,549	2,630,190	-	2,630,190	1,910,641
	<u>719,549</u>	<u>3,289,485</u>	<u>-</u>	<u>3,289,485</u>	<u>2,569,936</u>
Transfers to					
Governmental Construction Fund	<u>(84,856)</u>	<u>(84,856)</u>	<u>-</u>	<u>(84,856)</u>	<u>-</u>
Total other financing sources (uses)	<u>634,693</u>	<u>3,204,629</u>	<u>-</u>	<u>3,204,629</u>	<u>2,569,936</u>
Revenues and other sources over (under) expenditures	<u>\$ -</u>	<u>\$ 5,131,437</u>	<u>(61,131)</u>	<u>\$ 5,070,306</u>	<u>\$ 5,070,306</u>
Fund balances:					
Beginning of year, July 1			5,131,437		
End of year, June 30			<u>\$ 5,070,306</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, 2016

	2016			Variance with Final Positive (Negative)	2015
	Budgeted Amounts		Actual		Actual
	Original	Final			
Revenues:					
Other taxes and licenses					
Land transfer tax	\$ 2,306,500	\$ 2,629,543	\$ 3,367,062	\$ 737,519	\$ 2,968,642
Investment earnings	50,000	50,000	54,783	4,783	66,909
Total revenues	<u>2,356,500</u>	<u>2,679,543</u>	<u>3,421,845</u>	<u>742,302</u>	<u>3,035,551</u>
Expenditures:					
Fees Paid to Officials	700	700	-	700	-
Contingency	-	-	-	-	-
Total expenditures	<u>700</u>	<u>700</u>	<u>-</u>	<u>700</u>	<u>-</u>
Revenues over (under) expenditures	<u>2,355,800</u>	<u>2,678,843</u>	<u>3,421,845</u>	<u>743,002</u>	<u>3,035,551</u>
Other financing uses:					
Transfers to general fund	-	-	-	-	-
Transfers to County government facilities	(2,155,800)	(2,155,800)	(2,155,800)	-	(1,552,640)
Transfers to school facilities fund	-	-	-	-	-
Transfers to land banking fund	(200,000)	(200,000)	(200,000)	-	(200,000)
Transfers to Mainland water fund	-	(62,000)	(62,000)	-	-
Transfers to Moyock central sewer fund	-	(261,043)	(261,043)	-	(84,500)
Total other financing uses	<u>(2,355,800)</u>	<u>(2,678,843)</u>	<u>(2,678,843)</u>	<u>-</u>	<u>(1,837,140)</u>
Revenues and other financing uses over (under) expenditures	<u>\$ -</u>	<u>\$ -</u>	743,002	<u>\$ 743,002</u>	1,198,411
Fund balances:					
Beginning of year, July 1			8,681,290		7,482,879
End of year, June 30			<u>\$ 9,424,292</u>		<u>\$ 8,681,290</u>

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County of Currituck, North Carolina
Tourism Development Authority
Schedule of Revenues, Expenditures, and
Changes in Fund Balances - Budget and Actual
For the Fiscal Year Ended June 30, 2016

	2016			Variance with Final Positive (Negative)	2015
	Budgeted Amounts		Actual		Actual
	Original	Final			
Revenues:					
Occupancy Tax	\$ -	\$ -	\$ 11,065,242	\$ -	\$ 10,844,887
Insurance Recovery	-	-	-	-	-
Co-op Advertising	-	-	-	-	-
Grants	-	-	1,882	-	274,269
Retail sales - Tourism Promotion	-	-	13,235	-	12,959
Retail sales - Whalehead in Historic Corolla	-	-	10,427	-	-
Penalties and interest	-	-	2,200	-	2,382
Tour operator permits	-	-	12,704	-	28,500
Whalehead donations	-	-	6,241	-	3,316
Whalehead events	-	-	72,527	-	13,702
Whalehead rents	-	-	18,784	-	468
Whalehead tours	-	-	83,277	-	13,824
Interest on intra-fund loan	-	-	55,152	-	86,537
Sale of capital assets	-	-	800	-	-
Investment earnings	-	-	70,907	-	85,863
Total revenues	<u>10,497,440</u>	<u>11,010,965</u>	<u>11,413,378</u>	<u>402,413</u>	<u>11,366,707</u>
Expenditures:					
Tourism Promotion:					
Salaries	-	-	631,627	-	574,761
Operating Expenses	-	-	229,275	-	339,948
Retail merchandise	-	-	11,727	-	163
Promotions	-	-	2,242,317	-	2,056,013
Capital Outlay	-	-	21,824	-	97,666
Total Tourism Promotions	<u>3,279,377</u>	<u>3,296,502</u>	<u>3,136,770</u>	<u>159,732</u>	<u>3,068,551</u>
Tourism Related Expenditures:					
Operations:					
Salaries	-	-	69,263	-	-
Operating expenses	-	-	19,202	-	-
Insurance and bonds	-	-	-	-	6,039
Repairs and maintenance	-	-	-	-	3,015
Supplies	-	-	-	-	7,344
Utilities	-	-	-	-	6,517
Contracted services	-	-	133,404	-	175,086
Beach nourishment	-	-	11,054	-	2,809
Carova Beach Park	-	-	6,174	-	-
Corolla Wild Horse support	-	-	69,200	-	69,200
Historic Jarvisburg Colored School operations	-	-	2,787	-	1,061
Historic preservation	-	-	102,741	-	12,330
Lifeguard services	-	-	655,490	-	658,824
Outer Banks access ramps	-	-	38,254	-	38,431
Professional services	-	-	178,397	-	14,534
Signs	-	-	8,455	-	6,791
Whalehead projects	-	-	-	-	580,971
Capital outlay	-	-	373,679	-	227,598
Total Operations	<u>1,182,364</u>	<u>2,274,069</u>	<u>1,668,100</u>	<u>605,969</u>	<u>1,804,512</u>

County of Currituck, North Carolina
Tourism Development Authority
Schedule of Revenues, Expenditures, and
Changes in Fund Balances - Budget and Actual
For the Fiscal Year Ended June 30, 2016

	2016			Variance with Final Positive (Negative)	2015
	Budgeted Amounts		Actual		Actual
	Original	Final			
Whalehead in Historic Corolla Park:					
Salaries	-	-	427,676		
Operating expenses	-	-	218,166		
Capital outlay	-	-	47,316		
Total Whalehead in Historic Corolla Park	<u>965,558</u>	<u>765,146</u>	<u>693,158</u>	71,988	-
Total tourism related expenditures	<u>2,147,922</u>	<u>3,039,215</u>	<u>2,361,258</u>	677,957	1,810,551
Total expenditures	<u>5,427,299</u>	<u>6,335,717</u>	<u>5,498,028</u>	837,689	4,879,102
Revenues over (under) expenditures	<u>5,070,141</u>	<u>4,675,248</u>	<u>5,915,350</u>	1,240,102	6,487,605
Other financing sources:					
Transfers (to) from other funds:					
General fund	(3,042,664)	(3,356,063)	(3,240,277)	115,786	(2,856,104)
Carova Beach Service District Fund	(20,000)	(20,000)	(20,000)	-	-
County Governmental Facilities fund	(3,631,675)	(3,904,569)	(3,881,675)	22,894	(2,052,275)
Total other financing uses	<u>(6,694,339)</u>	<u>(7,280,632)</u>	<u>(7,141,952)</u>	138,680	(4,908,379)
Revenues and other financing sources over (under) expenditures and other financing uses	<u>(1,624,198)</u>	<u>(2,605,384)</u>	<u>(1,226,602)</u>	1,378,782	1,579,226
Appropriated fund balance	<u>1,624,198</u>	<u>2,605,384</u>	<u>-</u>	(2,605,384)	-
Revenues, other financing sources, and appropriated fund balance over (under) expenditures	<u>\$ -</u>	<u>\$ -</u>	<u>(1,226,602)</u>	<u>\$ (1,226,602)</u>	1,579,226
Fund balances:					
Beginning of year, July 1			<u>11,980,625</u>		<u>10,401,399</u>
Fund balance: Tourism promotion			7,274,300		6,772,335
Fund balance: Tourism related expenditures			<u>3,479,723</u>		<u>5,208,290</u>
End of year, June 30			<u>\$ 10,754,023</u>		<u>\$ 11,980,625</u>
A legally budgeted Carova Beach Service District Fund is consolidated in the Tourism Development Authority Fund for reporting purposes:					
Revenues			16,319		222
Transfer-in Tourism Development Authority Fund			20,000		-
Expenditures			(6,500)		(73,044)
Beginning Fund Balance, Carova Beach Service District Fund			<u>1,909</u>		<u>74,731</u>
Ending Fund Balance Exhibit 4			<u>\$ 10,785,751</u>		<u>\$ 11,982,534</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, 2016

	2016			Variance with Final Positive (Negative)	2015
	Budgeted Amounts		Actual		Actual
	Original	Final			
Revenues:					
Tour operator fees	\$ -	\$ -	\$ 16,234	\$ 16,234	\$ -
Investment earnings	-	-	85	85	222
Total revenues	-	-	16,319	16,319	222
Expenditures:					
Current:					
Environmental protection	20,000	20,000	6,500	13,500	73,044
Total expenditures	20,000	20,000	6,500	13,500	73,044
Revenues over (under) expenditures	(20,000)	(20,000)	9,819	29,819	(72,822)
Other financing sources:					
Transfers from tourism development authority	20,000	20,000	20,000	-	-
Revenues and other financing sources over expenditures	\$ -	\$ -	29,819	\$ 29,819	(72,822)
Fund balances:					
Beginning of year, July 1			1,909		74,731
End of year, June 30			\$ 31,728		\$ 1,909

**County of Currituck, North Carolina
Combining Statement of Net Position
Non-Major Proprietary Funds
June 30, 2016**

	Enterprise Funds				Totals	
	Newtown Road Sewer Fund	Maple Commerce Park Sewer Fund	Moyock Commons Sewer Fund	Walnut Island Sewer Fund	June 30, 2016	June 30, 2015
ASSETS						
Current assets:						
Cash and cash equivalents	\$ 2,329	\$ 45	\$ 1,853	\$ 20,668	\$ 24,895	\$ 89,038
Restricted cash	-	-	150	-	150	150
Taxes receivable, net	-	-	-	-	-	2,080
Receivables, net	1,699	2,718	2,021	83,696	90,134	62,153
Total current assets	<u>4,028</u>	<u>2,763</u>	<u>4,024</u>	<u>104,364</u>	<u>115,179</u>	<u>153,421</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	104,550	1,674,954	251,609	3,065,726	5,096,839	5,343,354
Total capital assets	<u>191,550</u>	<u>1,674,954</u>	<u>319,234</u>	<u>3,119,416</u>	<u>5,305,154</u>	<u>5,551,669</u>
Total assets	<u>195,578</u>	<u>1,677,717</u>	<u>323,258</u>	<u>3,223,780</u>	<u>5,420,333</u>	<u>5,705,090</u>
LIABILITIES						
Current liabilities:						
Accounts payable	350	786	-	5,445	6,581	3,313
Customer deposits	-	-	150	-	150	150
Total liabilities	<u>350</u>	<u>786</u>	<u>150</u>	<u>5,445</u>	<u>6,731</u>	<u>3,463</u>
NET POSITION						
Net investment in capital assets	191,550	1,674,954	319,234	3,119,416	5,305,154	5,551,669
Unrestricted	3,678	1,977	3,874	98,919	108,448	149,958
Total net position	<u>\$ 195,228</u>	<u>\$ 1,676,931</u>	<u>\$ 323,108</u>	<u>\$ 3,218,335</u>	<u>\$ 5,413,602</u>	<u>\$ 5,701,627</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, 2016

	Enterprise Funds				Totals	
	Newtown Road Sewer Fund	Maple Commerce Park Sewer Fund	Moyock Commons Sewer Fund	Walnut Island Sewer Fund	June 30, 2016	June 30, 2015
OPERATING REVENUES						
Charges for services	\$ -	\$ 24,859	\$ -	\$ 158,746	\$ 183,605	\$ 217,333
Miscellaneous	-	-	-	-	-	1,171
Total operating revenues	<u>-</u>	<u>24,859</u>	<u>-</u>	<u>158,746</u>	<u>183,605</u>	<u>218,504</u>
OPERATING EXPENSES						
Administration	845	7,969	-	73,797	82,611	87,945
Water and sewer district	-	49,035	2,273	63,268	114,576	140,366
Depreciation	16,954	64,421	13,963	151,177	246,515	246,515
Total operating expenses	<u>17,799</u>	<u>121,425</u>	<u>16,236</u>	<u>288,242</u>	<u>443,702</u>	<u>474,826</u>
Operating income (loss)	<u>(17,799)</u>	<u>(96,566)</u>	<u>(16,236)</u>	<u>(129,496)</u>	<u>(260,097)</u>	<u>(256,322)</u>
NONOPERATING REVENUES (EXPENSES)						
Tax revenue	-	-	521	-	521	462
Grant	-	-	-	-	-	-
Rent	-	3,600	-	-	3,600	1,200
Contributed capital	-	-	-	-	-	-
Sale of capital assets	-	-	-	-	-	-
Interest and investment revenue	3	46	-	283	332	737
Total nonoperating revenue (expenses)	<u>3</u>	<u>3,646</u>	<u>521</u>	<u>283</u>	<u>4,453</u>	<u>2,399</u>
Income (loss) before transfers	(17,796)	(92,920)	(15,715)	(129,213)	(255,644)	(253,923)
Transfer	(51,464)	28,165	(9,082)	-	(32,381)	16,000
Change in net position	(69,260)	(64,755)	(24,797)	(129,213)	(288,025)	(237,923)
Total net position - beginning	264,488	1,741,686	347,905	3,347,548	5,701,627	5,939,550
Total net position - ending	<u>\$ 195,228</u>	<u>\$ 1,676,931</u>	<u>\$ 323,108</u>	<u>\$ 3,218,335</u>	<u>\$ 5,413,602</u>	<u>\$ 5,701,627</u>

County of Currituck, North Carolina
Combining Statement of Cash Flows
Non-Major Proprietary Fund
For the Year Ended June 30, 2016

	Newtown Road Sewer Fund	Maple Commerce Park Sewer Fund	Moyock Commons Sewer Fund	Walnut Island Sewer Fund	Totals	
					June 30, 2016	June 30, 2015
Cash flows from operating activities:						
Cash received from customers	\$ 3,172	\$ 24,311	\$ 3,756	\$ 126,465	\$ 157,704	\$ 254,938
Cash paid for goods and services	(845)	(56,930)	(2,273)	(133,871)	(193,919)	(296,309)
Other operating revenue	-	-	-	-	-	1,171
Net cash provided (used) by operating activities	<u>2,327</u>	<u>(32,619)</u>	<u>1,483</u>	<u>(7,406)</u>	<u>(36,215)</u>	<u>(40,200)</u>
Cash flows from noncapital financing activities:						
Rental income	-	3,600	-	-	3,600	1,200
Tax revenues	-	-	521	-	521	463
Transfer from operating fund	-	28,165	-	-	28,165	16,000
	<u>-</u>	<u>31,765</u>	<u>521</u>	<u>-</u>	<u>32,286</u>	<u>17,663</u>
Cash flows from capital and related financing activities:						
Transfer (to) enterprise fund	<u>(51,464)</u>	<u>-</u>	<u>(9,082)</u>	<u>-</u>	<u>(60,546)</u>	<u>-</u>
Net cash provided by capital and related financing activities	(51,464)	-	(9,082)	-	(60,546)	-
Cash flows from investing activities:						
Interest on investments	<u>3</u>	<u>46</u>	<u>-</u>	<u>283</u>	<u>332</u>	<u>737</u>
Net increase (decrease) in cash and cash equivalents	(49,134)	(808)	(7,078)	(7,123)	(64,143)	(21,800)
Cash and cash equivalents, July 1	51,463	853	9,081	27,791	89,188	110,988
Cash and cash equivalents, June 30	<u>\$ 2,329</u>	<u>\$ 45</u>	<u>\$ 2,003</u>	<u>\$ 20,668</u>	<u>\$ 25,045</u>	<u>\$ 89,188</u>
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:						
Operating income (loss)	<u>\$ (17,799)</u>	<u>\$ (96,566)</u>	<u>\$ (16,236)</u>	<u>\$ (129,496)</u>	<u>\$ (260,097)</u>	<u>\$ (256,322)</u>
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	3,172	(548)	3,756	(32,280)	(25,900)	37,605
Increase (decrease) in accounts payable and accrued liabilities	-	74	-	3,193	3,267	(67,998)
Total adjustments	<u>20,126</u>	<u>63,947</u>	<u>17,719</u>	<u>122,090</u>	<u>223,882</u>	<u>216,122</u>
Net cash provided (used) by operating activities	<u>\$ 2,327</u>	<u>\$ (32,619)</u>	<u>\$ 1,483</u>	<u>\$ (7,406)</u>	<u>\$ (36,215)</u>	<u>\$ (40,200)</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, 2016

	2016			Variance Positive (Negative)	2015
	Original Budget	Final Budget	Actual		Actual
Revenues:					
Charges for services:					
Sewer charges	\$ -	\$ -	\$ -	\$ -	\$ 9,970
Penalties and interest, sewer	-	-	-	-	1,580
Total, sewer operating revenues	-	-	-	-	11,550
Nonoperating revenues:					
Interest earnings	-	-	3	3	381
Total revenues	-	-	3	3	11,931
Appropriated net position	51,464	51,464	-	(51,464)	-
Total revenues and appropriated net position	51,464	51,464	3	(51,461)	11,931
Expenditures:					
Administration:					
Administrative expenses	-	-	845	-	2,088
	-	-	845	(845)	2,088
Sewer treatment operations:					
Contracted services	-	-	-	-	13,322
Total	-	-	-	-	13,322
Total expenditures	-	-	845	(845)	15,410
Revenues and appropriated net position over expenditures	51,464	51,464	(842)	(52,306)	(3,479)
Other financing uses:					
Transfers to Moyock Central Sewer Construction Fund	(51,464)	(51,464)	(51,464)	-	-
Revenues and appropriated net assets over (under) expenditures and other financing uses	\$ -	\$ -	(52,306)	\$ (52,306)	\$ (3,479)
Reconciliation from budgetary basis (modified accrual) to full accrual:					
Reconciling items:					
Depreciation			(16,954)		(16,954)
Total reconciling items			(16,954)		(16,954)
Change in net position			\$ (69,260)		\$ (20,433)

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, 2016

	2016			Variance	2015
	Original Budget	Final Budget	Actual	Positive (Negative)	Actual
Revenues:					
Charges for services:					
Sewer charges	\$ -	\$ -	\$ 24,859	\$ -	\$ 19,804
Penalties and interest, sewer	-	-	-	-	223
Total, sewer operating revenues	<u>22,000</u>	<u>22,000</u>	<u>24,859</u>	<u>2,859</u>	<u>20,027</u>
Nonoperating revenues:					
Rent	-	-	3,600	-	1,200
Interest earnings	-	-	46	46	-
Total, sewer nonoperating revenues	<u>3,600</u>	<u>3,600</u>	<u>3,646</u>	<u>46</u>	<u>1,200</u>
Total revenues	<u>25,600</u>	<u>25,600</u>	<u>28,505</u>	<u>2,905</u>	<u>21,227</u>
Other financing sources (uses):					
Transfer from operating fund	-	-	28,165	-	16,000
	<u>37,051</u>	<u>37,051</u>	<u>28,165</u>	<u>(8,886)</u>	<u>16,000</u>
Total revenues and other financing sources	<u>62,651</u>	<u>62,651</u>	<u>56,670</u>	<u>(5,981)</u>	<u>37,227</u>
Expenditures:					
Administration:					
Telephone and postage	-	-	1,108	-	1,529
Dues and subscriptions	-	-	1,310	-	1,310
Administrative expenses	-	-	5,551	-	-
	<u>7,051</u>	<u>8,726</u>	<u>7,969</u>	<u>757</u>	<u>2,839</u>
Sewer treatment operations:					
Utilities	-	-	5,600	-	7,028
Repairs and maintenance	-	-	6,060	-	263
Lab tests	-	-	7,685	-	8,420
System supplies	-	-	25,880	-	11,994
Contracted services	-	-	3,810	-	6,993
Total	<u>52,000</u>	<u>51,425</u>	<u>49,035</u>	<u>2,390</u>	<u>34,698</u>
Capital outlay	<u>3,600</u>	<u>2,500</u>	<u>-</u>	<u>2,500</u>	<u>-</u>
Total expenditures	<u>62,651</u>	<u>62,651</u>	<u>57,004</u>	<u>5,647</u>	<u>37,537</u>
Revenues and appropriated net assets over (under) expenditures and other financing sources	<u>\$ -</u>	<u>\$ -</u>	<u>(334)</u>	<u>\$ (334)</u>	<u>\$ (310)</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>\$ (64,755)</u>		<u>\$ (64,731)</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, 2016

	2016			2015	
	Original Budget	Final Budget	Actual	Variance Positive (Negative)	Actual
Revenues:					
Charges for services:					
Sewer charges	\$ -	\$ -	\$ -	\$ -	\$ 67,845
Penalties and interest	-	-	-	-	1,171
Total, sewer operating revenues	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>69,016</u>
Nonoperating revenues:					
Tax revenue	-	-	521	-	462
Interest earnings	-	-	-	-	191
Total nonoperating revenues	<u>-</u>	<u>-</u>	<u>521</u>	<u>521</u>	<u>653</u>
Total revenues	-	-	521	521	69,669
Expenditures:					
Administration:					
Administration	-	-	-	-	7,756
Contracted services	-	-	2,273	-	51,638
Total expenditures	<u>-</u>	<u>-</u>	<u>2,273</u>	<u>(2,273)</u>	<u>59,394</u>
Revenues over expenditures	<u>-</u>	<u>9,082</u>	<u>(1,752)</u>	<u>(10,834)</u>	<u>10,275</u>
Other financing uses:					
Transfers to Moyock Central Sewer Fund	-	(9,082)	(9,082)	-	-
Revenues and appropriated net position over (under) expenditures and other financing uses	<u>\$ -</u>	<u>\$ -</u>	<u>(10,834)</u>	<u>\$ (10,834)</u>	<u>\$ 10,275</u>
Reconciliation from budgetary basis (modified accrual) to full accrual:					
Depreciation			<u>(13,963)</u>		<u>(13,963)</u>
Change in net position			<u>\$ (24,797)</u>		<u>\$ (3,688)</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, 2016

	2016			2015	
	Original Budget	Final Budget	Actual	Variance Positive (Negative)	Actual
Revenues:					
Charges for services:					
Sewer charges	\$ -	\$ -	\$ 145,532	\$ -	\$ 90,687
Tap fees	-	-	4,204	-	13,100
Penalties and interest	-	-	9,010	-	14,124
Total, sewer operating revenues	<u>140,550</u>	<u>141,892</u>	<u>158,746</u>	<u>16,854</u>	<u>117,911</u>
Nonoperating revenues:					
Interest earnings	-	-	283	-	165
Total nonoperating revenues	<u>-</u>	<u>-</u>	<u>283</u>	<u>283</u>	<u>165</u>
Total revenues	<u>140,550</u>	<u>141,892</u>	<u>159,029</u>	<u>17,137</u>	<u>118,076</u>
Appropriated net position	-	-	-	-	-
Total revenues and other financing sources	<u>140,550</u>	<u>141,892</u>	<u>159,029</u>	<u>17,137</u>	<u>118,076</u>
Expenditures:					
Administration:					
Telephone and postage	-	-	830	-	1,578
Administration	-	-	65,192	-	65,192
Supplies	-	-	5,880	-	6,516
Credit card fees	-	-	476	-	557
Dues and subscriptions	-	-	1,310	-	1,310
Software license fees	-	-	109	-	109
Total	<u>77,550</u>	<u>75,561</u>	<u>73,797</u>	<u>1,764</u>	<u>75,262</u>
Sewer treatment operations:					
Utilities	-	-	21,796	-	19,425
Repairs and maintenance	-	-	10,540	-	2,283
Lab tests	-	-	8,340	-	8,530
Chemicals	-	-	10,115	-	2,990
Contracted services	-	-	12,477	-	7,480
Total	<u>61,500</u>	<u>66,331</u>	<u>63,268</u>	<u>3,063</u>	<u>40,708</u>
Capital outlay	1,500	-	-	-	-
Total expenditures	<u>140,550</u>	<u>141,892</u>	<u>137,065</u>	<u>4,827</u>	<u>115,970</u>
Revenues over expenditures	<u>\$ -</u>	<u>\$ -</u>	<u>21,964</u>	<u>\$ 21,964</u>	<u>\$ 2,106</u>
Reconciliation from budgetary basis (modified accrual) to full accrual:					
Depreciation			<u>(151,177)</u>		<u>(151,177)</u>
Change in net position			<u>\$ (129,213)</u>		<u>\$ (149,071)</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, 2016

	2016			2015	
	Original Budget	Final Budget	Actual	Variance Positive (Negative)	Actual
Revenues:					
Operating revenues:					
Charges for services:					
Solid waste disposal charges	\$ -	\$ -	\$ 2,249,116	\$ -	\$ 2,197,334
Recycling	-	-	35,746	-	37,596
Tipping fees	-	-	505,069	-	521,510
Total	<u>2,798,000</u>	<u>2,883,000</u>	<u>2,789,931</u>	<u>(93,069)</u>	<u>2,756,440</u>
Nonoperating revenues:					
Ad valorem taxes	-	-	13,118	-	14,827
White goods tax	-	-	8,529	-	7,800
White goods disposal tax	-	-	72,037	-	69,022
Tire tax	-	-	33,251	-	31,224
Investment earnings	-	-	24,514	-	29,786
Total	<u>87,000</u>	<u>108,000</u>	<u>151,449</u>	<u>43,449</u>	<u>152,659</u>
Appropriated net assets	<u>530,060</u>	<u>644,060</u>	<u>-</u>	<u>(644,060)</u>	<u>-</u>
Total revenues	<u>3,415,060</u>	<u>3,635,060</u>	<u>2,941,380</u>	<u>(693,680)</u>	<u>2,909,099</u>
Expenditures:					
Solid waste administration:					
Training & Education	-	-	-	-	10
Telephone and postage	-	-	290	-	301
Other administrative expenditures	-	-	181,286	-	165,883
Total	<u>181,959</u>	<u>181,559</u>	<u>181,576</u>	<u>(17)</u>	<u>166,194</u>
Solid waste operations:					
Utilities	-	-	4,930	-	4,221
Repair and maintenance	-	-	5,305	-	4,676
Rent	-	-	58,200	-	28,200
Gas, oil, etc.	-	-	23	-	-
Supplies	-	-	855	-	3,229
Professional services	-	-	1,840	-	960
Contract services, other	-	-	27,348	-	19,938
Contract services, collection	-	-	1,791,098	-	1,836,228
Contract services, disposal	-	-	1,684,374	-	1,693,904
Site work and landscaping	-	-	19,182	-	16,805
White goods disposal	-	-	44,957	-	27,693
White goods disposal tax	-	-	45,377	-	44,330
Tire disposal	-	-	33,374	-	38,290
Monitoring wells	-	-	4,900	-	4,900
Recycling	-	-	344,074	-	331,434
Total	<u>4,222,788</u>	<u>4,443,188</u>	<u>4,065,837</u>	<u>377,351</u>	<u>4,054,808</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, 2016

	2016			2015	
	Original Budget	Final Budget	Actual	Variance Positive (Negative)	Actual
Capital outlays	90,000	90,000	16,025	73,975	-
Total expenditures	<u>4,494,747</u>	<u>4,714,747</u>	<u>4,263,438</u>	<u>451,309</u>	<u>4,221,002</u>
Revenues and appropriated net position over expenditures	<u>(1,079,687)</u>	<u>(1,079,687)</u>	<u>(1,322,058)</u>	<u>(242,371)</u>	<u>(1,311,903)</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>1,079,687</u>
Revenues and appropriated net position over (under) expenditures and other financing uses	<u>\$ -</u>	<u>\$ -</u>	<u>(242,371)</u>	<u>\$ (242,371)</u>	<u>\$ (232,216)</u>
Reconciliation from budgetary basis (modified accrual) to full accrual:					
Reconciling items:					
Capital outlays			16,025		-
Depreciation			<u>(37,744)</u>		<u>(35,646)</u>
Total reconciling items			<u>(21,719)</u>		<u>(35,646)</u>
Change in net position			<u>\$ (264,090)</u>		<u>\$ (267,862)</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, 2016

	2016			Variance Positive (Negative)	2015
	Original Budget	Final Budget	Actual		Actual
Revenues:					
Charges for services:					
Water sales	\$ -	\$ -	\$ 584,391	\$ -	\$ 594,685
Water impact fees	-	-	6,000	-	9,000
Water tap fees	-	-	1,800	-	4,000
Penalties and interest, water	-	-	7,027	-	6,784
Other operating revenues, water	-	-	1,458	-	1,908
Total, water operating revenues	<u>588,500</u>	<u>588,500</u>	<u>600,676</u>	<u>12,176</u>	<u>616,377</u>
Sewer charges	-	-	693,978	-	635,083
Sewer impact fees	-	-	6,000	-	9,000
Sewer tap fees	-	-	1,800	-	4,000
Penalties and interest, sewer	-	-	10,395	-	7,963
Other operating revenues, sewer	-	-	1,458	-	1,908
Total, sewer operating revenues	<u>658,863</u>	<u>658,863</u>	<u>713,631</u>	<u>54,768</u>	<u>657,954</u>
Total operating revenues	<u>1,247,363</u>	<u>1,247,363</u>	<u>1,314,306</u>	<u>66,943</u>	<u>1,274,330</u>
Nonoperating revenues:					
Tax revenue	-	-	234,682	-	231,269
Unrestricted intergovernmental revenues	-	-	13,621	-	12,444
Insurance recovery	-	-	-	-	16,650
Interest earnings	-	-	12,383	-	15,097
Total nonoperating revenues	<u>270,929</u>	<u>278,235</u>	<u>260,686</u>	<u>(17,549)</u>	<u>275,460</u>
Total revenues	<u>1,518,292</u>	<u>1,525,598</u>	<u>1,574,992</u>	<u>49,394</u>	<u>1,549,790</u>
Appropriated net assets	-	250,000	-	(250,000)	-
Total revenues and appropriated net assets	<u>1,518,292</u>	<u>1,775,598</u>	<u>1,574,992</u>	<u>(200,606)</u>	<u>1,549,790</u>
Expenditures:					
Administration:					
Processing fees	-	-	2,637	-	-
Telephone and postage	-	-	751	-	3,180
Data transmission	-	-	881	-	912
Travel and training	-	-	5,723	-	6,377
Fees paid to officials	-	-	-	-	450
Supplies	-	-	-	-	24,542
Uniforms	-	-	969	-	1,015
Dues and subscriptions	-	-	3,353	-	2,349
Software license fees	-	-	670	-	526
Contract services	-	-	60,000	-	30,000
Total	<u>102,854</u>	<u>99,787</u>	<u>74,984</u>	<u>24,803</u>	<u>69,351</u>
Water treatment operations:					
Utilities	-	-	4,441	-	7,603
Repairs and maintenance	-	-	4,338	-	630
Lab tests	-	-	1,443	-	2,548
System supplies	-	-	10,845	-	13,043
Contracted services	-	-	498,102	-	409,884
Professional services	-	-	17,221	-	-
Total	<u>509,676</u>	<u>512,418</u>	<u>536,390</u>	<u>(23,972)</u>	<u>433,708</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, 2016

	2016			Variance Positive (Negative)	2015
	Original Budget	Final Budget	Actual		Actual
Sewer treatment operations:					
Salaries & benefits	-	-	105,090	-	83,640
Utilities	-	-	64,164	-	79,594
Repairs and maintenance	-	-	41,829	-	51,245
Gas	-	-	5,931	-	3,621
Lab tests	-	-	26,641	-	24,955
System supplies	-	-	50,347	-	17,898
Chemicals	-	-	20,064	-	16,603
Contracted services	-	-	173,965	-	158,214
Professional services	-	-	53,809	-	7,750
Total	<u>543,383</u>	<u>543,584</u>	<u>541,840</u>	<u>1,744</u>	<u>443,520</u>
Capital outlay	<u>92,000</u>	<u>99,430</u>	<u>64,469</u>	<u>34,961</u>	<u>76,468</u>
Total expenditures	<u>1,247,913</u>	<u>1,255,219</u>	<u>1,217,683</u>	<u>37,536</u>	<u>1,023,047</u>
Revenues and appropriated net position over expenditures	<u>270,379</u>	<u>520,379</u>	<u>357,309</u>	<u>(163,070)</u>	<u>526,743</u>
Other financing uses:					
Transfer to Ocean Sands Construction	<u>(270,379)</u>	<u>(520,379)</u>	<u>(520,379)</u>	<u>-</u>	<u>(438,000)</u>
Revenues and appropriated net position over (under) expenditures and other financing uses:	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (163,070)</u>	<u>\$ (163,070)</u>	<u>\$ 88,743</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			64,469		76,468
Accrued salaries			1,999		-
Accrued vacation			(660)		(988)
Loss on disposal of assets			(10,002)		-
Transfer to Ocean Sands Construction			520,379		438,000
Postemployment benefits			(5,729)		(6,689)
Pension expense			-		(268)
Depreciation			(184,491)		(184,204)
Interest income from capital project funds			22,678		-
Decrease in net pension asset			(6,250)		-
Increase in deferred outflows of resources			(390)		-
Increase in net pension liability			(4,806)		-
Decrease in deferred outflows of resources			12,900		-
Total reconciling items			<u>410,097</u>		<u>326,299</u>
Change in net position			<u>\$ 247,027</u>		<u>\$ 415,042</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, 2016

	Project Authorization	Actual		Total to Date	Variance Positive (Negative)
		Prior Years	Current Year		
Revenues					
Intergovernmental revenues:					
Investment earnings	\$ -	\$ 52,283	\$ 22,678	\$ 74,961	\$ 74,961
Total revenues	-	52,283	22,678	74,961	74,961
Expenditures					
Contract services	4,298,150	-	2,228,751	2,228,751	2,069,399
Professional services	440,000	321,330	82,930	404,260	35,740
Contingency	300,000	-	-	-	300,000
Total expenditures	5,038,150	321,330	2,311,681	2,633,011	2,405,139
Revenues under expenditures	(5,038,150)	(269,047)	(2,289,003)	(2,558,050)	2,480,100
Other financing sources (uses):					
Transfers (to) from other funds:					
Ocean Sands Water & Sewer fund	5,038,150	4,255,312	520,379	4,775,691	(262,459)
Total other financing sources (uses)	5,038,150	4,255,312	520,379	4,775,691	(262,459)
Revenues and other sources over (under) expenditures	\$ -	\$ 3,986,265	\$ (1,768,624)	\$ 2,217,641	\$ 2,217,641

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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, 2016

	2016			Variance Positive (Negative)	2015
	Original Budget	Final Budget	Actual		Actual
Revenues:					
Charges for services:					
Water sales	\$ -	\$ -	\$ 2,934,164	\$ -	\$ 2,911,883
Water tap fees	-	-	624,723	-	595,091
Reconnection fees	-	-	56,047	-	50,355
Penalties and interest	-	-	79,102	-	81,887
Sale of materials	-	-	13,960	-	30,038
Total	<u>3,186,342</u>	<u>3,201,170</u>	<u>3,707,996</u>	<u>506,826</u>	<u>3,669,254</u>
Nonoperating revenues:					
Interest earnings	-	-	18,550	-	11,738
Insurance recovery	-	-	84,835	-	-
Other nonoperating revenues	-	-	-	-	100
Total nonoperating revenues	<u>10,000</u>	<u>10,000</u>	<u>103,385</u>	<u>93,385</u>	<u>11,838</u>
Total revenues	<u>3,196,342</u>	<u>3,211,170</u>	<u>3,811,381</u>	<u>600,211</u>	<u>3,681,092</u>
Other financing sources (uses):					
Transfer from transfer tax capital fund	-	62,000	62,000	-	-
Pay-off 1989 debt	-	-	-	-	-
Refunding bonds issued	-	-	-	-	-
Premium on debt issued	-	-	-	-	-
Sales of capital assets	-	-	-	-	3,710
	<u>-</u>	<u>62,000</u>	<u>62,000</u>	<u>-</u>	<u>3,710</u>
Total revenues and other financing sources	<u>3,196,342</u>	<u>3,273,170</u>	<u>3,873,381</u>	<u>600,211</u>	<u>3,684,802</u>
Expenditures:					
Administration:					
Salaries and benefits	-	-	55,575	-	58,241
Administrative support	-	-	193,734	-	193,734
Credit card fees	-	-	17,183	-	18,293
Telephone and postage	-	-	13,969	-	27,747
Travel	-	-	2,421	-	2,182
Training and education	-	-	7,558	-	2,541
Advertising	-	-	-	-	488
Supplies	-	-	95,635	-	88,396
Dues and subscriptions	-	-	7,282	-	5,105
Software license fees	-	-	5,078	-	2,384
Other administration	-	-	35	-	19
	<u>378,562</u>	<u>425,545</u>	<u>398,470</u>	<u>27,075</u>	<u>399,130</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, 2016

	2016			Variance Positive (Negative)	2015
	Original Budget	Final Budget	Actual		Actual
Water treatment operations:					
Salaries and benefits	-	-	639,112	-	660,558
Utilities	-	-	167,449	-	200,063
Repairs and maintenance	-	-	27,729	-	31,187
Fuel	-	-	19,611	-	28,992
Lab tests	-	-	14,723	-	12,942
Chemicals	-	-	46,538	-	43,453
Uniforms	-	-	1,020	-	1,783
Purchase of water from another	-	-	-	-	-
Contracted services	-	-	75,014	-	33,667
Professional services	-	-	17,490	-	85
Total	<u>1,104,303</u>	<u>1,084,531</u>	<u>1,008,686</u>	<u>75,845</u>	<u>1,012,730</u>
Debt service:					
Interest and other charges	-	-	469,485	-	646,194
Debt principal	-	-	970,000	-	930,000
Total	<u>1,439,486</u>	<u>1,439,486</u>	<u>1,439,485</u>	<u>1</u>	<u>1,576,194</u>
Capital outlay	273,991	323,608	272,506	51,102	228,944
Total expenditures	<u>3,196,342</u>	<u>3,273,170</u>	<u>3,119,147</u>	<u>154,023</u>	<u>3,216,998</u>
Revenues and appropriated net assets over (under) expenditures	<u>\$ -</u>	<u>\$ -</u>	754,234	<u>\$ 754,234</u>	467,804
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			272,506		228,944
Debt principal			970,000		930,000
Depreciation			(1,923,620)		(1,911,061)
Postemployment benefits			(33,852)		(34,577)
Accrued vacation			(6,146)		(7,072)
Pension expense			-		(2,137)
Accrued salaries			(8,397)		-
Loss on disposal of assets			(38,025)		-
Decrease in net pension asset			(49,743)		-
Increase in deferred outflows of resources			(2,205)		-
Increase in net pension liability			(33,996)		-
Decrease in deferred inflows of resources			97,702		-
Total reconciling items			<u>(755,776)</u>		<u>(765,061)</u>
Change in net position			<u>\$ (1,542)</u>		<u>\$ (297,257)</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, 2016

	2016			2015	
	Original Budget	Final Budget	Actual	Variance Positive (Negative)	Actual
Revenues:					
Charges for services:					
Water sales	\$ -	\$ -	\$ 2,529,155	\$ -	\$ 2,718,849
Water tap fees	-	-	957,630	-	1,022,231
Administration	-	-	486,330	-	-
Billing services	-	-	4,085	-	3,780
Penalties and interest	-	-	27,430	-	33,174
Other operating revenues	-	-	18,431	-	13,459
Total, water operating revenues	<u>3,433,244</u>	<u>3,525,133</u>	<u>4,023,061</u>	<u>497,928</u>	<u>3,791,493</u>
Nonoperating revenues:					
Rent	-	-	167,107	-	159,649
Insurance recovery	-	-	-	-	-
Interest earnings	-	-	17,779	-	15,477
Total nonoperating revenues	<u>185,786</u>	<u>185,786</u>	<u>184,886</u>	<u>(900)</u>	<u>175,126</u>
Total revenues	<u>3,619,030</u>	<u>3,710,919</u>	<u>4,207,947</u>	<u>497,028</u>	<u>3,966,619</u>
Other financing sources (uses):					
Loan proceeds from Tourism Development Authority	-	-	-	-	-
Transfer to Occupancy Tax fund	-	-	-	-	-
Transfer to Southern Outer Banks Water Construction fund	-	-	(122,156)	-	(11,043)
	<u>-</u>	<u>-</u>	<u>(122,156)</u>	<u>(122,156)</u>	<u>(11,043)</u>
Appropriated net assets	<u>-</u>	<u>122,156</u>	<u>-</u>	<u>(122,156)</u>	<u>-</u>
Total revenues and other financing sources	<u>3,619,030</u>	<u>3,833,075</u>	<u>4,085,791</u>	<u>252,716</u>	<u>3,955,576</u>
Expenditures:					
Administration:					
Salaries and benefits	-	-	160,602	-	147,172
Telephone and postage	-	-	4,966	-	12,726
Travel	-	-	1,939	-	1,686
Training and education	-	-	3,048	-	1,727
Data transmission	-	-	3,453	-	3,459
Advertising	-	-	-	-	77
Supplies	-	-	41,453	-	45,525
Credit card fees	-	-	6,043	-	6,580
Dues and subscriptions	-	-	7,303	-	6,995
Other administrative expenditures	-	-	217,142	-	135,161
Total administration expenditures	<u>226,346</u>	<u>643,014</u>	<u>445,949</u>	<u>197,065</u>	<u>361,108</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, 2016

	2016			2015	
	Original Budget	Final Budget	Actual	Variance Positive (Negative)	Actual
Water treatment operations:					
Salaries and benefits	-	-	434,369	-	397,771
Utilities	-	-	204,850	-	193,287
Gas, oil, etc	-	-	14,177	-	19,740
Repairs and maintenance	-	-	22,352	-	86,525
Lab tests	-	-	17,300	-	14,588
Chemicals	-	-	118,055	-	116,506
Uniforms	-	-	908	-	1,103
Contracted services	-	-	54,096	-	66,566
Professional services	-	-	29,968	-	-
Total water treatment operations	<u>1,194,536</u>	<u>902,331</u>	<u>896,075</u>	<u>6,256</u>	<u>896,086</u>
Debt service:					
Interest and other charges	-	-	181,590	-	233,205
Debt principal	-	-	2,136,783	-	1,975,449
Total	<u>2,188,424</u>	<u>2,188,424</u>	<u>2,318,373</u>	<u>(129,949)</u>	<u>2,208,654</u>
Capital outlays	9,724	99,306	96,160	3,146	3,656,947
Total expenditures	<u>3,619,030</u>	<u>3,833,075</u>	<u>3,756,557</u>	<u>76,518</u>	<u>7,122,795</u>
Revenues and other financing sources over (under) expenditures	<u>\$ -</u>	<u>\$ -</u>	329,234	<u>\$ 329,234</u>	(3,167,219)
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			96,160		3,656,947
Debt principal			2,136,783		1,975,449
Postemployment benefits			(35,858)		(42,208)
Change in accrued vacation			(2,507)		1,818
Depreciation			(1,039,081)		(918,686)
Pension expense			-		(1,678)
Transfer to (from) construction fund			122,156		11,043
Interest income from capital project funds			148		-
Accrued salaries			(6,849)		-
Loss on disposal of assets			(104,405)		-
Decrease in net pension asset			(39,064)		-
Decrease in deferred outflow of resources			1,862		-
Increase in net pension liability			(30,149)		-
Decrease in deferred inflows of resources			80,753		-
Total reconciling items			<u>1,179,949</u>		<u>4,712,009</u>
Change in net position			<u>\$ 1,509,183</u>		<u>\$ 1,544,790</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, 2016

	Project Authorization	Actual		Total to Date	Variance Positive (Negative)
		Prior Years	Current Year		
Revenues					
Intergovernmental revenues:					
Investment earnings	\$ 3,000	\$ 56,094	\$ 148	\$ 56,242	\$ 53,242
Total revenues	3,000	56,094	148	56,242	53,242
Expenditures					
Purchase existing water systems	5,419,385	5,419,384	-	5,419,384	1
.75 MGD reverse osmosis water treatment	3,641,256	3,641,003	-	3,641,003	253
1.5 MG water storage	799,774	799,774	-	799,774	-
Piping/distribution lines	553,460	553,460	-	553,460	-
Carolina water wells	727,782	707,935	7,750	715,685	12,097
Paint existing tanks	199,140	199,139	-	199,139	1
Professional services	633,064	633,064	-	633,064	-
Total expenditures	11,973,861	11,953,759	7,750	11,961,509	12,352
Revenues under expenditures	(11,970,861)	(11,897,665)	(7,602)	(11,905,267)	65,594
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	5,588,887	122,156	5,711,043	-
Issuance of debt	8,500,000	8,500,000	-	8,500,000	-
Total other financing sources (uses)	11,970,861	11,848,705	122,156	11,970,861	-
Revenues and other sources over (under) expenditures	\$ -	\$ (48,960)	\$ 114,554	\$ 65,594	\$ 65,594

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, 2016

	2016			Variance	2015
	Original Budget	Final Budget	Actual	Positive (Negative)	Actual
Revenues:					
Charges for services:					
Administration	\$ -	\$ -	\$ -	\$ -	\$ 63,646
Sewer charges	-	-	108,148	-	28,356
Tap fees	-	-	-	-	137,500
Penalties and interest	-	-	1,984	-	-
Total, sewer operating revenues	<u>342,714</u>	<u>88,936</u>	<u>110,132</u>	<u>21,196</u>	<u>229,502</u>
Nonoperating revenues:					
Insurance recovery	-	-	11,689	-	18,790
Interest earnings	-	-	656	-	574
Total nonoperating revenues	<u>-</u>	<u>11,689</u>	<u>12,345</u>	<u>656</u>	<u>19,364</u>
Total revenues	<u>342,714</u>	<u>100,625</u>	<u>122,477</u>	<u>21,852</u>	<u>248,866</u>
Other financing sources (uses):					
Transfer from Newtown Road sewer fund	-	9,082	9,082	-	-
Transfer from Moyock Commons sewer fund	-	51,464	51,464	-	-
Transfer from Transfer tax capital fund	-	261,043	261,043	-	84,500
	-	321,589	321,589	-	84,500
Total revenues and other financing sources	<u>342,714</u>	<u>422,214</u>	<u>444,066</u>	<u>21,852</u>	<u>333,366</u>
Expenditures:					
Administration:					
Telephone and postage	-	-	135	-	421
Administration	-	-	5,000	-	5,000
Supplies	-	-	2,674	-	8,650
Credit card fees	-	-	279	-	252
Dues and subscriptions	-	-	3,200	-	1,310
Software license fees	-	-	21	-	21
	<u>23,125</u>	<u>16,925</u>	<u>11,309</u>	<u>5,616</u>	<u>15,654</u>
Sewer treatment operations:					
Utilities	-	-	18,274	-	17,781
Data Transmission	-	-	147	-	456
Repairs and maintenance	-	-	5,778	-	14,208
Lab tests	-	-	13,145	-	9,105
Chemicals	-	-	22,919	-	19,245
Contracted services	-	-	-	-	47,231
Professional services	-	-	-	-	6,196
Total	<u>74,235</u>	<u>159,935</u>	<u>60,263</u>	<u>99,672</u>	<u>114,222</u>
Debt service:					
Interest and other charges	-	-	65,354	-	70,916
Debt principal	-	-	180,000	-	180,000
Total	<u>245,354</u>	<u>245,354</u>	<u>245,354</u>	<u>-</u>	<u>250,916</u>
Capital outlay	-	-	99,732	(99,732)	68,927
Total expenditures	<u>342,714</u>	<u>422,214</u>	<u>416,658</u>	<u>5,556</u>	<u>449,719</u>
Revenues over expenditures	<u>-</u>	<u>-</u>	<u>27,408</u>	<u>27,408</u>	<u>(116,353)</u>
Revenues and appropriated net position over (under) expenditures and other financing sources	<u>\$ -</u>	<u>\$ -</u>	<u>27,408</u>	<u>\$ 27,408</u>	<u>(116,353)</u>
Reconciliation from budgetary basis (modified accrual) to full accrual:					
Capital outlay			99,732		68,927
Contributed capital			-		-
Debt principal			180,000		180,000
Depreciation			(317,236)		(313,912)
Change in net position			<u>\$ (10,096)</u>		<u>\$ (181,338)</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, 2016

	Balance June 30 2015	Additions	Deductions	Balance June 30 2016
Social Services				
Assets:				
Cash and cash equivalents	\$ 7,798	\$ 167,595	\$ 151,467	\$ 23,926
Liabilities:				
Accounts Payable	\$ 7,798	\$ 167,595	\$ 151,467	\$ 23,926
Fines and Forfeitures				
Assets:				
Cash and cash equivalents	\$ -	\$ 250,212	\$ 235,854	\$ 14,358
Due from other governments	18,275	-	18,275	-
Total assets	<u>\$ 18,275</u>	<u>\$ 250,212</u>	<u>\$ 254,129</u>	<u>\$ 14,358</u>
Liabilities:				
Due to other governments	<u>\$ 18,275</u>	<u>\$ 231,937</u>	<u>\$ 235,854</u>	<u>\$ 14,358</u>
Deed of Trust Fee				
Assets:				
Cash and cash equivalents	\$ -	\$ 33,337	\$ 30,392	\$ 2,945
Liabilities:				
Due to other governments	<u>\$ -</u>	<u>\$ 31,112</u>	<u>\$ 28,167</u>	<u>\$ 2,945</u>
Totals - All Agency Funds				
Assets:				
Cash and cash equivalents	\$ 7,798	\$ 451,144	\$ 417,713	\$ 41,229
Due from other governments	18,275	-	18,275	-
Total assets	<u>\$ 26,073</u>	<u>\$ 451,144</u>	<u>\$ 435,988</u>	<u>\$ 41,229</u>
Liabilities:				
Accounts payable	7,798	167,595	151,467	23,926
Intergovernmental payable	18,275	263,049	264,021	17,303
Total liabilities	<u>\$ 26,073</u>	<u>\$ 430,644</u>	<u>\$ 415,488</u>	<u>\$ 41,229</u>

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County of Currituck, North Carolina
General Fund
Schedule of Ad Valorem Taxes Receivable
June 30, 2016

Fiscal Year	Uncollected Balance June 30, 2015	Additions	Collections And Credits	Uncollected Balance June 30, 2016
2015-2016	\$ -	\$ 28,803,201 (a)	\$ 28,468,794 (b)	\$ 334,407 (c)
2014-2015	330,776	10,123	240,479	100,420
2013-2014	112,926	-	67,962	44,964
2012-2013	40,045	-	18,563	21,482
2011-2012	23,377	-	6,562	16,815
2010-2011	16,773	-	3,015	13,758
2009-2010	15,046	-	6,730	8,316
2008-2009	8,180	-	770	7,410
2007-2008	6,889	-	795	6,094
2006-2007	4,953	-	784	4,169
2005-2006	7,280	-	7,280	-
	566,245	28,813,324	28,821,734 (d)	557,835
Less: allowance for uncollectible accounts: General Fund				(17,205)
Ad valorem taxes receivable - net:				\$ 540,630
<u>Reconciliation with revenues:</u>				
Ad valorem taxes - General Fund				\$ 28,915,031
Reconciling items:				
Interest collected				(103,697)
Taxes written off				10,400
Total reconciling items				(93,297)
Total collections and credits				\$ 28,821,734 (d)

County of Currituck, North Carolina
Analysis of Current Tax Levy
County - wide Levy
For the Fiscal Year Ended June 30, 2016

	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	\$6,001,186,250	0.480	\$28,805,694	\$ 27,561,932	\$1,243,762
Penalties	-		19,304	19,304	-
Total	<u>6,001,186,250</u>		<u>28,824,998</u>	<u>27,581,236</u>	<u>1,243,762</u>
Discoveries:					
Current year taxes	723,298	0.480	3,472	3,472	-
Prior year taxes	2,279,622		10,629	10,629	-
Penalties	-		3,427	3,427	-
Total	<u>3,002,920</u>		<u>17,528</u>	<u>17,528</u>	<u>-</u>
Abatements	<u>(8,192,708)</u>		<u>(39,325)</u>	<u>(25,748)</u>	<u>(13,577)</u>
Total property valuation	<u>\$5,995,996,462</u>				
Net levy			28,803,201 (a)	27,573,016	1,230,185
Uncollected taxes at June 30, 2016			<u>334,407 (c)</u>	<u>334,407</u>	<u>-</u>
Current year's taxes collected			<u>\$28,468,794 (b)</u>	<u>\$ 27,238,609</u>	<u>\$1,230,185</u>
Current levy collection percentage			<u>98.84%</u>	<u>98.79%</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, 2016

Secondary Market Disclosures:

Assessed Valuation:

Assessment Ratio ¹	100 %
Real Property	\$ 5,743,609,971
Personal Property	150,652,634
Public Service Companies ²	101,734,121
Total Assessed Valuation	\$ 5,995,996,726
Tax Rate per \$100	0.48
Levy (includes discoveries, releases and abatements) ³	\$ 28,803,201

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	10,793
Hog Ditch watershed improvement district	1,457
Moyock watershed improvement district	17,053
Northwest watershed improvement district	2,705
Whalehead solid waste district	880,730
Whalehead watershed improvement district	142,054
Ocean Sands water and sewer district	232,538
Total	\$ 30,090,531

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, 2016

Taxpayer	Type of Business	2015 Assessed Valuation	Percentage of Total Assessed Valuation
Dominion Power	Utility	\$ 76,782,410	1.28 %
Coastland Properties I LLC	Land Development	22,087,200	0.37
Harrison Inn Corolla LLC	Hotel	20,162,651	0.34
Coastland Corporation	Land Development	16,404,500	0.27
Pine Island Properties LLC	Land Development	13,687,600	0.23
Justice Farms of North Carolina LLC	Land Development	13,079,080	0.22
Northeastern NC Properties Financial Inst.	Financial Institution	11,157,600	0.19
James C Justice Companies Inc	Agriculture	11,371,449	0.19
Carolina Telephone & Telegraph Co	Utility	8,375,602	0.14
Fincher Patruck Weir LLC	Real Estate Investor	8,090,100	0.13
Total		<u>\$ 201,198,192</u>	<u>3.36 %</u>

County of Currituck, North Carolina
Emergency Telephone System Unspent Balance
PSAP Reconciliation
June 30, 2016

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	\$ (112,477)
Ineligible Federal Excise Tax on Verizon invoices Emergency Telephone System Fund	(51)
Beginning Balance, PSAP Revenue-Expenditure Report	498,256
Ending Balance, PSAP Revenue-Expenditure Report	\$ 385,728

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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									
	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Governmental activities										
Net investment in capital assets	\$ 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	\$ 95,026,547
Restricted	-	-	-	-	15,397,965	12,362,081	18,056,879	21,530,373	21,700,488	22,905,623
Unrestricted	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	20,283,060
Total governmental activities net position	\$ 113,602,897	\$ 118,568,956	\$ 122,550,171	\$ 122,291,625	\$ 125,663,633	\$ 130,420,968	\$ 136,045,469	\$ 139,361,153	\$ 144,303,532	\$ 138,215,230
Business-type activities										
Net investment in capital assets	\$ 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	\$ 32,769,142
Unrestricted	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	12,082,511
Total business-type activities net position	\$ 31,891,794	\$ 34,014,648	\$ 35,405,601	\$ 36,228,736	\$ 36,953,022	\$ 42,438,447	\$ 42,902,153	\$ 42,792,818	\$ 43,659,196	\$ 44,851,653
Primary government										
Net investment in capital assets	\$ 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	\$ 127,795,689
Restricted	-	-	-	-	15,397,965	12,362,081	18,056,879	21,530,373	21,700,488	22,905,623
Unrestricted	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	32,365,571
Total governmental activities net position	\$ 145,494,691	\$ 152,583,604	\$ 157,955,772	\$ 158,520,361	\$ 162,616,655	\$ 172,859,415	\$ 178,947,622	\$ 182,153,971	\$ 187,962,728	\$ 183,066,883

Schedule 2

Currituck County, North Carolina
Changes in Net Position

(accrual basis of accounting)

	Fiscal Year									
	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Expenses										
Governmental activities:										
General government	\$ 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	\$ 7,316,823
Public safety	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	20,237,291
Transportation	576,920	1,379,504	751,195	783,800	1,726,573	1,222,468	1,079,075	1,000,818	884,955	1,864,818
Economic and physical development	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	7,059,866
Environmental protection	303,871	385,879	390,630	568,900	424,447	385,902	3,174,699	8,490,835	6,735,282	1,112,071
Human services	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	4,821,314
Cultural and recreation	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	2,337,746
Education	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	11,078,398
Interest on long-term debt	325,600	418,693	492,453	449,982	456,783	359,601	364,671	290,717	196,630	133,147
Total governmental activities expenses	<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>	<u>55,961,474</u>
Business-type activities:										
Solid Waste	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	4,285,157
Water and Sewer	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	8,669,910
Total business-type activities expenses	<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>	<u>12,955,067</u>
Total primary government expenses	<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>	<u>\$ 68,916,541</u>
Program Revenues										
Governmental activities:										
Charges for services:										
General government	\$ 610,955	\$ 523,617	\$ 732,634	\$ 953,864	\$ 960,242	\$ 1,406,215	\$ 2,007,829	\$ 1,500,025	\$ 1,377,621	\$ 1,333,039
Public safety	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	1,779,070
Transportation	282,624	299,781	331,208	300,395	400,314	444,744	487,746	461,021	357,148	375,589
Economic and physical development	25,450	93,122	-	18,570	16,878	37,641	99,060	85,482	-	68,765
Environmental protection	-	-	-	-	-	9,400	80,039	-	86,965	-
Human services	-	-	16,314	-	-	-	-	14,063	4,408	224
Cultural and recreation	48,593	39,457	59,983	60,577	188,356	66,700	95,097	72,376	70,492	63,688
Operating grants and contributions:										
General government	898,407	433,683	9,392	854,484	40,909	316,482	-	154,237	187,442	174,287
Public safety	399,120	284,580	388,608	495,545	238,506	810,366	187,756	458,824	564,997	851,728
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	-	26,629
Human services	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	2,483,300
Cultural and recreation	21,826	21,345	-	28,098	-	22,978	-	27,206	4,170	-
Education	-	-	-	-	-	-	-	-	-	-
Capital grants and contributions:										
General government	-	-	-	-	-	-	-	-	-	-
Public safety	-	-	-	-	-	27,636	2,520	41,714	207,170	216,999
Transportation	888,757	722,136	740,232	-	1,016,192	682,120	476,612	73,511	98,700	1,052,019
Economic and physical development	-	-	-	-	-	5,000	500,696	77,500	10,000	-
Environmental protection	-	-	-	-	10,650	-	-	-	199,869	-
Human services	-	-	-	-	-	-	-	-	-	-
Cultural and recreation	-	-	-	294,155	288,824	158,156	53,020	50,000	750,000	459,090
Education	-	660,325	756,356	-	219,962	-	398,560	270,000	240,000	289,999
Total governmental activities program revenues	<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>	<u>\$ 9,174,426</u>

	Fiscal Year									
	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Business-type activities:										
Charges for services:										
Solid Waste	\$ 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	\$ 2,789,931
Water and Sewer	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	9,339,100
Operating grants and contributions:										
Solid Waste	1,992,464	139,856	45,481	57,113	67,716	75,477	55,392	26,860	39,024	41,780
Water and Sewer	39,710	1,046	-	-	940	-	113,475	48,984	12,544	13,621
Capital grants and contributions:										
Solid Waste	-	-	-	-	-	-	-	-	-	-
Water and Sewer	-	-	-	329,144	540,000	-	206,491	72,527	-	-
Total business-type program revenues	10,927,811	8,215,515	8,592,162	8,833,801	9,687,825	10,764,532	11,912,386	11,417,321	11,991,091	12,184,432
Total primary government program revenues	\$ 17,671,688	\$ 15,599,812	\$ 15,614,551	\$ 15,639,900	\$ 17,247,854	\$ 18,532,417	\$ 20,519,163	\$ 18,839,665	\$ 20,430,435	\$ 21,358,858
Net (Expense)/Revenue										
Governmental activities	\$ (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)	\$ (46,787,048)
Business-type activities	1,891,817	(417,189)	(927,211)	(1,760,547)	(1,024,746)	(955,195)	(657,372)	(1,155,434)	(793,723)	(770,635)
Total primary government net expense	\$ (34,397,864)	\$ (44,609,846)	\$ (43,801,366)	\$ (46,159,550)	\$ (44,420,922)	\$ (44,864,276)	\$ (44,080,602)	\$ (49,648,748)	\$ (46,257,565)	\$ (47,557,683)
General Revenues and Other Changes in Net Position										
Governmental activities:										
Property taxes	\$ 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	\$ 29,969,020
Intergovernmental	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	24,796,096
Investment earnings	3,475,928	3,795,801	2,141,772	678,816	806,637	537,109	327,131	357,310	386,405	450,673
Miscellaneous	-	-	-	-	-	-	-	-	337,425	679,606
Loss on disposal/sale of capital assets	-	(22,271)	-	-	-	-	(99,618)	-	(12,662)	(110,726)
Special item	-	-	-	(324,419)	-	-	-	-	-	(13,655,028)
Transfers	(281,367)	(1,742,239)	(1,713,400)	(2,297,456)	(1,436,268)	(677,943)	(900,461)	(600,000)	(1,180,187)	(1,430,895)
Total governmental activities	47,454,122	49,158,716	46,855,370	44,140,457	46,768,184	48,666,416	49,047,731	51,808,998	52,631,086	40,698,746
Business-type activities:										
Property taxes	-	57,943	109,907	138,053	135,889	131,174	116,393	363,067	315,580	320,358
Investment earnings	672,453	746,480	427,232	148,173	176,875	133,045	115,260	83,032	73,409	97,040
Miscellaneous	-	-	-	-	-	-	-	-	196,289	267,231
Loss on disposal/sale of capital assets	-	(6,619)	-	-	-	-	(11,036)	-	3,710	(152,432)
Special item	-	-	-	-	-	5,498,458	-	-	-	-
Transfers	281,367	1,742,239	1,713,400	2,297,456	1,436,268	677,943	900,461	600,000	1,180,187	1,430,895
Total business-type activities	953,820	2,540,043	2,250,539	2,583,682	1,749,032	6,440,620	1,121,078	1,046,099	1,769,175	1,963,092
Total primary government	\$ 48,407,942	\$ 51,698,759	\$ 49,105,909	\$ 46,724,139	\$ 48,517,216	\$ 55,107,036	\$ 50,168,809	\$ 52,855,097	\$ 54,400,261	\$ 42,661,838
Change in Net Position										
Governmental activities	\$ 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	\$ (6,088,302)
Business-type activities	2,845,637	2,122,854	1,323,328	823,135	724,286	5,485,425	463,706	(109,335)	975,452	1,192,457
Total primary government	\$ 14,010,078	\$ 7,088,913	\$ 5,304,543	\$ 564,589	\$ 4,096,294	\$ 10,242,760	\$ 6,088,207	\$ 3,206,349	\$ 8,142,696	\$ (4,895,845)

Schedule 3

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

	Fiscal Year									
	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
General Fund										
Reserved	\$ 2,582,266	\$ 2,561,068	\$ 1,761,527	\$ 2,148,111	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unreserved	21,068,742	22,509,248	8,854,501	6,419,039	-	-	-	-	-	-
Nonspendable	-	-	-	-	982	832	1,257	809	2,067	925
Restricted	-	-	-	-	4,398,634	2,897,830	3,893,453	5,627,104	5,468,650	5,432,591
Committed	-	-	-	-	23,214,936	1,132,486	558,516	720,664	497,191	514,738
Assigned	-	-	-	-	3,794,562	3,526,932	3,457,216	3,078,429	2,802,212	3,031,018
Unassigned	-	-	-	-	1,859,873	2,470,171	2,184,656	1,657,309	4,601,431	6,900,115
Total General Fund	\$ 23,651,008	\$ 25,070,316	\$ 10,616,028	\$ 8,567,150	\$ 33,268,987	\$ 10,028,251	\$ 10,095,098	\$ 11,084,315	\$ 13,371,551	\$ 15,879,387
All Other Governmental Funds										
Reserved	\$ 769,510	\$ 1,220,692	\$ 715,021	\$ 941,130	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Designated										
Special revenue funds	2,195,443	1,770,885	10,006,848	9,768,088	-	-	-	-	-	-
Capital project funds	42,182,550	33,655,022	33,931,204	36,934,559	-	-	-	-	-	-
Nonspendable	-	-	-	-	-	-	-	-	11,685	11,685
Restricted	-	-	-	-	10,999,331	12,749,770	20,971,606	23,082,400	25,046,486	27,366,986
Committed	-	-	-	-	1,704,999	28,090,589	14,086,564	13,186,791	15,735,865	14,759,977
Assigned	-	-	-	-	1,894,695	279,105	1,137,613	1,069,114	1,827,078	1,266,377
Unassigned	-	-	-	-	5,445,286	33,140	-	-	-	-
Total all other governmental funds	\$ 45,147,503	\$ 36,646,599	\$ 44,653,073	\$ 47,643,777	\$ 20,044,311	\$ 41,152,604	\$ 36,195,783	\$ 37,338,305	\$ 42,621,114	\$ 43,405,025

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									
	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Revenues										
Ad valorem taxes	\$ 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	\$ 29,977,477
Other taxes and licenses	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	24,970,332
Unrestricted intergovernmental	380,293	355,499	304,553	237,490	237,129	148,006	138,398	154,237	162,807	160,144
Restricted intergovernmental	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	5,031,852
Permits and fees	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	3,034,476
Sales and services	530,740	648,891	652,366	612,201	617,213	803,419	781,993	841,435	621,183	838,834
Investment earnings	3,475,928	3,795,801	2,158,155	678,816	806,637	537,109	327,131	357,310	386,404	450,673
Miscellaneous	205,215	102,892	934,262	661,855	346,796	558,250	639,866	560,334	576,849	609,635
Total revenues	<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>	<u>65,073,423</u>
Expenditures										
General government	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	6,002,913
Public safety	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	20,913,322
Transportation	1,049,293	1,077,529	4,081,199	624,425	2,236,988	958,277	1,040,638	522,626	570,173	1,468,532
Environmental protection	302,508	373,132	384,871	1,858,626	598,363	1,408,739	3,150,732	2,021,474	823,289	366,153
Economic and physical development	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	7,211,632
Human services	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	4,690,256
Cultural and recreation	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	6,916,868
Education	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	11,078,398
Debt service										
Principal	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	1,569,561
Interest	325,600	418,693	492,453	449,982	456,783	359,601	364,671	290,717	196,377	133,147
Total expenditures	<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>	<u>60,350,782</u>
Excess of revenues over (under) expenditures	(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	4,722,641
Other Financing Sources (Uses)										
Transfers in	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	13,097,461
Transfers out	(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)	(14,528,356)
Installment purchase proceeds	-	8,000,000	3,271,375	2,100,000	-	6,800,000	3,800,000	-	-	-
Total other financing sources (uses)	<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>	<u>\$ (1,430,895)</u>
Net change in fund balances	\$ 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	\$ 3,291,746
Debt service as a percent of noncapital expenditures	2.28%	4.64%	6.93%	6.88%	7.11%	5.98%	6.56%	8.31%	5.67%	3.36%

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					
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	1,570,488,456	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	257,265,605	235,857,500	152,012,794	16,886,040	\$ 5,864,064,156	0.480	6,229,160,254	94.14%
2016	5,274,539,057	312,917,873	259,117,083	149,422,449	17,194,566	\$ 5,995,996,462	0.480	6,272,888,617	95.86%

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>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>	<u>2016</u>
County Direct Rates										
General	0.320	0.320	0.320	0.320	0.320	0.320	0.320	0.485	0.480	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	0.010	0.040	0.040	0.040	0.040	0.090	0.090	0.155	0.155	0.155
Whalehead Beach Solid Waste Collection & Disposal Service District	-	-	-	-	-	0.015	0.015	0.025	0.025	0.025
Ocean Sands Water and Sewer District	-	-	-	-	-	-	-	0.050	0.050	0.050
Moyock Commons Sewer District	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 2016			Fiscal Year 2007		
		Assessed Value	Rank	Percentage of Total County Taxable Assessed Value	Assessed Value	Rank	Percentage of Total County Taxable Assessed Value
Dominion Power	Utility	\$ 76,782,410	1	1.28%	\$ 54,809,656	3	0.69%
Coastland Properties 1, LLC	Land Development	22,087,200	2	0.37%			
Harrison Inn Corolla LLC	Hotel	20,162,561	3	0.34%			
Coastland Corporation	Land Development	16,404,500	4	0.27%	39,312,471	4	0.50%
Pine Island Properties LLC	Land Development	13,687,600	5	0.23%			
Justice Farms of North Carolina LLC	Land Development	13,079,080	6	0.22%			
Northeastern NC Properties	Financial Institution	11,157,600	7	0.19%			
James C Justice Companies Inc		11,371,449	8	0.19%			
Carolina Telephone & Telegraph Co	Utility	8,375,602	9	0.14%			
Fincher Patrick Weir LLC	Real Estate Investor	8,090,100	10	0.13%			
Turnpike Properties	Land Development				99,532,954	1	1.26%
Coastland Properties 1, LLC	Land Development				65,349,000	2	0.83%
Richardson, Ernest	Real Estate Investor				14,045,490	5	0.18%
Tudor, John B	Real Estate Investor				12,633,298	6	0.16%
Coastland Shores Inc	Land Development				12,575,000	7	0.16%
Johnson, James E, Jr.	Real Estate Investor				10,608,449	8	0.13%
Schaeffer, Forrest	Real Estate Investor				9,212,010	9	0.12%
Newman, Brian	Real Estate Investor				8,646,958	10	0.11%
Total		\$ 201,198,102		3.36%	\$ 326,725,286		4.14%

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	
2007	\$ 25,399,676	\$ (105,170)	\$ 25,294,506	\$ 24,940,030	98.19%	\$ 349,523	\$ 25,289,553	99.96%	
2008	26,009,032	(217,325)	25,791,707	25,322,859	97.36%	461,959	25,784,818	99.95%	
2009	26,235,228	(54,150)	26,181,078	25,209,211	96.09%	963,687	26,172,898	99.93%	
2010	26,378,391	(43,113)	26,335,278	25,734,726	97.56%	585,506	26,320,232	99.89%	
2011	26,474,753	(49,868)	26,424,885	25,941,806	97.99%	466,306	26,408,112	99.87%	
2012	26,651,481	(43,200)	26,608,281	26,145,212	98.10%	439,692	26,584,904	99.74%	
2013	26,855,308	(79,538)	26,775,770	26,371,383	98.20%	364,342	26,735,725	99.51%	
2014	28,242,743	(80,317)	28,162,426	27,778,323	98.36%	271,177	28,049,500	98.61%	
2015	28,211,974	(36,893)	28,175,081	27,838,533	98.68%	5,772	27,844,305	98.83%	
2016	28,824,998	(8,220)	28,816,778	28,468,794	98.76%	-	28,468,794	98.79%	

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					
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
2016	-	6,365,896	540,000	14,635,000	6,655,000	28,195,896	2.72%	0.47%	601	1,116

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

	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Assessed Value of Property	\$ 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	\$ 5,995,996,462
Debt Limit, 8% of Assessed Value (Statutory Limitation)	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	479,679,717
Amount of Debt Applicable to Limit										
General Obligation Bonds	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	540,000
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	14,635,000
Installment Purchase Agreements	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	13,020,896
Less: General Obligation Bonds paid from Enterprise Funds	(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)	(540,000)
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)	(14,635,000)
Total net debt applicable to limit	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	13,020,896
Legal Debt Margin	<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>	<u>\$ 466,658,821</u>
Total net debt applicable to the limit as a percentage of debt limit	0.17%	0.24%	0.22%	0.20%	0.15%	0.29%	0.29%	0.34%	0.27%	0.22%

Note: The legal debt margin is the difference between the debt limit and the county's net debt outstanding applicable to the limit, and represents the county's legal borrowing authority.

Schedule 11
Currituck County, North Carolina
Revenue Bond Coverage
Mainland Water Revenue Bonds

	6/30/08	6/30/09	6/30/10	6/30/11	6/30/12	6/30/13	6/30/14	6/30/15	6/30/16
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	\$ 2,934,164
Water Impact Fees	193,300	336,500	183,500	361,916	199,000	291,013	405,200	595,091	624,723
	<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>	<u>\$ 3,558,887</u>
Reconnection Fees	\$ 26,530	\$ 48,530	\$ 47,540	\$ 50,050	\$ 57,685	\$ 55,350	\$ 52,375	\$ 50,355	\$ 56,047
Penalties	61,127	72,596	76,446	79,052	86,945	75,114	85,169	81,887	79,102
Sale of materials	-	24,595	2,684	16,246	14,245	60,099	15,860	30,038	13,960
Other	-	-	-	-	-	-	-	100	84,835
Investment Earnings	200,131	26,209	5,302	12,253	8,366	7,690	9,756	11,738	18,550
	<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>	<u>\$ 252,494</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	\$ 3,811,381
EXPENSES									
Personnel	\$ 585,721	\$ 627,810	\$ 610,789	\$ 665,592	\$ 657,654	\$ 647,997	\$ 630,832	\$ 718,799	\$ 694,687
Operations	862,531	805,505	673,669	639,345	616,171	786,119	636,330	693,061	712,469
Capital Outlay	121,959	50,677	114,542	-	35,130	168,605	80,010	228,944	272,506
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	\$ 1,679,662
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	\$ 2,131,719
2008 Water Revenue Bonds	-	500,000	475,000	500,000	510,000	540,000	560,000	585,000	695,000
Interest: 2008 Revenue Bonds	-	736,035	756,650	737,223	716,773	695,914	673,828	599,609	440,150
TOTAL SENIOR DEBT	\$ -	\$ 1,236,035	\$ 1,231,650	\$ 1,237,223	\$ 1,226,773	\$ 1,235,914	\$ 1,233,828	\$ 1,184,609	\$ 1,135,150
2004 General Obligation Bond Refunding	\$ 260,000	\$ 265,000	\$ 275,000	\$ 285,000	\$ 305,000	\$ 315,000	\$ 330,000	\$ 345,000	\$ 275,000
Interest: 2004 General Obligation Bond Refunding	131,784	123,985	116,035	105,035	90,785	75,535	59,785	46,585	29,335
TOTAL SUBORDINATE DEBT	\$ 391,784	\$ 388,985	\$ 391,035	\$ 390,035	\$ 395,785	\$ 390,535	\$ 389,785	\$ 391,585	\$ 304,335
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	\$ 1,305,423
MINIMUM 1.00 SUBORDINATE DEBT COVERAGE	\$ 391,784	\$ 388,985	\$ 391,035	\$ 390,035	\$ 395,785	\$ 390,535	\$ 389,785	\$ 391,585	\$ 304,335
SENIOR DEBT SERVICE COVERAGE	N/A	1.41	1.25	1.49	1.34	1.35	1.59	1.72	1.88
SUBORDINANT DEBT SERVICE COVERAGE	3.55	1.32	0.77	1.54	1.05	1.11	1.87	2.19	3.27
TOTAL DEBT SERVICE COVERAGE	3.55	1.08	0.95	1.13	1.01	1.03	1.21	1.29	1.48

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
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	1,036,677	41,035	3,923	5.70%
2016	25,263	*	*	*	4.80%

* 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	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
General government	53.50	56.60	58.00	58.00	59.00	59.00	62.00	62.00	72.00	71.00
Public safety	164.92	181.92	189.92	189.92	189.92	189.92	188.92	192.92	192.67	199.57
Transportation	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	1.40	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	27.42	25.42	24.00	24.00	24.00	22.00	22.00	23.00	22.00
Cultural & recreation	17.60	12.85	16.85	19.10	19.10	19.10	19.60	19.60	19.48	20.71
Human services	42.75	43.75	42.75	42.75	42.75	42.75	41.75	41.75	41.75	43.75
Proprietary operations	20.00	22.00	22.00	23.00	23.00	26.00	28.00	28.00	25.00	25.00
	331.19	348.54	358.94	360.77	361.77	364.77	366.27	370.27	377.30	385.43

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>2016</u>		<u>2009</u>	
<u>Employer</u>	<u>Employees^a</u>	<u>Rank</u>	<u>Employees^a</u>	<u>Rank</u>
Currituck County Board of Education	500-999	1	500-999	1
County of Currituck	385	2	359	2
Academi Training Center LLC	250-499	3	----	
Twiddy & Co. of Duck Inc.	250-499	4	50-99	9
Brindley Beach Vacations & Sales	100-249	5	----	
Food Lion LLC	100-249	8	100-249	5
Coastal Staffing	100-249	8	----	
Sentara Internal Medicaine Physician	100-249	8	100-249	6
Resort Realty	100-249	9	----	
Wyndham Vacation Rentals North Am	100-249	10	----	
Presidential Airways	----		100-249	4
Southland Trade Corp.	----		50-99	7
Corolla Classic Vacations	----		50-99	8
Hardee's	----		50-99	10
Total	<u>1985-3876</u>		<u>1359-2501</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	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Governmental Activities:										
Public Safety										
Law Enforcement ¹										
Deputies	59	59	63	63	63	63	63	63	63	63
Emergency Medical Services ²										
Emergency Medical Technicians	56	71	71	72	72	72	73	76	76	76
Human Services ³										
Number of Physicians	7	6	*	9	9	10	8	*	*	*
Population/physician ratio	3,396	4,218	*	2,616	2,622	2,650	3,063	*	*	*
Education ⁴										
Schools	8	8	10	10	10	10	10	10	10	10
Teachers	314	315	295	264	264	260	238	248	245	245
Student Enrollment	4,120	4,070	3,961	3,913	4,175	4,175	4,014	3,871	3,923	3,966
SAT Scores	1,466	1,465	1,459	1,414	1,471	1,440	1,434	1,445	1,504	1,469
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	N/A
Residential sewer customers	24	28	28	27	27	27	27	27	N/A	N/A
Commercial sewer customers	-	1	1	1	1	1	1	1	N/A	N/A
Maple Commerce Park Sewer ⁵										
Treatment capacity (MGD)	*	*	*	*	*	*	0.080	0.080	0.080	0.080
Annual engineering maximum plant capacity (millions of gallons)	*	*	*	*	*	*	0.080	0.080	0.080	0.080
Amount treated annually (millions of gallons)	*	*	*	*	*	*	1.880	1.880	1.540	1.540
Unused capacity (millions of gallons)	*	*	*	*	*	*	0.750	0.750	0.075	0.075
Percentage of capacity utilized	*	*	*	*	*	*	6.00%	6.00%	5.20%	5.20%
Number of residential customers	*	*	*	*	*	*	-	-	-	-
Number of commercial customers	*	*	*	*	*	*	7	8	8	8

continued

Function	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Moyock Commons Sewer⁵										
Treatment capacity (MGD)	0	0.040	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	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	N/A
Number of residential customers	-	-	-	-	-	-	-	-	N/A	N/A
Number of commercial customers	23	21	23	23	25	25	25	23	N/A	N/A
Moyock Regional Sewer⁵										
Treatment capacity (MGD)	*	*	*	*	*	*	0	0.099	0.099	0.099
Annual engineering maximum plant capacity (millions of gallons)	*	*	*	*	*	*	0	0.099	0.099	0.099
Amount treated annually (millions of gallons)	*	*	*	*	*	*	*	4.790	4.267	4.267
Unused capacity (millions of gallons)	*	*	*	*	*	*	*	0.086	0.087	0.087
Percentage of capacity utilized	*	*	*	*	*	*	*	13.00%	12.00%	12.00%
Number of residential customers	*	*	*	*	*	*	*	-	25	25
Number of commercial customers	*	*	*	*	*	*	*	8	32	32
Walnut Island Sewer⁵										
Treatment capacity (MGD)	*	*	*	*	*	0	0.120	0.120	0.120	0.120
Annual engineering maximum plant capacity (millions of gallons)	*	*	*	*	*	0	0.120	0.120	0.120	0.120
Amount treated annually (millions of gallons)	*	*	*	*	*	6.49	4.94	4.84	2.73	2.73
Unused capacity (millions of gallons)	*	*	*	*	*	0	0.098	0.106	0.112	0.112
Percentage of capacity utilized	*	*	*	*	*	0	18.00%	11.00%	6.00%	6.00%
Number of residential customers	*	*	*	*	*	257	253	264	258	258
Number of commercial customers	*	*	*	*	*	-	-	-	-	-
Southern Outer Banks Water⁵										
Average daily usage (in 1,000 gallons)	240	615	333	437	555	668	623	595	672	672
Water storage capacity (MGD)				2	1.500	4.200	4.200	4.200	4.200	4.200
Number of water pumping stations				1	1	5	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	2,805
Number of commercial customers	2	2	20	22	23	200	197	202	179	179
Ocean Sands Water and Sewer⁵										
Average daily water usage (in 1,000 gallons)	160	180	171	190	189	166	166	161	153	153
Water storage capacity (MGD)	0	0.150	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	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	0.600
Amount sewer treated annually (millions of gallons)	*	*	*	57	59	61	61	59	63	63
Unused sewer capacity (millions of gallons)	*	*	*	0	0.100	0.433	0.433	0.438	0.428	0.428
Percentage of sewer capacity utilized	*	*	*	1	83.33%	27.85%	27.85%	27.00%	28.60%	28.60%
Number of residential water customers	954	954	955	954	957	959	975	978	994	994
Number of commercial water customers	-	-	8	8	8	8	8	8	8	8
Number of residential sewer customers	953	954	955	954	957	959	975	978	994	994
Number of commercial sewer customers	-	-	8	8	8	8	8	8	8	8

continued

Function	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Mainland Water⁵										
Water storage capacity (MGD)	*	*	*	4	3,600	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	5,253
Commercial water customers	*	397	374	385	385	394	394	417	394	394
Solid Waste⁶										
Total number of households served	13,813	14,176	14,192	14,192	14,362	14,469	14,516	14,624	14,814	15,221
Total tonnage disposed	31,374	26,300	26,977	24,602	22,536	22,531	24,576	20,013	22,231	21,478
Recycling Program:										
Households served by program	13,813	14,176	14,192	14,192	14,362	14,469	14,516	14,624	14,814	15,221
Tonnage recovered	1,516	1,713	1,725	1,849	2,186	2,869	2,540	3,368	2,778	2,914
Mulching/composting program										
Households served by program	10,097	10,462	10,477	10,477	14,362	14,469	14,516	14,624	14,814	15,221
Tonnage recovered	1,746	1,023	1,055	1,335	1,405	2,869	1,206	870	1,076	1,011
Total cost of solid waste program	\$ 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	\$ 3,735,002
Cost per household	\$ 377	\$ 337	\$ 344	\$ 378	\$ 261	\$ 270	\$ 274	\$ 259	\$ 256	\$ 245
Cost per ton - includes recycling & mulch/compost	\$ 110	\$ 121	\$ 121	\$ 143	\$ 143	\$ 138	\$ 140	\$ 156	\$ 149	\$ 174

Sources:

¹Currituck County Sheriff's Department

²Currituck County Emergency Medical Services Department

³NC Department of Commerce

⁴Currituck County Schools

⁵Currituck County Utilities Department

⁶Currituck County Public Works Department

^aThe SAT scores include a new writing test this year.

*Data not available

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

Function	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Governmental Activities:										
General Government										
Buildings ³	54	57	58	61	61	61	61	65	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	3	3	3	3	3	3	3
Parks	2	2	3	3	3	3	3	3	3	3
Community Recreation Facility	-	-	-	-	-	1	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	1.4
Number of treatment plants	*	*	*	*	*	1	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	1
Moyock Regional Sewer ⁴										
Miles of sewer lines	*	*	*	*	*	*	1	1.2	1.2	5.9
Number of treatment plants	*	*	*	*	*	*	1	1	1	1

continued

Function	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Walnut Island Sewer ⁴										
Miles of sewer lines	*	*	*	*	2	4	3.6	3.6	3.6	5.2
Number of treatment plants	*	*	*	*	2	1	1	1	1	1
Southern Outer Banks Water ⁴										
Miles of water lines	27	27.07	27.07	27.57	41.75	75.00	75.00	75.00	75.00	75.00
Number of water wells	47	47	47	47	28	113	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	11.09
Miles of sewer lines	12	12.40	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	1
Mainland Water ⁴										
Miles of water lines	*	*	*	261	261	261	262	262	262	263
Number of water wells	*	*	*	31	31	31	31	31	31	31
Number of water pumping stations	*	*	*	7	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, 2016, 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 30, 2016. 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 30, 2016



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Report On Compliance With Requirements Applicable To Each Major Federal Program And Internal Control Over Compliance In Accordance With OMB Uniform Guidance 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 *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, 2016. 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 the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards (Uniform Guidance), and the State Single Audit Implementation Act. Those standards, the Uniform Guidance, 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, 2016.

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 the Uniform Guidance, 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 the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

Carr, Riggs & Ingram LLC

New Bern, NC
December 30, 2016



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Report On Compliance For Each Major State Program and Report on Internal Control Over Compliance; In accordance with OMB Uniform Guidance 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, 2016. 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 Title 2 U.S. Code of Federal Regulation Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance), as described in the *Audit Manual for Governmental Auditors in North Carolina*, and the State Single Audit Implementation Act. Those standards, Uniform Guidance, 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, 2016.

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 the Uniform Guidance, 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 Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

Carr, Riggs & Ingram LLC

New Bern, NC
December 30, 2016

CURRITUCK COUNTY, NORTH CAROLINA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the Fiscal Year Ended June 30, 2016

Section I Summary of Auditor's Results

Financial Statements

Type of auditor's report issued on whether the financial statements were prepared in accordance with GAAP:

Unmodified

Internal control over financial reporting:

- Material weakness(es) identified? _____ yes no
- Significant deficiencies identified _____ yes none reported

Noncompliance material to financial statements noted

_____ yes no

Federal Awards

Internal control over major federal programs

- Material weakness(es) identified? _____ yes no
- Significant deficiencies identified _____ yes none reported

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

Unmodified

Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)

_____ yes no

Identification of major federal programs:

CFDA Numbers	Names of Federal Program or Cluster
93.778	Medical Assistance Program
93.558	Child Care Cluster
93.596	
93.575	
93.658	
93.767	State Children's Insurance-NC Health Choice

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

\$433,855

Auditee qualified as low-risk auditee?

_____ yes no

State Awards

Internal control over major State programs

- Material weakness(es) identified? yes no
- Significant deficiencies identified yes none reported

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

Unmodified

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

State Aid to Airports

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, 2016

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	\$ 156,003	\$ -	\$ -
Total U.S. Department of Agriculture		<u>156,003</u>	<u>-</u>	<u>-</u>
U.S. Department of Transportation				
Passed through NC Department of Transportation Airport Improvements	20.106	41,944	-	-
Total U.S. Department of Transportation		<u>41,944</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	57,531	-	-
TANF	93.558	40,838	-	-
TANF - Work First	93.558	221,698	-	-
Low Income Home Energy Assistance Administration	93.568	9,759	-	-
Direct Payments	93.568	60,300	-	-
Crisis Intervention Program	93.568	57,930	-	-
Family Preservation	93.556	10,154	-	-
Permanency Planning	93.645	6,454	-	-
SSBG	93.667	35,456	4,156	-
LINKS	93.674	4,161	1,040	-
LINKS - Benefit Payments	93.674	2,634	-	-
State Childrens Insurance Program - NC Health Choice	93.767	23,276	1,105	-
Child Support Enforcement - Title IV-D	93.563	123,146	-	-
Foster Care and Adoption				
Title IV-E Foster Care - Administration	93.658	72,962	18,907	-
Foster Care - Direct Benefit Payments	93.658	50,632	13,110	-
Adoption - Administration	93.659	2,584	-	-
Adoption Assistance - Direct Payments	93.659	46,019	11,906	-
Total Foster Care and Adoption Cluster		<u>172,197</u>	<u>43,923</u>	<u>-</u>
Division of Child Development: <u>Child Care Development Fund Cluster</u>				
Division of Social Services				
Child Care Development Fund - Administration	93.596	79,460	-	-
Division of Child Development:				
Child Care and Development Block Grant	93.575	247,586	-	-
Child Care and Development Fund - Mandatory	93.596	83,921	-	-
Child Care and Development Fund - Match	93.596	25,083	-	-
Total Child Care Development Fund Cluster		<u>436,050</u>	<u>-</u>	<u>-</u>

continued

COUNTY OF CURRITUCK
SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS
For the Fiscal Year Ending June 30, 2016

GRANTOR, PASS THROUGH GRANTOR PROGRAM TITLE	CFDA	AMOUNT EXPENDED		COUNTY
		FEDERAL	STATE	
Foster Care Title IV-E	93.658	4,774	2,446	-
TANF	93.558	70,269	-	-
State Appropriations		-	87,258	-
Total Subsidized Child Care		511,093	89,704	-
Centers for Medicare and Medicaid Services:				
Passed-through NC Department of Health and Human Services, Division of Medical Assistance:				
Direct Benefit Payments	93.778	11,771,168	6,274,726	-
Administration	93.778	640,032	1,721	-
State Childrens Insurance Program - NC Health Choice Benefits	93.767	256,248	7,809	-
Total U.S. Department of Health and Human Services		14,004,075	6,424,184	-
U.S. Department of Homeland Security				
Passed through NC Department of Public Safety				
Emergency Management	97.042	38,542	-	-
Homeland Security	97.067	148,764	-	-
Hazard Mitigation Grant	97.039	72,500	-	-
Total U.S. Department of Homeland Security		259,806	-	-
TOTAL FEDERAL AWARDS		14,461,828	6,424,184	-
STATE AWARDS -				
North Carolina Department of Health and Human Services				
Division of Social Services:				
State/County Special Assistance for Adults		-	147,517	-
State Foster Care Benefits		-	32,867	-
State Child Welfare		-	14,835	-
CWS Adoption Subsidy		-	137,258	-
SFHF Maximization		-	46,724	-
Total North Carolina Department of Health and Human Services		-	379,201	-
NC Department of Public Safety				
Juvenile Crime Prevention Programs		-	85,430	-
Total North Carolina Department of Public Safety		-	85,430	-
North Carolina Department of Transportation				
Public Transportation Division:				
DOT-88 - Airport Taxiway		-	399,474	-
Total North Carolina Department of Transportation		-	399,474	-

continued

COUNTY OF CURRITUCK
SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS

For the Fiscal Year Ending June 30, 2016

GRANTOR, PASS THROUGH GRANTOR PROGRAM TITLE	CFDA	AMOUNT EXPENDED		COUNTY
		FEDERAL	STATE	
North Carolina Department of Environmental Quality				
Lottery Fund		-	289,999	
		-	289,999	-
TOTAL STATE AWARDS		-	1,154,104	-
TOTAL FEDERAL AND STATE AWARDS		\$ 14,461,828	\$ 7,578,288	\$ -

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

Note 1: Basis of Presentation

The accompanying schedule of expenditures of federal and State awards (SEFSA) includes the federal and State grant activity of Currituck County under the program of the federal government and the State of North Carolina for the year ended June 30, 2016. The information in the SEFSA is presented in accordance with the requirements of Title 2 Us Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards and the State Single Audit Implementation Act. Because the Schedule presents only a selected portion of the operations of Currituck County, it is not intended to and does not present the financial position, changes in net position or cash flows of Currituck County.

Note 2: Summary of Significant Accounting Policies

Expenditures reported in the SEFSA are reported on the modified accrual basis of accounting. Such expenditures are recognized following the cost principles contained in Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement. Currituck County has elected not to use the 10-percent de minimus indirect cost rate as allowed under the Uniform Guidance.

Note 3: Cluster of Programs

The following are clustered by the NC Department of Health and Human Services are treated separately for state audit requirement purposes. Subsidized Child Care and Foster Care and Adoption.

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