

**COMPREHENSIVE ANNUAL FINANCIAL REPORT**

For the Fiscal Year Ended June 30, 2018



**County of Currituck, North Carolina**

Prepared by the Currituck County Finance Department

**County of Currituck, North Carolina**  
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**June 30, 2018**

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## **COUNTY OF CURRITUCK**

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Currituck, North Carolina 27929  
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### **BOARD OF COMMISSIONERS**

Bob White, Chairman  
Michael Payment, Vice-Chairman  
Paul M. Beaumont  
J. Owen Etheridge  
Mary "Kitty" Etheridge  
Kevin McCord

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

January 31, 2019

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, 2018. 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 unmodified 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 27,109; 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 16.17 percent from 2009 to 2018.

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 \$6,111,443,899 to \$6,246,566,250, an increase of 2.21 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, 2018 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. The County is currently designing a recreation facility for the Moyock area. Continued expansion of the multi-use paths and NC 12 beautification projects are in process on the Currituck Outer Banks.

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. Design of a public safety facility in Maple and park in Moyock, connection of the Detention Center to the Maple Commerce Park sewer, and completion of the bulkhead and park renovations at Veteran's Park are the major County governmental projects for the 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 several Economic Development priorities and projects. The Currituck Station Mega-Site is a long-term economic development plan developed for Currituck County to bring residential and commercial opportunities to the county over the next three decades. The 3,000-acre site in Moyock will include retail stores, medical offices, and even locations for high-tech industrial warehouse distribution and advanced manufacturing businesses with a variety of residential areas.

Other priorities include priming the mainland for future development around the Mid-Currituck Bridge; encouraging business growth in Lower Currituck to build on the momentum triggered by the H2OBX Waterpark; and working to identify and stimulate new industry clusters within the county that have the most potential for spurring job growth and investment.

Also worth noting are the continued development of the Maple Commerce Park and the addition of a new College of the Albemarle Public Safety Training Center to the Regional 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 and the Ocean Sands Water and Sewer District have committed to replacement and expansion of the wastewater treatment plant in Ocean Sands and construction of a Public Safety facility in cooperation with the College of the Albemarle to provide fire and rescue training for Northeastern North Carolina. 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 120 days to 3.5 years. The average yield on investments was 1.110% for savings accounts, 2.167% for commercial paper and 1.806% 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, 2018 the

Whalehead Club, Bridal suite restroom facility at Historic Corolla Park, 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 1996 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 Auditors' 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 sixteenth 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, 2017. 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*

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Daniel F. Scanlon II  
County Manager

*Sandra L. Hill*

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Sandra L. Hill  
Finance Director





Government Finance Officers Association

Certificate of  
Achievement  
for Excellence  
in Financial  
Reporting

Presented to

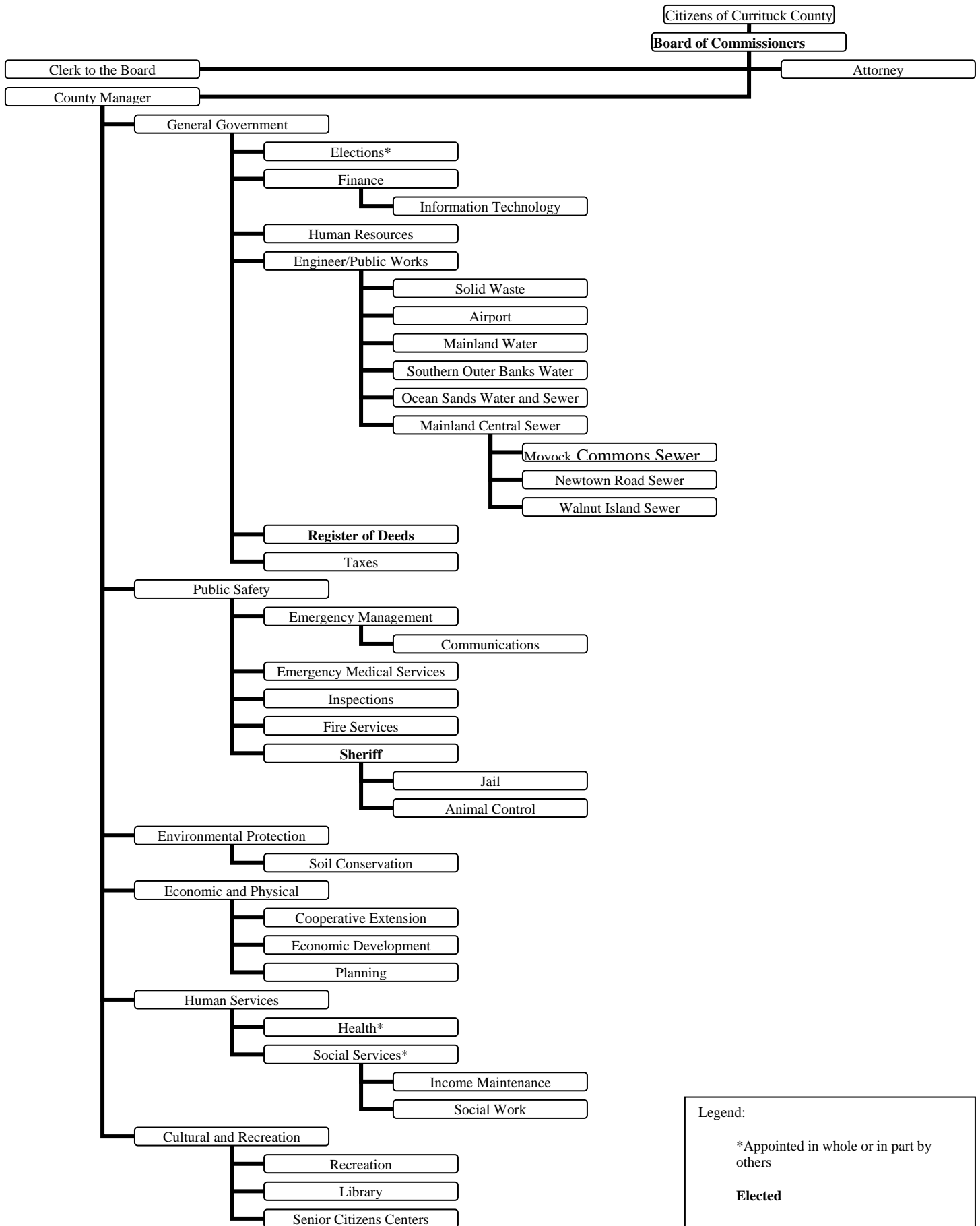
**County of Currituck**  
**North Carolina**

For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended

**June 30, 2017**

*Christopher P. Morrill*

Executive Director/CEO



Legend:

\*Appointed in whole or in part by others

**Elected**

# COUNTY OF CURRITUCK, NORTH CAROLINA

## BOARD OF COUNTY COMMISSIONERS

Bobby Hanig, Chairman

Michael H. Payment, Vice Chairman

Paul Beaumont

Mary “Kitty” Etheridge

Marion Gilbert

Mike D. Hall

Bob White

## COUNTY OFFICIALS

Daniel F. Scanlon, II

County Manager

Leeann Walton

Clerk to the Board

Donald I. McRee Jr.

County Attorney

Sydni Banks

Elections Supervisor

Matthew Beickert

Sheriff, interim

Denise A. Hall

Register of Deeds

Cameron S. Lowe

Cooperative Extension Director

Larry Lombardi

Economic Development Director

Mary Beth Newns

Emergency Management Director

Eric Weatherly

Engineer

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

Laurie LoCicero

Planning Director

Jason S. Weeks

Recreation Director

Samantha Hurd

Social Services Director

Tracy L. Sample

Tax Administrator

Tameron Kugler

Tourism Director

Laura Salmons

Librarian



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

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## Independent Auditors' 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 unit, each major fund, and the aggregate remaining fund information of Currituck County, North Carolina as of and for the year then ended June 30, 2018, 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.

### ***Auditors' Responsibility***

Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of the Currituck County ABC Board, which represents 100 percent of the assets, net position and revenues of the aggregate discretely presented component unit. 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 is based solely on the report of the other auditors. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement. The financial statements of Currituck County ABC Board were not audited in accordance with *Governmental Auditing Standards*.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' 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 auditors consider 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, 2018, and the respective changes in financial position and cash flows, where applicable, thereof and the respective budgetary comparison for the General Fund and the Tourism Development Authority for the year then ended in accordance with accounting principles generally accepted in the United States of America.

### ***Emphasis of Matter***

As discussed in Note VIII to the financial statements, Currituck County, North Carolina adopted Governmental Accounting Standards Board Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits other than Pensions*, which resulted in a cumulative effect of change in accounting principle of \$8,588,006 to the June 30, 2018 net position. Our opinions are not modified with respect to that matter.

### ***Other Matters***

#### ***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis, the Other Postemployment Benefits' Schedules of Changes in the Total OPEB Liability and Related Ratios, 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 Schedules of the County's Proportionate Share of the Net Pension Asset and County Contributions and the Firefighters' and Rescue Squad Workers' Pension Fund Schedules of the County's Proportionate Share of the Net Pension Asset and County Contributions on pages 19 through 30, 101, 102, 103, and 105, the Law Enforcement Officers' Special Separation Allowance Schedules of the Changes in Total Pension Liability and Total Pension Liability as a Percentage of Covered Payroll, page 104, 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.

The introductory information and the statistical sections have not been subjected to the auditing procedures applied on the audit of the basic financial statements, and accordingly, we do not express an opinion or provide assurance on them.

*Other Reporting Required by Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated January 31, 2019 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 of the report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on 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.

*Car, Riggs & Ingram, L.L.C.*

New Bern, NC  
January 31, 2019

## 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, 2018. 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.

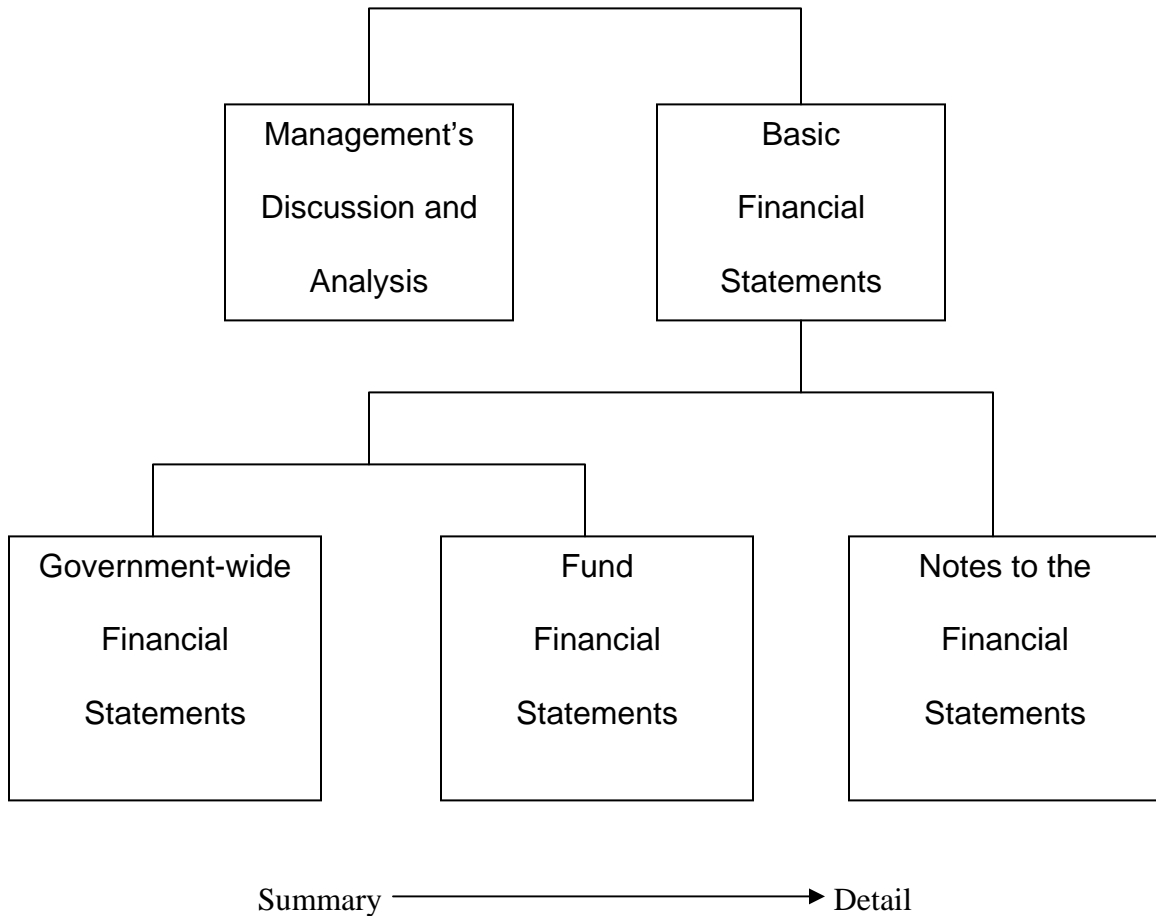
### Financial Highlights

- 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 \$189,837,872 (*net position*).
- The government's total net position increased by \$948,115 after restatement due to increases in the governmental completion of capital projects funded in prior years and increases in tax collections.
- As of the close of the current fiscal year, Currituck County's governmental funds reported combined ending fund balances of \$73,858,510, after a net increase in fund balance of \$9,339,569. Approximately 47.96% of this total amount, or \$35,423,293, is restricted or nonspendable.
- At the end of the current fiscal year, unassigned fund balance for the General Fund was \$10,871,843 or 22.50% of total general fund expenditures for the fiscal year.
- Currituck County's governmental funds debt decreased by \$1,576,671 or 32.90% during the current fiscal year.
- Currituck County's proprietary funds debt increased by \$5,175,000 or 26.14%, which is attributed to additional debt of \$7,500,000 for the Ocean Sands Water and Sewer District sewer expansion. This additional debt is offset by making scheduled payments for previous outstanding debt.
- The County's bond rating was increased from AA to AA+ by Standard & Poor's Global Ratings and remained unchanged at Aa3 by Moody's Investor's Service.

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 it has 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 solid waste services offered by Currituck County. The final category is the component unit. 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. The notes to the financial statements start on page 47 of this report.

**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 and other 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 \$189,837,872 as of June 30, 2018. The County's net position increased by \$9,536,121 before restatement for the fiscal year ended June 30, 2018. One of the largest portions \$127,157,234 (66.98%) reflects the County's net investment in capital assets (e.g. land, buildings, machinery, and equipment). As of June 30, 2018, 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 \$35,385,491 (18.64%) represents resources that are subject to external restrictions on how they may be used. The remaining balance of \$27,295,147 (14.38%) is unrestricted.

### Currituck County's Net Position

Figure 2

	Governmental Activities		Business-type Activities		Total	
	2018	2017	2018	2017	2018	2017
Current and other assets	\$ 77,322,454	\$ 67,668,547	\$ 21,018,633	\$ 12,556,255	\$ 98,341,087	\$ 80,224,802
Capital assets	101,845,435	103,400,478	53,497,935	54,256,551	155,343,370	157,657,029
Total assets	179,167,889	171,069,025	74,516,568	66,812,806	253,684,457	237,881,831
Total deferred outflows of resources	3,869,270	5,147,516	216,654	287,375	4,085,924	5,434,891
Long-term liabilities outstanding	34,569,626	29,717,340	27,113,704	21,079,594	61,683,330	50,796,934
Other liabilities	2,762,779	2,537,143	669,663	695,491	3,432,442	3,232,634
Total liabilities	37,332,405	32,254,483	27,783,367	21,775,085	65,115,772	54,029,568
Total deferred inflows of resources	2,632,826	375,360	183,911	22,037	2,816,737	397,397
Net position:						
Net investment in capital assets	98,629,299	98,607,671	28,527,935	34,461,551	127,157,234	133,069,222
Restricted	35,385,491	36,645,981	-	-	35,385,491	36,645,981
Unrestricted	9,057,138	8,333,046	18,238,009	10,841,508	27,295,147	19,174,554
Total net position	\$ 143,071,928	\$ 143,586,698	\$ 46,765,944	\$ 45,303,059	\$ 189,837,872	\$ 188,889,757

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 99.08%, higher than the statewide average of 98.92%.
- 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
	2018	2017	2018	2017	2018	2017
<b>Revenues:</b>						
Program revenues:						
Charges for services	\$ 3,807,151	\$ 3,520,424	\$ 13,323,741	\$ 11,466,948	\$ 17,130,892	\$ 14,987,372
Operating grants and contributions	2,816,257	4,110,916	111,589	79,088	2,927,846	4,190,004
Capital grants and contributions	1,083,311	1,288,142	-	500,000	1,083,311	1,788,142
General revenues:						
Property taxes	31,577,071	30,779,191	609,886	319,865	32,186,957	31,099,056
Other taxes	28,020,220	26,128,515	-	-	28,020,220	26,128,515
Other , Unrestricted	888,609	1,177,139	181,218	356,003	1,069,827	1,533,142
Investment earnings, unrestricted	609,114	526,677	134,193	98,154	743,307	624,831
<b>Total revenues</b>	<b>68,801,733</b>	<b>67,531,004</b>	<b>14,360,627</b>	<b>12,820,058</b>	<b>83,162,360</b>	<b>80,351,062</b>
<b>Expenses:</b>						
General government	7,720,712	7,605,726	-	-	7,720,712	7,605,726
Public safety	23,107,388	22,184,580	-	-	23,107,388	22,184,580
Transportation	879,908	878,356	-	-	879,908	878,356
Economic and physical development	7,125,880	6,919,571	-	-	7,125,880	6,919,571
Environmental protection	1,352,279	1,304,616	-	-	1,352,279	1,304,616
Human services	4,183,766	5,135,697	-	-	4,183,766	5,135,697
Cultural and recreation	3,521,851	3,649,685	-	-	3,521,851	3,649,685
Education	11,377,025	11,223,471	-	-	11,377,025	11,223,471
Interest on long-term debt	79,098	106,219	-	-	79,098	106,219
Solid Waste	-	-	4,716,685	4,814,409	4,716,685	4,814,409
Water and sewer	-	-	9,534,844	8,900,685	9,534,844	8,900,685
<b>Total expenses</b>	<b>59,347,907</b>	<b>59,007,921</b>	<b>14,251,529</b>	<b>13,715,094</b>	<b>73,599,436</b>	<b>72,723,015</b>
Increase in net position before transfers, special item and capital contributions						
	9,453,826	8,523,083	109,098	(895,036)	9,562,924	7,628,047
Gain (Loss) on sale of capital assets	(5,569)	-	(21,234)	(110,726)	(26,803)	(110,726)
Transfers	(1,818,270)	(1,457,168)	1,818,270	1,457,168	-	-
<b>Increase in net position</b>	<b>7,629,987</b>	<b>7,065,915</b>	<b>1,906,134</b>	<b>451,406</b>	<b>9,536,121</b>	<b>7,517,321</b>
Net position, beginning	143,586,698	46,765,944	45,303,059	189,837,872	188,889,757	236,603,816
Net position, beginning, restated	135,441,941	136,520,783	44,859,810	44,851,653	180,301,751	181,372,436
<b>Net position, ending</b>	<b>\$ 143,071,928</b>	<b>\$ 143,586,698</b>	<b>\$ 46,765,944</b>	<b>\$ 45,303,059</b>	<b>\$ 189,837,872</b>	<b>\$ 188,889,757</b>

**Governmental activities.** Governmental activities decreased the County's net position by \$514,770 after restatement. Key elements of this decrease are as follows:

- Increased revenues from property and other taxes
- Decreased operating grants and contributions
- Increased operating expenses in Public Safety operations

**Business-type activities:** Business-type activities increased Currituck County's net position by \$1,462,885, after restatement. The main element of this increase is from increased consumption revenue in the Mainland Water System, Mainland Central Sewer System and the Southern Outer Banks Water System.



The cumulative effect of all activities increased Currituck County’s net position by \$948,115.

### 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 unassigned fund balance available in the General Fund was \$10,871,843, while total fund balance reached \$20,903,382. The County currently has an available fund balance of 22.50% of general fund expenditures, while total fund balance represents 43.27% of that same amount.

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

**Figure 4**  
**Changes in Fund Balances for Governmental Funds**

	2018 Total	2017 Total	Change in Fund Balances
General	\$ 20,903,382	\$ 18,190,436	\$ 2,712,946
County Governmental Facilities	11,727,704	8,849,010	2,878,694
School Facilities	6,326,217	5,300,280	1,025,937
Tourism Development Authority	14,350,042	12,071,938	2,278,104
Transfer Tax Capital Fund	11,856,794	10,639,622	1,217,172
Other Governmental	8,694,371	9,467,655	(773,284)
	<u>\$ 73,858,510</u>	<u>\$ 64,518,941</u>	<u>\$ 9,339,569</u>

Increased revenues from property and other taxes, as well as conservative spending account for the increased fund balance in the General fund. The total fund balance for the County Governmental Facilities and School Facilities reflect increases due to funding of projects in the current year that will be completed in future years. Fund balances in the Tourism Development Authority Fund, which increased due to increases in visitors to our beaches, are for tourism promotion and tourism related expenditures, which funds a portion of the recreation expansion projects. Increases in fund balance for the Transfer Tax Capital Fund is from an increase in property transfers and a decrease in new capital projects for the current year. The decrease in fund balance for the other governmental

funds is the result of funding for capital projects and purchase of fire equipment for the volunteer fire departments in the current year.

At June 30, 2018, the governmental funds of Currituck County reported a combined fund balance of \$73,858,510, an 14.48% increase over last year. This increase is primarily due to increases in revenues from property taxes and other taxes.

**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
<b>Revenues:</b>			
Ad valorem taxes	\$ 29,079,135	\$ 30,234,695	\$ 1,155,560
Other taxes and licenses	6,219,492	7,105,150	885,658
Restricted intergovernmental	157,000	158,588	1,588
Unrestricted intergovernmental	2,633,799	2,508,047	(125,752)
Permits and fees	2,358,265	2,748,233	389,968
Sales and services	751,727	777,301	25,574
Investment earnings	103,650	131,458	27,808
Miscellaneous	474,525	748,775	274,250
Total revenues	<u>41,777,593</u>	<u>44,412,247</u>	<u>2,634,654</u>
<b>Expenditures:</b>			
General government	7,421,637	6,751,680	669,957
Public safety	22,067,541	20,750,238	1,317,303
Transportation	425,845	350,480	75,365
Environmental protection	219,285	193,312	25,973
Economic and physical development	1,883,144	1,497,260	385,884
Human services	4,626,132	3,995,831	630,301
Cultural and recreational	2,147,639	1,982,184	165,455
Education	11,166,717	11,136,242	30,475
Debt service	1,655,772	1,655,769	3
Total expenditures	<u>51,613,712</u>	<u>48,312,996</u>	<u>3,300,716</u>
Revenues over (under) expenditures	(9,836,119)	(3,900,749)	5,935,370
<b>Other financing sources (uses):</b>			
Transfers to other funds	(1,728,270)	(1,728,270)	-
Transfers from other funds	8,106,074	7,988,155	(117,919)
Total other financing sources (uses)	<u>6,377,804</u>	<u>6,259,885</u>	<u>(117,919)</u>
Revenues and other financing sources over expenditures and other financing uses	(3,458,315)	2,359,136	5,817,451
Appropriated fund balance	<u>3,458,315</u>	<u>-</u>	<u>(3,458,315)</u>
Revenues, appropriated fund balance, and other financing sources over expenditures and other financing uses	<u>\$ -</u>	<u>\$ 2,359,136</u>	<u>\$ 2,359,136</u>

Total amendments to the General Fund increased revenues by \$300,163. General fund revenues recognized modest increases over the prior year, with a total revenue increase of \$303,418. The overall actual General fund revenues were \$2,634,654 greater than budget, primarily due to increased property tax collections and other tax revenues. The

final budget for expenditures was \$51,613,712, which was a \$1,167,251 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 and increased costs for public safety.

**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 \$2,567,617, and those for the Water and Sewer Districts totaled \$15,670,392. 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 2018	Restated June 30 2017	Change in Net Position
Solid Waste	\$ 2,994,649	\$ 3,330,709	\$ (336,060)
Ocean Sands Water and Sewer	8,105,007	8,206,700	(101,693)
Mainland Water	8,408,466	7,424,457	984,009
Southern Outer Banks Water	18,938,776	17,756,998	1,181,778
Moyock Central Sewer	3,367,309	2,891,701	475,608
Non-Major Proprietary Funds			
Newtown Road Sewer	161,345	178,274	(16,929)
Maple Commerce Park Sewer	1,542,644	1,607,065	(64,421)
Moyock Commons Sewer	287,413	305,085	(17,672)
Walnut Island Sewer	2,960,335	3,158,821	(198,486)
<b>Total</b>	<b>\$ 46,765,944</b>	<b>\$ 44,859,810</b>	<b>\$ 1,906,134</b>

### Capital Asset and Debt Administration

**Capital assets.** Currituck County’s capital assets for its governmental and business – type activities as of June 30, 2018, totals \$155,343,370, 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:

- Corporate Apron at the Airport – Phase II
- Connecting Corolla – NC 12 Beautification
- Ocean Sands Sewer replacement and expansion
- Additions to the baseball/softball fields and associated amenities at Maple Park

Figure 7

CURRITUCK COUNTY'S CAPITAL ASSETS  
(net of depreciation)

	Governmental Activities		Business-type Activities		Total	
	2018	2018	2018	2018	2018	2017
Land	\$ 20,706,716	\$ 1,970,953	\$ 22,677,669	\$ 22,677,669		
Buildings and system	50,258,065	39,431,789	89,689,854	88,303,561		
Computer Equipment	459,798	584,709	1,044,507	1,042,676		
Furniture & Fixtures	19,961,816	535,336	20,497,152	24,040,641		
Equipment	7,291,803	8,213,410	15,505,213	15,624,558		
Vehicles and motorized equipment	2,952,728	228,731	3,181,459	2,179,282		
Construction in progress	214,509	2,533,007	2,747,516	3,788,642		
<b>Total</b>	<b>\$ 101,845,435</b>	<b>\$ 53,497,935</b>	<b>\$ 155,343,370</b>	<b>\$ 157,657,029</b>		

Additional information on the County's capital assets can be found in note III.A. 5, beginning on page 65 of the Basic Financial Statements.

**Long-term Debt.** As of June 30, 2018, Currituck County had total bonded debt outstanding of \$13,125,000, 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, Southern Outer Banks Water System and Ocean Sands Water and Sewer District, with outstanding balances of \$2,244,708, \$971,428, \$1,620,000, \$2,975,000, and \$7,250,000, respectively. These debt instruments are backed by their respective assets.

Figure 8

Currituck County's Outstanding Debt  
General Obligation, Revenue Bonds and Installment Purchase Agreements

	Governmental Activities		Business-type Activities		Total	
	2018	2017	2018	2017	2018	2017
Installment Purchase	\$ 3,216,136	\$ 4,792,807	\$ 11,845,000	\$ 5,625,000	\$ 15,061,136	\$ 10,417,807
Revenue bonds	-	-	13,125,000	13,900,000	13,125,000	13,900,000
General obligation bonds	-	-	-	270,000	-	270,000
Compensated absences	1,298,100	996,681	90,015	77,566	1,388,115	1,074,247
Net pension liability (LGEERS)	4,424,464	5,940,113	277,409	339,455	4,701,873	6,279,568
Total pension liability (LECCSA)	2,247,435	1,849,311	-	-	2,247,435	1,849,311
Total OPEB liability	23,383,491	24,479,855	1,776,280	1,310,822	25,159,771	25,790,677
<b>Total debt</b>	<b>\$ 34,569,626</b>	<b>\$ 38,058,767</b>	<b>\$ 27,113,704</b>	<b>\$ 21,522,843</b>	<b>\$ 61,683,330</b>	<b>\$ 59,581,610</b>

Currituck County's total debt increased by \$2,101,720 (3.53%) during the past fiscal year. This increase is attributed to the \$7,500,000 debt for the Ocean Sands Water and Sewer District for replacement of the sewer plant. This debt is offset by making scheduled payments on existing debt.

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 \$486,813,464, see Schedule 10, page 180. The County has no bonds authorized but un-issued at June 30, 2018.

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, 2018, Currituck County had one of the lowest unemployment rates in the State with a rate of 3.7%, compared to the State average of 5.1%.

### **Budget Highlights for the Fiscal Year Ending June 30, 2019**

**Governmental Activities:** Currituck County's octennial revaluation became effective for the 2014 fiscal year. Governmental fund revenues in the general funds are budgeted conservatively with a 5.76% decrease from the actual revenues received for the year ended June 30, 2018 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 \$50,187,069 before transfers to other funds, approximately 2.84% decrease over the prior year budget, due to conservative spending, completion of one time capital projects and increases incurred in the current year due to Hurricane Matthew.

**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. Construction has increased for both residential and commercial customers. The mainland water system has current capacity to absorb this growth; however, the County is evaluating the need for expansion of the Mainland Central Sewer system.

### **Requests for Information**

This report is designed to provide an overview of the County's finances for those with an interest in this area. This document is also available online at [www.currituckgovernment.com](http://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, 2018**

	Primary Government			Component Unit
	Governmental Activities	Business-type Activities	Total	Currituck County ABC Board
<b>ASSETS</b>				
Cash and cash equivalents	\$ 1,478,137	\$ 13,507,054	\$ 14,985,191	\$ 1,131,115
Restricted Cash	1,409,448	5,528,805	6,938,253	-
Investments	69,194,839	500,000	69,694,839	-
Receivables (net)	478,064	594	478,658	-
Other receivables (net)	665,010	1,533,540	2,198,550	-
Due from other governments	3,737,010	-	3,737,010	-
Due from component unit	203,624	-	203,624	-
Internal balances	51,360	(51,360)	-	-
Inventories	37,802	-	37,802	670,188
Prepaid items	-	-	-	28,348
Net pension asset	67,160	-	67,160	-
Capital assets:				
Land, improvements, non-depreciable collections and construction in progress	20,921,225	4,503,960	25,425,185	425,900
Other capital assets, net of depreciation	80,924,210	48,993,975	129,918,185	1,447,565
Total capital assets	101,845,435	53,497,935	155,343,370	1,873,465
Total assets	179,167,889	74,516,568	253,684,457	3,703,116
<b>DEFERRED OUTFLOWS OF RESOURCES</b>	3,869,270	216,654	4,085,924	49,361
<b>LIABILITIES</b>				
Accounts payable and accrued expenses	2,762,779	566,518	3,329,297	372,004
Customer deposits	-	103,145	103,145	-
Due to primary government	-	-	-	203,624
Long-term liabilities:				
Net pension liability - LGERS	4,424,464	277,409	4,701,873	63,553
Total pension liability - LEOSSA	2,247,435	-	2,247,435	-
Due in more than one year	26,317,415	24,216,295	50,533,710	244,458
Due within one year	1,580,312	2,620,000	4,200,312	-
Total long-term liabilities	34,569,626	27,113,704	61,683,330	308,011
Total liabilities	37,332,405	27,783,367	65,115,772	883,639
<b>DEFERRED INFLOWS OF RESOURCES</b>	2,632,826	183,911	2,816,737	7,473
<b>NET POSITION</b>				
Net investment in capital assets	98,629,299	28,527,935	127,157,234	1,873,466
Restricted for:				
Stabilization by State Statute	4,657,004	-	4,657,004	-
Public Safety	241,745	-	241,745	-
Education	3,600,869	-	3,600,869	-
Tourism	14,181,771	-	14,181,771	-
Working capital	-	-	-	175,341
Capital assets	12,704,102	-	12,704,102	-
Unrestricted (deficit)	9,057,138	18,238,009	27,295,147	812,558
Total net position	\$ 143,071,928	\$ 46,765,944	\$ 189,837,872	\$ 2,861,365

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, 2018**

Program Revenues

Functions/Programs	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
<b>Primary government:</b>				
Governmental Activities:				
General government	\$ 7,720,712	\$ 1,110,766	\$ 158,589	\$ -
Public safety	23,107,388	1,961,604	615,721	10,657
Transportation	879,908	325,167	3,519	753,297
Economic and physical development	7,125,880	317,343	69,250	-
Environmental protection	1,352,279	-	26,550	-
Human services	4,183,766	279	1,942,628	-
Cultural and recreation	3,521,851	91,992	-	75,000
Education	11,377,025	-	-	244,357
Interest on long-term debt	79,098	-	-	-
Total governmental activities	<u>59,347,907</u>	<u>3,807,151</u>	<u>2,816,257</u>	<u>1,083,311</u>
Business-type activities:				
Solid Waste	4,716,685	3,012,092	62,468	-
Water and Sewer	9,534,844	10,311,649	49,121	-
Total business-type activities	<u>14,251,529</u>	<u>13,323,741</u>	<u>111,589</u>	<u>-</u>
	<u>\$ 73,599,436</u>	<u>\$ 17,130,892</u>	<u>\$ 2,927,846</u>	<u>\$ 1,083,311</u>
Component units:				
ABC Board	4,560,640	4,558,867	-	-
Total component units	<u>\$ 4,560,640</u>	<u>\$ 4,558,867</u>	<u>\$ -</u>	<u>\$ -</u>

General revenues:

Taxes:

Property taxes, levied for general purpose  
Property taxes, levied for sewer district  
Property taxes, levied for watershed improvement  
Local option sales taxes  
Land transfer taxes  
Occupancy taxes  
Deed stamp excise tax  
Franchise taxes  
Other taxes  
Investment earnings, unrestricted  
Miscellaneous, unrestricted  
Gain (loss) on sales of assets  
Total general revenues, excluding transfers and special items

Transfers

Total general revenues and transfers  
Change in net position

Net position, beginning, previously reported  
Cumulative effect of change in accounting principle

Net position, beginning, as restated  
Net position-ending

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



Exhibit 2

<b>Net (Expense) Revenue and Changes in Net Position</b>			
<b>Primary Government</b>			<b>Component Unit</b>
<b>Governmental Activities</b>	<b>Business-type Activities</b>	<b>Total</b>	<b>Currituck County ABC Board</b>
\$ (6,451,357)	\$ -	\$ (6,451,357)	\$ -
(20,519,406)	-	(20,519,406)	-
202,075	-	202,075	-
(6,739,287)	-	(6,739,287)	-
(1,325,729)	-	(1,325,729)	-
(2,240,859)	-	(2,240,859)	-
(3,354,859)	-	(3,354,859)	-
(11,132,668)	-	(11,132,668)	-
(79,098)	-	(79,098)	-
<u>(51,641,188)</u>	<u>-</u>	<u>(51,641,188)</u>	
-	(1,642,125)	(1,642,125)	-
-	825,926	825,926	-
-	(816,199)	(816,199)	
<u>(51,641,188)</u>	<u>(816,199)</u>	<u>(52,457,387)</u>	
			<u>(1,773)</u>
			<u>(1,773)</u>
30,230,299	-	30,230,299	-
-	609,886	609,886	-
1,346,772	-	1,346,772	-
10,338,169	-	10,338,169	-
4,165,710	-	4,165,710	-
11,916,113	-	11,916,113	-
850,138	-	850,138	-
330,738	-	330,738	-
419,352	-	419,352	-
609,114	134,193	743,307	1,773
888,609	181,218	1,069,827	-
(5,569)	(21,234)	(26,803)	-
<u>61,089,445</u>	<u>904,063</u>	<u>61,993,508</u>	<u>1,773</u>
<u>(1,818,270)</u>	<u>1,818,270</u>	<u>-</u>	<u>-</u>
<u>59,271,175</u>	<u>2,722,333</u>	<u>61,993,508</u>	<u>1,773</u>
<u>7,629,987</u>	<u>1,906,134</u>	<u>9,536,121</u>	<u>-</u>
143,586,698	45,303,059	188,889,757	3,094,699
(8,144,757)	(443,249)	(8,588,006)	(233,334)
<u>135,441,941</u>	<u>44,859,810</u>	<u>180,301,751</u>	<u>2,861,365</u>
<u>\$ 143,071,928</u>	<u>\$ 46,765,944</u>	<u>\$ 189,837,872</u>	<u>\$ 2,861,365</u>

County of Currituck, North Carolina  
Balance Sheet  
Governmental Funds  
June 30, 2018  
Major

	Major					Nonmajor	Total Governmental Funds
	General	County Governmental Facilities Fund	School Facilities Fund	Tourism Development Authority Fund	Transfer Tax Capital Fund	Other Governmental Funds	
<b>ASSETS</b>							
Cash and cash equivalents	\$ 1,474,268	\$ -	\$ -	\$ -	\$ -	\$ 3,869	\$ 1,478,137
Restricted Cash	1,203,141	-	206,307	-	-	-	1,409,448
Investments	17,662,946	11,727,086	6,119,013	14,362,203	11,856,794	7,466,797	69,194,839
Taxes receivable, net	470,062	-	-	-	-	8,002	478,064
Other receivables, net	601,521	-	-	63,489	-	-	665,010
Due from other governments	2,273,574	6,617	897	18,587	-	1,437,335	3,737,010
Due from component unit	203,624	-	-	-	-	-	203,624
Due from other funds	51,360	-	-	-	-	-	51,360
Inventories	855	-	-	36,947	-	-	37,802
<b>Total assets</b>	<b>\$ 23,941,351</b>	<b>\$ 11,733,703</b>	<b>\$ 6,326,217</b>	<b>\$ 14,481,226</b>	<b>\$ 11,856,794</b>	<b>\$ 8,916,003</b>	<b>\$ 77,255,294</b>
<b>LIABILITIES AND FUND BALANCES</b>							
Liabilities:							
Accounts payable and accrued liabilities	\$ 2,411,966	\$ 5,999	\$ -	\$ 131,184	\$ -	\$ 213,630	\$ 2,762,779
<b>Total liabilities</b>	<b>2,411,966</b>	<b>5,999</b>	<b>-</b>	<b>131,184</b>	<b>-</b>	<b>213,630</b>	<b>2,762,779</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>							
Property taxes receivable	470,062	-	-	-	-	8,002	478,064
Prepaid taxes	155,941	-	-	-	-	-	155,941
<b>Total deferred inflows (outflows) of resources</b>	<b>626,003</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>8,002</b>	<b>634,005</b>
Fund balances:							
Nonspendable:							
Inventories	855	-	-	36,947	-	-	37,802
Restricted:							
Stabilization by State Statute	3,130,079	6,617	897	82,076	-	1,437,335	4,657,004
Emergency Telephone System	-	-	-	-	-	205,220	205,220
Fire Protection	-	-	-	-	-	36,525	36,525
County Governmental Assets	3,369,890	-	-	-	5,916,997	2,010,639	11,297,526
School Capital Assets	-	-	206,307	-	-	3,394,562	3,600,869
Tourism	-	-	-	14,181,771	-	-	14,181,771
Watershed Improvements	-	-	-	-	-	1,158,916	1,158,916
Whalehead Beach Solid Waste	-	-	-	-	-	247,660	247,660
Committed:							
Carova Beach Service District	-	-	-	49,248	-	-	49,248
Fire Protection	33,819	-	-	-	-	-	33,819
Fire Equipment Replacement	-	-	-	-	-	168,203	168,203
County Governmental Assets	-	11,721,087	-	-	-	-	11,721,087
School Capital Assets	-	-	6,119,013	-	-	-	6,119,013
Tax Revaluation	734,773	-	-	-	-	-	734,773
Assigned:							
Subsequent year's expenditures	2,762,123	-	-	-	5,939,797	35,311	8,737,231
Unassigned:	10,871,843	-	-	-	-	-	10,871,843
<b>Total fund balances</b>	<b>20,903,382</b>	<b>11,727,704</b>	<b>6,326,217</b>	<b>14,350,042</b>	<b>11,856,794</b>	<b>8,694,371</b>	<b>73,858,510</b>
<b>Total liabilities, deferred inflows of resources, and fund balances</b>	<b>\$ 23,941,351</b>	<b>\$ 11,733,703</b>	<b>\$ 6,326,217</b>	<b>\$ 14,481,226</b>	<b>\$ 11,856,794</b>	<b>\$ 8,916,003</b>	

continued

**County of Currituck, North Carolina  
Reconciliation of the Governmental Funds Balance Sheet  
to the Statement of Net Position  
June 30, 2018**

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

Total Fund Balance, Governmental Funds	\$	73,858,510
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.		101,845,435
Net pension asset - Register of Deeds		67,160
Contributions to pension plans in the current fiscal year are deferred outflows of resources on the Statement of Net Position		1,314,581
Benefit payment and pension administration costs for LEOSSA are deferred outflows of resources on the Statement of Net Position		39,075
Contributions and pension administration costs for OPEB are deferred outflows of resources on the Statement of Net Position		279,463
Net pension liability - LGERS		(4,424,464)
Total pension liability - LEOSSA		(2,247,435)
Total OPEB liability		(23,383,491)
Deferred inflows of resources for taxes and special assessments receivable		478,064
Pension related deferrals		2,036,023
OPEB related deferrals		(2,276,757)
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.		(4,514,236)
Net position of governmental activities	\$	<u><u>143,071,928</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, 2018**

	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
<b>REVENUES</b>							
Ad valorem taxes	\$ 30,234,695	\$ -	\$ -	\$ -	\$ -	\$ 1,346,772	\$ 31,581,467
Other taxes and licenses	7,105,150	-	-	11,916,113	4,165,710	4,833,247	28,020,220
Unrestricted intergovernmental	158,588	-	-	-	-	-	158,588
Restricted intergovernmental	2,508,047	838,954	244,357	1,000	-	148,622	3,740,980
Permits and fees	2,748,233	-	-	10,892	-	-	2,759,125
Sales and services	777,301	-	-	287,731	-	-	1,065,032
Investment earnings	164,268	75,065	47,593	137,892	100,762	83,534	609,114
Miscellaneous	748,775	-	-	99,320	-	-	848,095
<b>Total revenues</b>	<b>44,445,057</b>	<b>914,019</b>	<b>291,950</b>	<b>12,452,948</b>	<b>4,266,472</b>	<b>6,412,175</b>	<b>68,782,621</b>
<b>EXPENDITURES</b>							
Current:							
General government	6,751,680	-	-	-	-	104,640	6,856,320
Public safety	20,750,238	141,898	-	-	-	1,349,104	22,241,240
Transportation	350,480	837,780	-	-	-	-	1,188,260
Environmental protection	193,312	-	-	-	-	331,966	525,278
Economic and physical development	1,497,260	-	-	5,605,624	-	122,070	7,224,954
Human services	3,995,831	-	-	-	-	-	3,995,831
Cultural and recreational	1,982,184	577,921	-	-	-	-	2,560,105
Intergovernmental:							
Education	11,136,242	-	240,783	-	-	-	11,377,025
Debt service:							
Principal	1,576,671	-	-	-	-	-	1,576,671
Interest	79,098	-	-	-	-	-	79,098
<b>Total expenditures</b>	<b>48,312,996</b>	<b>1,557,599</b>	<b>240,783</b>	<b>5,605,624</b>	<b>-</b>	<b>1,907,780</b>	<b>57,624,782</b>
Excess (deficiency) of revenues over expenditures	(3,867,939)	(643,580)	51,167	6,847,324	4,266,472	4,504,395	11,157,839
<b>OTHER FINANCING SOURCES (USES)</b>							
Transfers from other funds	8,188,155	3,900,274	974,770	-	-	752,863	13,816,062
Transfers to other funds	(1,607,270)	(378,000)	-	(4,569,220)	(3,049,300)	(6,030,542)	(15,634,332)
<b>Total other financing sources and (uses)</b>	<b>6,580,885</b>	<b>3,522,274</b>	<b>974,770</b>	<b>(4,569,220)</b>	<b>(3,049,300)</b>	<b>(5,277,679)</b>	<b>(1,818,270)</b>
Net change in fund balance	2,712,946	2,878,694	1,025,937	2,278,104	1,217,172	(773,284)	9,339,569
Fund balances-beginning	18,190,436	8,849,010	5,300,280	12,071,938	10,639,622	9,467,655	64,518,941
<b>Fund balances-ending</b>	<b>\$ 20,903,382</b>	<b>\$ 11,727,704</b>	<b>\$ 6,326,217</b>	<b>\$ 14,350,042</b>	<b>\$ 11,856,794</b>	<b>\$ 8,694,371</b>	<b>\$ 73,858,510</b>

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

**County of Currituck, North Carolina**  
**Reconciliation of the Statement of Revenues, Expenditures, and Changes**  
**in Fund Balances of Governmental Funds to the Statement of Activities**  
**For the Year Ended June 30, 2018**

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

Net changes in fund balances - total governmental funds	\$ 9,339,569
Governmental funds report capital outlays as expenditures. However, in the Statement of Activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which depreciation exceeded capital outlay in the current period	(1,549,475)
Cost of capital asset disposed of during the year, not recognized on modified accrual basis	(5,568)
Benefit payments and pension administration costs for LEOSA are deferred outflows of resources on the Statement of Net Position	39,075
Contributions to the pension plan in the current fiscal year are not included on the Statement of Activities	1,314,581
Contributions and pension administration costs for OPEB are deferred outflows of resources on the Statement of Net Position	279,463
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds	(4,396)
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.	1,576,671
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>(3,359,933)</u>
Total changes in net position of governmental activities	<u><u>\$7,629,987</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, 2018**  
**(With Comparative Actual Amounts for the Fiscal Year Ended June 30, 2017)**

	General Fund				
	2018			Variance With Final Positive (Negative)	2017
	Original Budget	Final Budget	Actual		Actual
<b>Revenues:</b>					
Ad valorem taxes	\$ 28,853,013	\$ 29,079,135	\$ 30,234,695	\$ 1,155,560	\$ 29,526,701
Other taxes and licenses	6,010,100	6,219,492	7,105,150	885,658	6,695,231
Unrestricted intergovernmental	157,000	157,000	158,588	1,588	169,703
Restricted intergovernmental	3,191,628	2,633,799	2,508,047	(125,752)	3,516,129
Permits and fees	2,206,257	2,358,265	2,748,233	389,968	2,661,949
Sales and services	634,682	751,727	777,301	25,574	641,470
Investment earnings	90,750	103,650	131,458	27,808	119,866
Miscellaneous	334,000	474,525	748,775	274,250	777,780
Total revenues	<u>41,477,430</u>	<u>41,777,593</u>	<u>44,412,247</u>	<u>2,634,654</u>	<u>44,108,829</u>
<b>Expenditures</b>					
<b>Current:</b>					
General government	6,581,032	7,421,637	6,751,680	669,957	6,119,332
Public safety	21,267,178	22,067,541	20,750,238	1,317,303	19,758,081
Transportation	424,523	425,845	350,480	75,365	323,932
Environmental protection	219,285	219,285	193,312	25,973	176,968
Economic and physical development	1,754,526	1,883,144	1,497,260	385,884	1,645,174
Human services	5,291,597	4,626,132	3,995,831	630,301	5,003,830
Cultural and recreational	2,085,831	2,147,639	1,982,184	165,455	2,399,471
<b>Intergovernmental:</b>					
Education	11,166,717	11,166,717	11,136,242	30,475	10,976,491
Debt service	1,655,772	1,655,772	1,655,769	3	1,679,307
Total expenditures	<u>50,446,461</u>	<u>51,613,712</u>	<u>48,312,996</u>	<u>3,300,716</u>	<u>48,082,586</u>
Revenues over (under) expenditures	<u>(8,969,031)</u>	<u>(9,836,119)</u>	<u>(3,900,749)</u>	<u>5,935,370</u>	<u>(3,973,757)</u>
<b>Other financing sources (uses):</b>					
Transfers to other funds	(1,728,270)	(1,728,270)	(1,728,270)	-	(1,648,801)
Transfers from other funds	7,935,178	8,106,074	7,988,155	(117,919)	7,621,625
Total other financing sources (uses)	<u>6,206,908</u>	<u>6,377,804</u>	<u>6,259,885</u>	<u>(117,919)</u>	<u>5,972,824</u>
Revenues and other financing sources over expenditures and other financing uses	<u>(2,762,123)</u>	<u>(3,458,315)</u>	<u>2,359,136</u>	<u>5,817,451</u>	<u>1,999,067</u>
Appropriated fund balance	<u>2,762,123</u>	<u>3,458,315</u>	<u>-</u>	<u>(3,458,315)</u>	<u>-</u>
Revenues, appropriated fund balance, and other financing sources over expenditures and other financing uses	<u>\$ -</u>	<u>\$ -</u>	<u>2,359,136</u>	<u>\$ 2,359,136</u>	<u>1,999,067</u>
<b>Fund balances:</b>					
Beginning of year, July 1			<u>14,439,583</u>		<u>12,440,516</u>
End of year, June 30			<u>\$ 16,798,719</u>		<u>\$ 14,439,583</u>

Tourism Development Authority

2018		2017		
Original Budget	Final Budget	Actual	Variance With Final Positive (Negative)	Actual
\$ -	\$ -	\$ -	\$ -	\$ -
10,506,169	10,939,554	11,916,113	976,559	11,511,034
-	-	-	-	-
-	-	1,000	1,000	504,229
12,800	12,800	10,892	(1,908)	11,116
177,000	177,000	272,511	95,511	239,436
87,633	92,335	137,506	45,171	103,096
6,500	6,500	99,320	92,820	36,326
<u>10,790,102</u>	<u>11,228,189</u>	<u>12,437,342</u>	<u>1,209,153</u>	<u>12,405,237</u>
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
6,610,768	7,067,925	5,570,874	1,497,051	6,462,381
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
<u>6,610,768</u>	<u>7,067,925</u>	<u>5,570,874</u>	<u>1,497,051</u>	<u>6,462,381</u>
<u>4,179,334</u>	<u>4,160,264</u>	<u>6,866,468</u>	<u>2,706,204</u>	<u>5,942,856</u>
(4,179,334)	(4,794,100)	(4,589,220)	204,880	(4,673,333)
-	-	-	-	-
<u>(4,179,334)</u>	<u>(4,794,100)</u>	<u>(4,589,220)</u>	<u>204,880</u>	<u>(4,673,333)</u>
-	(633,836)	2,277,248	2,911,084	1,269,523
-	633,836	-	(633,836)	-
<u>\$ -</u>	<u>\$ -</u>	2,277,248	<u>\$ 2,277,248</u>	1,269,523
		<u>12,023,546</u>		<u>10,754,023</u>
		<u>\$ 14,300,794</u>		<u>\$ 12,023,546</u>

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

	General Fund			
	2018			2017
	Original Budget	Final Budget	Actual	Variance With Final Positive (Negative)
General Fund ending fund balance, June 30			\$ 16,798,719	\$ 14,439,583
Revaluation Fund				
Investment earnings			5,423	4,394
Transfer-in from General Fund			121,000	121,000
Beginning Fund Balance, Revaluation			608,350	482,956
Land Banking Fund				
Investment earnings			27,387	23,929
Transfer-in from Transfer Tax Capital Fund			200,000	200,000
Expenditures			-	(37,341)
Beginning Fund Balance, Land Banking Fund			3,142,503	2,955,915
Carova Beach Service District Fund				
Revenues			-	-
Transfer-in from Tourism Development Authority Fund			-	-
Expenditures			-	-
Beginning Fund Balance, Carova Beach Service District Fund			-	-
Ending Fund Balance, June 30 (Exhibit 4)			<u>\$ 20,903,382</u>	<u>\$ 18,190,436</u>

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



Tourism Development Authority

2018		2017		
Original Budget	Final Budget	Actual	Variance With Final Positive (Negative)	Actual
		\$ 14,300,794		\$ 12,023,546
		-		-
		-		-
		-		-
		-		-
		-		-
		-		-
		15,606		14,514
		20,000		20,000
		(34,750)		(17,850)
		48,392		31,728
		<u>\$ 14,350,042</u>		<u>\$ 12,071,938</u>

County of Currituck, North Carolina  
Statement of Net Position  
Proprietary Funds  
June 30, 2018  
(With Comparative Amounts as of June 30, 2017)

	Enterprise Funds						Totals	
	Solid Waste Fund	Ocean Sands Water and Sewer District Fund	Mainland Water Fund	Southern Outer Banks Water System Fund	Mainland Central Sewer Fund	Non-Major Proprietary Funds	June 30, 2018	June 30, 2017
<b>ASSETS</b>								
Current assets:								
Cash and cash equivalents	\$ 2,793,338	\$ 689,117	\$ 5,858,513	\$ 3,075,061	\$ 1,004,158	\$ 86,867	\$ 13,507,054	\$ 11,248,940
Restricted cash	-	5,425,660	88,183	14,462	-	500	5,528,805	94,377
Investments	-	500,000	-	-	-	-	500,000	-
Taxes receivable, net	16	578	-	-	-	-	594	176
Receivables, net	93,485	203,218	610,888	468,094	97,248	60,607	1,533,540	1,264,122
Total current assets	<u>2,886,839</u>	<u>6,818,573</u>	<u>6,557,584</u>	<u>3,557,617</u>	<u>1,101,406</u>	<u>147,974</u>	<u>21,069,993</u>	<u>12,607,615</u>
Noncurrent assets:								
Restricted cash, cash equivalents, and investments								
Capital assets:								
Land, improvements, and construction in progress	78,987	3,479,994	5,150	42,600	688,914	208,315	4,503,960	2,200,989
Other capital assets, net of depreciation	348,045	5,274,893	16,113,644	19,180,767	3,480,614	4,596,012	48,993,975	52,055,562
Total capital assets	<u>427,032</u>	<u>8,754,887</u>	<u>16,118,794</u>	<u>19,223,367</u>	<u>4,169,528</u>	<u>4,804,327</u>	<u>53,497,935</u>	<u>54,256,551</u>
Total noncurrent assets	<u>427,032</u>	<u>8,754,887</u>	<u>16,118,794</u>	<u>19,223,367</u>	<u>4,169,528</u>	<u>4,804,327</u>	<u>53,497,935</u>	<u>54,256,551</u>
Total assets	<u>3,313,871</u>	<u>15,573,460</u>	<u>22,676,378</u>	<u>22,780,984</u>	<u>5,270,934</u>	<u>4,952,301</u>	<u>74,567,928</u>	<u>66,864,166</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>	-	17,971	107,170	77,541	13,972	-	216,654	287,375
<b>LIABILITIES</b>								
Current liabilities:								
Accounts payable	319,222	33,236	32,153	43,267	113,378	64	541,320	571,199
Due to other funds	-	-	-	-	51,360	-	51,360	51,360
Customer deposits	-	-	88,183	14,462	-	500	103,145	94,377
Accrued salaries	-	2,479	11,410	8,762	2,547	-	25,198	29,915
General obligation bonds payable	-	-	-	-	-	-	-	270,000
Revenue bonds payable	-	-	1,090,000	-	-	-	1,090,000	775,000
Notes payable	-	500,000	-	850,000	180,000	-	1,530,000	1,030,000
Total current liabilities	<u>319,222</u>	<u>535,715</u>	<u>1,221,746</u>	<u>916,491</u>	<u>347,285</u>	<u>564</u>	<u>3,341,023</u>	<u>2,821,851</u>
Noncurrent liabilities:								
Liabilities payable from restricted assets:								
Accrued vacation	-	4,564	51,316	25,489	8,646	-	90,015	77,566
Due to other funds	-	-	-	-	-	-	-	-
General obligation bonds payable	-	-	-	-	-	-	-	-
Revenue bonds payable	-	-	12,035,000	-	-	-	12,035,000	13,125,000
Notes payable	-	6,750,000	-	2,125,000	1,440,000	-	10,315,000	4,595,000
Net pension liability	-	23,509	131,652	103,441	18,807	-	277,409	339,455
Other postemployment benefits	-	155,991	847,884	679,314	93,091	-	1,776,280	867,573
Total noncurrent liabilities	<u>-</u>	<u>6,934,064</u>	<u>13,065,852</u>	<u>2,933,244</u>	<u>1,560,544</u>	<u>-</u>	<u>24,493,704</u>	<u>19,004,594</u>
Total liabilities	<u>319,222</u>	<u>7,469,779</u>	<u>14,287,598</u>	<u>3,849,735</u>	<u>1,907,829</u>	<u>564</u>	<u>27,834,727</u>	<u>21,826,445</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>	-	16,645	87,484	70,014	9,768	-	183,911	22,037
<b>NET POSITION</b>								
Net investment in capital assets	427,032	1,504,887	2,993,794	16,248,367	2,549,528	4,804,327	28,527,935	34,461,551
Unrestricted	2,567,617	6,600,120	5,414,672	2,690,409	817,781	147,410	18,238,009	10,841,508
Total net position	<u>\$ 2,994,649</u>	<u>\$ 8,105,007</u>	<u>\$ 8,408,466</u>	<u>\$ 18,938,776</u>	<u>\$ 3,367,309</u>	<u>\$ 4,951,737</u>	<u>\$ 46,765,944</u>	<u>\$ 45,303,059</u>

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

**County of Currituck, North Carolina**  
**Statement of Revenues, Expenses, and Changes in Fund Net Position**  
**Proprietary Funds**  
**For the Year Ended June 30, 2018**  
**(With Comparative Amounts for the Fiscal Year Ended June 30, 2017)**

	Enterprise Funds						Totals	
	Solid Waste Fund	Ocean Sands Water and Sewer Fund	Mainland Water Fund	Southern Outer Banks Water System Fund	Mainland Central Sewer Fund	Non-Major Proprietary Funds	June 30, 2018	June 30, 2017
<b>OPERATING REVENUES</b>								
Charges for services	\$ 3,012,092	\$ 1,308,648	\$ 3,260,554	\$ 3,392,798	\$ 316,869	\$ 25	\$ 11,290,986	\$ 10,337,595
Water and sewer taps	-	2,450	1,268,600	207,250	549,180	-	2,027,480	1,125,523
Miscellaneous	-	5,275	-	-	-	-	5,275	3,830
Total operating revenues	<u>3,012,092</u>	<u>1,316,373</u>	<u>4,529,154</u>	<u>3,600,048</u>	<u>866,049</u>	<u>25</u>	<u>13,323,741</u>	<u>11,466,948</u>
<b>OPERATING EXPENSES</b>								
Administration	68,048	126,003	367,845	437,188	240,249	47,309	1,286,641	1,243,838
Water operations	-	875,514	1,267,024	953,917	-	-	3,096,455	2,481,950
Sewer operations	-	557,586	-	-	333,227	-	890,813	734,719
Landfill operations	4,598,258	-	-	-	-	-	4,598,258	4,568,849
Depreciation	50,379	328,431	1,585,090	1,127,095	396,974	250,226	3,738,195	4,053,601
Total operating expenses	<u>4,716,685</u>	<u>1,887,534</u>	<u>3,219,959</u>	<u>2,518,200</u>	<u>970,450</u>	<u>297,535</u>	<u>13,610,362</u>	<u>13,082,957</u>
Operating income (loss)	<u>(1,704,593)</u>	<u>(571,161)</u>	<u>1,309,195</u>	<u>1,081,848</u>	<u>(104,401)</u>	<u>(297,510)</u>	<u>(286,621)</u>	<u>(1,616,009)</u>
<b>NONOPERATING REVENUES (EXPENSES)</b>								
Tax revenue	81,957	527,929	-	-	-	-	609,886	319,865
Contributed capital	-	-	-	-	-	-	-	500,000
Grant	-	-	-	-	-	-	-	-
Sale of capital assets	-	-	-	-	-	-	-	-
Rent	-	-	-	(21,234)	3,600	-	(21,234)	33,178
Unrestricted intergovernmental revenues	62,468	13,621	35,500	-	-	-	111,589	79,088
Restricted intergovernmental revenues	-	-	-	-	-	-	-	-
Investment earnings	24,108	19,793	48,397	37,545	4,348	2	134,193	98,154
Interest expenses	-	(91,875)	(409,083)	(85,978)	(54,230)	-	(641,166)	(632,137)
Insurance recovery	-	-	-	-	8,021	-	8,021	30,552
Loss on disposition of assets	-	-	-	-	-	-	-	-
Total nonoperating revenue (expenses)	<u>168,533</u>	<u>469,468</u>	<u>(325,186)</u>	<u>99,930</u>	<u>(38,261)</u>	<u>2</u>	<u>374,486</u>	<u>610,247</u>
Income (loss) before contributions and	<u>(1,536,060)</u>	<u>(101,693)</u>	<u>984,009</u>	<u>1,181,778</u>	<u>(142,662)</u>	<u>(297,508)</u>	<u>87,864</u>	<u>(1,005,762)</u>
Transfers from (to) other funds	1,200,000	-	-	-	618,270	-	1,818,270	1,457,168
Change in net position	<u>(336,060)</u>	<u>(101,693)</u>	<u>984,009</u>	<u>1,181,778</u>	<u>475,608</u>	<u>(297,508)</u>	<u>1,906,134</u>	<u>451,406</u>
Total net position, beginning	3,330,709	8,218,120	7,653,360	17,959,924	2,891,701	5,249,245	45,303,059	44,851,653
Cumulative effect of change in accounting principle	-	(11,420)	(228,903)	(202,926)	-	-	(443,249)	-
Total net position, restated	<u>3,330,709</u>	<u>8,206,700</u>	<u>7,424,457</u>	<u>17,756,998</u>	<u>2,891,701</u>	<u>5,249,245</u>	<u>44,859,810</u>	<u>44,851,653</u>
Total net position - ending	<u>\$ 2,994,649</u>	<u>\$ 8,105,007</u>	<u>\$ 8,408,466</u>	<u>\$ 18,938,776</u>	<u>\$ 3,367,309</u>	<u>\$ 4,951,737</u>	<u>\$ 46,765,944</u>	<u>\$ 45,303,059</u>

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

County of Currituck, North Carolina  
 Statement of Cash Flows  
 Proprietary Funds  
 For The Fiscal Year Ended June 30, 2018  
 (With Comparative Amounts for the Fiscal Year Ended June 30, 2017)

							Totals	
	Solid Waste Fund	Ocean Sands Water and Sewer Fund	Mainland Water Fund	Southern Outer Banks Water System Fund	Mainland Central Sewer Fund	Non-Major Proprietary Funds	June 30, 2018	June 30, 2017
<b>Cash flows from operating activities:</b>								
Cash received from customers	\$ 3,029,312	\$ 1,274,598	\$ 4,435,659	\$ 3,474,593	\$ 784,945	\$ 2,214	\$ 13,001,321	\$ 11,713,263
Cash paid for goods and services	(4,635,362)	(1,438,968)	(643,386)	(651,362)	(259,653)	(12,596)	(7,641,327)	(7,142,336)
Cash paid to employees for services	-	(129,846)	(751,759)	(591,257)	(96,810)	-	(1,569,672)	(1,555,928)
Customer deposits received	-	-	7,225	6,980	-	-	14,205	13,293
Customer deposits returned	-	(150)	(2,492)	(2,795)	-	-	(5,437)	(8,366)
Other operating revenue	-	5,275	-	-	-	-	5,275	3,830
Net cash provided (used) by operating activities	(1,606,050)	(289,091)	3,045,247	2,236,159	428,482	(10,382)	3,804,365	3,023,756
<b>Cash flows from noncapital financing activities:</b>								
Tax revenues	81,957	527,929	-	-	-	-	609,886	319,865
Rental Income	-	-	-	169,597	3,600	-	173,197	181,547
Transfer from (to) other funds	1,200,000	-	-	-	618,270	-	1,818,270	1,457,168
Net cash provided by noncapital financing	1,281,957	527,929	-	169,597	621,870	-	2,601,353	1,958,580
<b>Cash flows from capital and related financing activities:</b>								
Acquisition and construction of capital assets	(6,058)	(2,441,353)	(189,402)	(242,138)	(121,862)	-	(3,000,813)	(3,211,010)
Principal paid on bond maturities and installment purchase contracts	-	(250,000)	(1,045,000)	(850,000)	(180,000)	-	(2,325,000)	(2,962,072)
Interest paid on bond maturities and installment purchase contracts	-	(91,875)	(409,083)	(85,978)	(54,230)	-	(641,166)	(632,137)
Installment purchase obligation issued	-	7,500,000	-	-	-	-	7,500,000	-
Intergovernmental revenues	62,468	13,621	35,500	-	-	-	111,589	79,088
Sale of capital assets	-	-	-	-	-	-	-	33,178
Insurance recovery	-	-	-	-	8,021	-	8,021	30,552
Net cash provided (used) by capital and related financing activities	56,410	4,730,393	(1,607,985)	(1,178,116)	(348,071)	-	1,652,631	(6,662,401)
<b>Cash flows from investing activities:</b>								
Interest on investments	24,108	19,793	48,397	37,545	4,348	2	134,193	98,154
Net increase (decrease) in cash and cash equivalents	(243,575)	4,989,024	1,485,659	1,265,185	706,629	(10,380)	8,192,542	(1,581,911)
Cash and cash equivalents, July 1	3,036,913	1,625,753	4,461,037	1,824,338	297,529	97,747	11,343,317	12,925,228
Cash and cash equivalents, June 30	<u>\$ 2,793,338</u>	<u>\$ 6,614,777</u>	<u>\$ 5,946,696</u>	<u>\$ 3,089,523</u>	<u>\$ 1,004,158</u>	<u>\$ 87,367</u>	<u>\$ 19,535,859</u>	<u>\$ 11,343,317</u>
<b>Reconciliation of operating income to net cash provided by operating activities:</b>								
Operating income (loss)	\$ (1,704,593)	\$ (571,161)	\$ 1,309,195	\$ 1,081,848	\$ (104,401)	\$ (297,510)	\$ (286,621)	\$ 1,196,290
<b>Adjustments to reconcile operating income to net cash provided (used) by operating activities:</b>								
Depreciation	50,379	328,431	1,585,090	1,127,095	396,974	250,226	3,738,195	4,053,601
Changes in assets and liabilities:								
(Increase) decrease in accounts receivable	17,220	(36,500)	(93,495)	(125,455)	(81,104)	49,498	(269,836)	250,145
(Increase) decrease in net pension asset	-	-	-	-	-	-	-	-
(Increase) decrease in deferred outflows of resources for pensions	-	3,015	38,325	43,353	(13,972)	-	70,721	(222,496)
Increase (decrease) in accounts payable and accrued liabilities	30,944	(149,941)	2,054	1,534	98,126	(12,596)	(29,879)	250,533
(Increase) decrease in due to other funds	-	-	-	-	-	-	-	-
(Increase) decrease in accrued salaries	-	98	(6,392)	(970)	2,547	-	(4,717)	(48,873)
(Increase) decrease in accrued vacation	-	(37)	4,715	(875)	8,646	-	12,449	(1,234)
(Increase) decrease in deferred outflows of resources for pensions	-	15,782	72,948	63,376	9,768	-	161,874	(26,044)
Increase (decrease) in net pension liability	-	(1,892)	(37,910)	(41,051)	18,807	-	(62,046)	270,504
Increase in OPEB payable	-	123,264	165,984	83,119	93,091	-	465,458	113,602
Increase (decrease) in customer deposits	-	(150)	4,733	4,185	-	-	8,768	27
<b>Total adjustments</b>	<u>98,543</u>	<u>282,070</u>	<u>1,736,052</u>	<u>1,154,311</u>	<u>532,883</u>	<u>287,128</u>	<u>4,090,987</u>	<u>4,639,765</u>
Net cash provided (used) by operating activities	<u>\$ (1,606,050)</u>	<u>\$ (289,091)</u>	<u>\$ 3,045,247</u>	<u>\$ 2,236,159</u>	<u>\$ 428,482</u>	<u>\$ (10,382)</u>	<u>\$ 3,804,365</u>	<u>\$ 5,836,055</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, 2018**

	Pension Agency Fund	Agency Funds
<b>Assets</b>		
Cash and cash equivalents	\$ 1,663,671	\$ 26,835
Due from other governments	2,767	14,342
Total assets	1,666,438	41,177
<b>Liabilities and Net Position</b>		
Liabilities:		
Accounts payable	132,319	23,605
Due to other governments	-	17,572
Total liabilities	132,319	41,177
Net position restricted for postemployment benefits other than pensions:	\$ 1,534,119	\$ -

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, 2018**  
**(With Comparative Amounts for the Fiscal Year Ended June 30, 2017)**

	<b>Post-employment</b>	<b>Benefits Fund</b>
	June 30	June 30
	2018	2017
<b>Additions:</b>		
Employer contributions		
Law enforcement separation allowance	\$ 160,892	\$ 69,245
Postemployment benefits	297,513	208,269
	<u>458,405</u>	<u>277,514</u>
Investment income:		
Interest	11,601	10,937
Total additions	<u>470,006</u>	<u>288,451</u>
<b>Deductions:</b>		
Benefits		
Law enforcement separation allowance	41,920	13,529
Postemployment benefits	216,876	165,169
Administrative expense	6,082	262
Total deductions	<u>264,878</u>	<u>178,960</u>
Change in net position	205,128	109,491
<b>Net position restricted for postemployment benefits other than pensions:</b>		
Beginning of year, July 1		
Law enforcement separation allowance	635,063	577,640
Postemployment benefits	693,928	641,860
Beginning of year, totals	<u>1,328,991</u>	<u>1,219,500</u>
End of year, June 30		
Law enforcement separation allowance	750,041	635,063
Postemployment benefits	784,078	693,928
Net position - end of year, totals	<u>\$ 1,534,119</u>	<u>\$ 1,328,991</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, 2018**

**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. The County management and staff supervise and operate the Ocean Sands Water and Sewer system. 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. County management oversees all operations of the Tourism Development Authority.	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

## **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.

*Mainland Central Sewer Fund.* This fund is used to account for the operations of the sewer systems on the Currituck mainland, which currently runs from the Moyock Welcome Center in Moyock to the Walnut Island Sewer Plant in Grandy.

*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 agency funds are used to report resources that are required to be held in accounts for the members and beneficiaries of defined benefit pension plans, defined contribution plans, or other postemployment benefit plans, but are not in a qualified trust account. 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 seventeen legally budgeted funds. The Multi-year Grant Fund, Emergency Telephone System Fund, Corolla Fire District Fund, Guinea Mill Watershed Improvement Fund, Hog Bridge Ditch Watershed Improvement Fund, Moyock Watershed Improvement Fund, Northwest Watershed Improvement Fund, Ocean Sands North/Crowne Pointe Watershed Improvements 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 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.

### **C. Budgetary Data**

The County's budgets are adopted as required by the North Carolina General Statutes. An annual budget is adopted for the General Fund, Revaluation, Land Banking, Corolla Fire District, Tourism Development Authority, Carova Beach Special Revenue, Emergency Telephone System, Whalehead Beach Solid Waste, six 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 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 and the ABC Board 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 may establish time deposit accounts such as NOW and SuperNOW accounts, money market accounts, and certificates of deposit.

State law [G.S. 159-30(c)] authorizes the County and the ABC Board to invest in obligations of the United States or obligations fully guaranteed both as to principal and interest by the United States; obligations of the State of North Carolina; bonds and notes of any North Carolina local government or public authority; obligations of certain non-guaranteed federal agencies; certain high quality issues of commercial paper and bankers' acceptances and the North Carolina Capital Management Trust (NCCMT).

The majority of the County 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 Government Portfolio, a SEC-registered 2a-7 external investment pool, is measured at amortized cost, which is the NCCMT’s share price. The NCCMT Term Portfolio’s securities are valued at fair value. Investments are reported at fair value, with the exception of external investment pools which comply with criteria set forth in Section 150: Investments of the GASB codification and have elected to measure their investments at amortized cost. Accordingly, the fair value of the County’s position in the external investment pools having met these criteria is equal to the value of pooled shares. As of June 30, 2018, there were no redemption fees or maximum transaction amounts, or any other requirements that serve to limit the County’s access to 100 percent of their account value in either investment pool.

**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 considers 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 through 22. Money in the Ocean Sands Water and Sewer District Fund are unspent debt proceeds.

Currituck County Restricted Cash

Governmental Activities		
General Fund	Tax Revaluation	\$ 734,773
General Fund	Deposits Held in Trust	468,368
School Facilities Fund	Grant Funds	206,307
Total Governmental Activities		<u>\$ 1,409,448</u>
Business-Type Activities		
Ocean Sands Water & Sewer District	Unspent debt proceeds	\$ 5,425,660
Mainland Water Fund	Customer deposits	88,183
Southern Outer Banks Water Fund	Customer deposits	14,462
Newtown Road Sewer Fund	Customer deposits	350
Moyock Commons Sewer Fund	Customer deposits	150
Total Business-Type Activities		<u>\$ 5,528,805</u>
Total Restricted Cash		<u><u>\$ 6,938,253</u></u>

**4. Ad Valorem Taxes Receivable**

In accordance with State law [G.S. 105-347 and G.S. 159-13(a)], the County levies ad valorem taxes on property other than motor vehicles on July 1, the beginning of the fiscal year. The taxes are due on September 1 (lien date); however, penalties and interest do not accrue until the following January 6. These taxes are based on the assessed values as of January 1, 2017. As allowed by State law, the County has established a schedule of discounts that apply to taxes that are paid prior to the due date. In the County's General Fund, ad valorem tax revenues are reported net of such discounts.

**5. Allowances for Doubtful Accounts**

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

**6. Inventories and Prepaid Items**

The inventories of the County, the Tourism Development Authority and the ABC Board are valued at cost (first-in, first-out), which approximates market. Inventory of both the County and the Tourism Development Authority consist 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, donated works of art and similar items, and capital assets received in a service concession arrangement received after July 1, 2015 are recorded at acquisition cost rather than fair value. 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

**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 OPEB and pension plans 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 four items that meet the criterion for this category - prepaid taxes, special assessments receivable, OPEB 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 on the 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.

**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, 2018 and 2017 amounted to approximately \$4,544 and \$3,246, respectively, and is all considered current.

The sick leave policies of the County and the ABC Board provide for an unlimited accumulation of earned sick leave. Sick leave does not vest, but any unused sick leave accumulated at the time of retirement may be used in the determination of length of service for retirement benefit purposes. Since

none of the entities have any obligation for accumulated sick leave until it is actually taken, no accrual for sick leave has been made.

## **11. Net Position/Fund Balances**

### **Net Position**

Net position in government-wide and proprietary fund financial statements are classified as net investment in capital assets, restricted, and unrestricted. Restricted net position represent constraints on resources that are either a) externally imposed by creditors, grantors, contributors, or laws or regulations of other governments or b) imposed by law through state statute.

### **Fund Balances**

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

The governmental fund types classify fund balances as follows:

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

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

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

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

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

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

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 Assets – 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**

The County participates in three cost-sharing, multiple-employer, defined benefit pension plans that are administered by the State; the Local Governmental Employees' Retirement System (LGERS), the Registers of Deeds' Supplemental Pension Fund (RODSPF), and the Law Enforcement Officers' Special Separation Allowance (LEOSSA) (collectively, the "state-administered defined benefit pension plans"). For purposes of measuring the net pension asset or liability, 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.

## **13. Other Postemployment Benefits**

The net position of the County's Healthcare Benefits Plan has been determined using the flow of economic resources measurement focus and full accrual basis of accounting. This includes for purposes of measuring the Total OPEB liability, deferred outflows of resources, and deferred inflows of resources related to other postemployment benefits, OPEB expense, and information about assets, liabilities, and additions to/deductions from the OPEB Plan's net position. Benefit payments are recognized when due and payable in accordance with the benefit terms.

**E. Use of Estimates** – The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

**F. Future Accounting Pronouncements** – The Governmental Accounting Standards Board has issued statements that will become effective in 2019. The statements address:

- Certain asset retirement obligations;
- Fiduciary activities;
- Leases; and
- Certain disclosures related to debt, including direct borrowing and direct payments.

Currituck County is currently evaluating the effects that these statements will have on its 2019 financial statements.

**G. 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 \$69,213,418 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)	\$ 164,975,647
Less accumulated depreciation	(63,130,212)
Net capital assets	<u>101,845,435</u>
Net pension asset	67,160
Contributions to the pension plan in the current fiscal year	1,314,581
Contributions to OPEB plan in the current fiscal year	279,463
Benefit payments and pension administration costs for LEOSSA	39,075
Net pension liability	(4,424,464)
Total pension liability	(2,247,435)
Deferred inflows of resources for taxes and special assessments receivable	478,064
Pension related deferrals	2,036,023
OPEB related deferrals	(2,276,757)
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	(3,216,136)
Compensated absences	(1,298,100)
Other postemployment benefits	<u>(23,383,491)</u>
Total adjustment	<u>\$ 69,213,418</u>

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

The governmental fund statement of revenues, expenditures, and changes in fund balances includes a reconciliation between net changes in fund balances – total governmental funds and changes in net position of governmental activities as reported in the government-wide statement of activities. There are several elements of that total adjustment of (\$1,709,582) as follows:

<b>Description</b>	<b>Amount</b>
Capital outlay expenditures recorded in the fund statements but capitalized as assets in the statement of activities	\$ 4,657,197
Cost of disposed capital asset not recorded on fund statement	(5,568)
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.	(6,206,672)
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	1,576,671
Contributions to the pension plan in the current fiscal year are not included on the Statement of Activities	1,314,581
Benefit payments and administration costs for LEOSSA are deferred outflows of resources on the Statement of Net Position	39,075
Contributions to the OPEB plan are deferred outflows of resources on the Statement of Net Position	279,463
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	(301,419)
OPEB expense	(1,377,063)
Pension expense	(1,681,451)
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 7/1/17	(482,460)
Recording of tax receipts deferred in the fund statements as of 6/30/18	478,064
Total adjustment	<u>\$ (1,709,582)</u>

## **II. Detail Notes on All Funds**

### **A. Assets**

#### **1. Deposits**

All of the County's and the ABC Board's deposits are either insured or collateralized by using one of two methods. Under the Dedicated Method, all deposits exceeding the federal depository insurance coverage level are collateralized with securities held by the County's or the ABC Board's agents in these units' names. Under the Pooling Method, which is a collateral pool, all uninsured deposits are collateralized with securities held by the State Treasurer's agent in the name of the State Treasurer. Since the State Treasurer is acting in a fiduciary capacity for the County and the ABC Board, these deposits are considered to be held by their agents in the entities' names. The amount of the pledged collateral is based on an approved averaging method for non-interest bearing deposits and the actual current balance for interest-bearing deposits. Depositories using the Pooling Method report to the State Treasurer the adequacy of their pooled collateral covering uninsured deposits. The State Treasurer does not confirm this information with the County or the ABC Board or with the escrow agent. Because of the inability to measure the exact amount of collateral pledged for the County or the ABC Board under the Pooling Method, the potential exists for undercollateralization, and this risk may increase in periods of high cash flows. However, the State Treasurer of North Carolina enforces strict standards of financial stability for each depository that collateralizes public deposits under the Pooling Method.

The 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 has no formal policy regarding custodial credit risk for deposits.

At June 30, 2018, the County's deposits had a carrying amount of \$23,611,265 and a bank balance of \$24,171,188. Of the bank balance, \$500,000 was covered by federal depository insurance and \$23,671,188 in interest bearing deposits were covered by collateral held under the Pooling Method.

At June 30, 2018, the County had \$2,685 cash on hand.

At June 30, 2018, the carrying amount of deposits for Currituck County ABC Board was \$1,126,115. At June 30, 2018 the ABC Board's deposits had a bank balance of \$1,211,266. 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, 2018, the ABC Board had \$5,000 cash on hand.

## 2. Investments

As of June 30, 2018, the County had the following investments and maturities:

Investment Type	Valuation	Fair Value	Less Than		
	Measurement Method		6 Months	6-12 Months	1-5 Years
Commercial Paper	Fair Value - Level 2	\$ 14,811,086	\$ 9,883,325	\$ 2,955,935	\$ 1,971,826
Federal agencies	Fair Value - Level 1	34,820,804	1,995,894	10,920,462	21,904,448
NC Capital Management Trust:					
Government Portfolio	Amortized Cost	15,058,053	N/A	N/A	N/A
Term Portfolio*	Fair Value - Level 1	5,004,896	5,004,896	-	-
<b>Total Investments</b>		<b>\$ 69,694,839</b>	<b>\$ 16,884,115</b>	<b>\$ 13,876,397</b>	<b>\$ 23,876,274</b>

*\*Because the NC Capital management Trust Term Portfolio has a weighted average maturity of less than 90 days, it was presented as an investment with a maturity of less than 6 months.*

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, 2018, 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 Government Portfolio carried a credit rating of AAA by Standard & Poor's as of June 30, 2018. The County's investment in the NC Capital Management Trust Term Portfolio is unrated. The Term Portfolio is authorized to invest in obligations of the US government and agencies, and in high grade money market instruments as permitted under North Carolina General Statute 159-30 as amended. The County's investment in US Agencies (Federal Home Loan Bank) are rated AAA by Standard & Poor's and Aaa by Moody's Investors Service.

*Custodial Credit Risk.* For an investment, custodial credit risk is the risk that in the event of the failure of the counterparty, the County will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. As of June 30, 2018, 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, Federal Home Loan Bank, Federal National Mortgage Association, Federal Farm Credit Bank and Commercial Paper from JP Morgan. These investments are 17.00%, 12.83%, 8.81%, 7.06% and 7.12%, 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
2015	\$ 1,067,752	\$ 349,689	\$ 1,417,441
2016	1,069,794	254,076	1,323,870
2017	1,077,004	158,858	1,235,862
2018	1,078,201	61,997	2,376,060
Total	\$ 4,292,751	\$ 824,620	\$ 3,977,173

**4. Receivables**

Receivables at the government-wide level at June 30, 2018, were as follows:

	Taxes and Related Accrued			Due from Other Governments	Total
	Accounts	Interest			
Governmental Activities:					
General	\$ 601,521	\$ 487,196	\$ 2,273,574	\$ 3,362,291	
County Governmental Facilities	-	-	6,617	6,617	
School Facilities	-	-	897	897	
Tourism Development Authority	63,489	-	18,587	82,076	
Other Governmental Funds	-	8,002	1,437,335	1,445,337	
Total receivables	665,010	495,198	3,737,010	4,897,218	
Allowance for doubtful accounts	-	(17,134)	-	(17,134)	
Total-governmental activities	\$ 665,010	\$ 478,064	\$ 3,737,010	\$ 4,880,084	
Business-type Activities					
Solid Waste	\$ 93,485	\$ 16	\$ -	\$ 93,501	
Ocean Sands Water and Sewer	213,716	578	-	214,294	
Mainland Water	642,756	-	-	642,756	
Southern Outer Banks Water	489,794	-	-	489,794	
Mbyock Central Sewer	97,248	-	-	97,248	
Other Proprietary Funds	60,607	-	-	60,607	
Total receivables	1,597,606	594	-	1,598,200	
Allowance for doubtful accounts	(64,066)	-	-	(64,066)	
Total - business-type activities	\$ 1,533,540	\$ 594	\$ -	\$ 1,534,134	

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

Albemarle Commission; Nutrition	\$6,208
Currituck County Clerk of Court; Court Fees	23,782
NC Department of Environmental Quality; Rainfall Grant	20,000
NC Department of Public Safety; Sheriff Grants	7,200
NC Department of Transportation; DMV taxes	137,389
NC Department of Revenue; Franchise taxes	81,543
NC Department of Revenue; Sales and Use tax distribution	2,951,760
NC Department of Revenue; Sales and Use tax refund	287,120
NC Department of Revenue; Medicaid Hold Harmless	64,214
NC DHHS; County Administration	98,840
NC DHHS; Child Support Enforcement	1,041
NC DHHS; Ambulance Fees	4,534
College of the Albemarle; refund for operations	30,475
NC Office of State Controller; 911 funds	16,370
Other	6,534
Total	<u>\$3,737,010</u>



**5. Capital Assets**

Capital asset activity for the year ended June 30, 2018, was as follows:

	Beginning Balances	Increases	Decreases	Reclassifications	Ending Balances
<b>Governmental activities:</b>					
<b>Capital assets not being depreciated:</b>					
Land	\$ 20,706,716	\$ -	\$ -	\$ -	\$ 20,706,716
Construction in progress	1,625,967	1,265,633	2,677,091	-	214,509
Total capital assets not being depreciated	<u>22,332,683</u>	<u>1,265,633</u>	<u>2,677,091</u>	<u>-</u>	<u>20,921,225</u>
<b>Capital assets being depreciated:</b>					
Buildings	76,457,866	839,218	-	2,858,218	80,155,302
Computer equipment	3,961,719	135,192	131,385	-	3,965,526
Furniture and fixtures	37,447,880	2,175,071	6,803	(6,737,984)	32,878,164
Equipment	10,288,069	1,021,619	25,596	3,879,766	15,163,858
Vehicles and motor equipment	10,593,285	1,897,555	599,268	-	11,891,572
Total capital assets being depreciated	<u>138,748,819</u>	<u>6,068,655</u>	<u>763,052</u>	<u>-</u>	<u>144,054,422</u>
Less accumulated depreciation for:					
Buildings	27,537,018	2,305,093	-	55,126	29,897,237
Computer equipment	3,429,751	207,362	131,385	-	3,505,728
Furniture and fixtures	13,925,289	1,634,274	5,946	(2,637,269)	12,916,348
Equipment	4,144,897	1,167,063	22,048	2,582,143	7,872,055
Vehicles and motor equipment	8,644,069	892,880	598,105	-	8,938,844
Total accumulated depreciation	<u>57,681,024</u>	<u>6,206,672</u>	<u>757,484</u>	<u>-</u>	<u>63,130,212</u>
Total capital assets being depreciated, net	<u>81,067,795</u>				<u>80,924,210</u>
<b>Governmental activity capital assets, net</b>	<b>\$ <u>103,400,478</u></b>				<b>\$ <u>101,845,435</u></b>

**Primary Government**

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

General government	\$ 1,379,705
Public safety	1,989,974
Transportation	585,486
Environmental protection	794,423
Economic and physical development	5,561
Human services	91,043
Cultural and recreational	1,360,480
Total depreciation expense	<u>\$ 6,206,672</u>

continued

Proprietary Funds

	Beginning Balances	Increases	Decreases	Reclassifications	Ending Balances
<b>Business-type activities:</b>					
<b>Solid Waste</b>					
<b>Capital assets not being depreciated:</b>					
Land	\$ 62,962	\$ -	\$ -	\$ -	\$ 62,962
Construction in process	16,025	-	-	-	16,025
Total capital assets not being depreciated	78,987	-	-	-	78,987
<b>Capital assets being depreciated:</b>					
Buildings	852,977	6,058	-	-	859,035
Equipment	313,497	-	-	-	313,497
Vehicles and motor equipment	12,736	-	-	-	12,736
Total capital assets being depreciated	1,179,210	6,058	-	-	1,185,268
Less accumulated depreciation for:					
Buildings	619,759	29,169	-	-	648,928
Equipment	154,349	21,210	-	-	175,559
Vehicles and motor equipment	12,736	-	-	-	12,736
Total accumulated depreciation	786,844	50,379	-	-	837,223
Total capital assets being depreciated, net	392,366	-	-	-	348,045
<b>Solid Waste capital assets, net</b>	<b>\$ 471,353</b>				<b>\$ 427,032</b>
<b>Ocean Sands Water and Sewer District</b>					
<b>Capital assets not being depreciated:</b>					
Land	\$ 963,012	\$ -	\$ -	\$ -	\$ 963,012
Construction in process	214,011	2,302,971	-	-	2,516,982
Total capital assets not being depreciated	1,177,023	2,302,971	-	-	3,479,994
<b>Capital assets being depreciated:</b>					
Plant and distribution systems	8,578,734	-	-	-	8,578,734
Computer equipment	555,898	-	-	-	555,898
Furniture and maintenance equipment	1,095,341	95,258	-	-	1,190,599
Vehicles and motor equipment	86,405	43,124	-	-	129,529
Total capital assets being depreciated	10,316,378	138,382	-	-	10,454,760
Less accumulated depreciation for:					
Plant and distribution systems	3,655,624	231,656	-	-	3,887,280
Computer equipment	546,321	3,795	-	-	550,116
Furniture and maintenance equipment	577,291	77,972	-	-	655,263
Vehicles and motor equipment	72,200	15,008	-	-	87,208
Total accumulated depreciation	4,851,436	328,431	-	-	5,179,867
Total capital assets being depreciated, net	5,464,942	-	-	-	5,274,893
<b>Ocean Sands Water and Sewer District capital assets, net</b>	<b>\$ 6,641,965</b>				<b>\$ 8,754,887</b>
<b>Mainland Water</b>					
<b>Capital assets not being depreciated:</b>					
Land	\$ 5,150	\$ -	\$ -	\$ -	\$ 5,150
Total capital assets not being depreciated	5,150	-	-	-	5,150
<b>Capital assets being depreciated:</b>					
Buildings	18,018,368	-	-	-	18,018,368
Computer equipment	160,385	-	-	-	160,385
Equipment	21,245,210	153,902	-	-	21,399,112
Vehicles	362,508	35,500	-	-	398,008
Total capital assets being depreciated	39,786,471	189,402	-	-	39,975,873
Less accumulated depreciation for:					
Buildings	6,631,189	573,459	-	-	7,204,648
Computer equipment	122,209	15,320	-	-	137,529
Equipment	15,305,783	952,798	-	-	16,258,581
Vehicles	217,958	43,513	-	-	261,471
Total accumulated depreciation	22,277,139	1,585,090	-	-	23,862,229
Total capital assets being depreciated, net	17,509,332	-	-	-	16,113,644
<b>Mainland Water capital assets, net</b>	<b>\$ 17,514,482</b>				<b>\$ 16,118,794</b>

continued

	Beginning Balances	Increases	Decreases	Reclassifications	Ending Balances
<b>Newtown Road Sewer District</b>					
<b>Capital assets not being depreciated:</b>					
Land	\$ 87,000	\$ -	\$ -	\$ -	\$ 87,000
Total capital assets not being depreciated	87,000	-	-	-	87,000
<b>Capital assets being depreciated:</b>					
Equipment	508,622	-	-	-	508,622
Total capital assets being depreciated	508,622	-	-	-	508,622
Less accumulated depreciation for:					
Equipment	421,026	16,954	-	-	437,980
Total accumulated depreciation	421,026	16,954	-	-	437,980
Total capital assets being depreciated, net	87,596				70,642
<b>Newtown Road Sewer District capital assets, net</b>	<b>\$ 174,596</b>				<b>\$ 157,642</b>
<b>Maple Commerce Park Sewer Fund</b>					
<b>Capital assets being depreciated:</b>					
Buildings	\$ 1,932,639	\$ -	\$ -	\$ -	\$ 1,932,639
Total capital assets being depreciated	1,932,639	-	-	-	1,932,639
Less accumulated depreciation for:					
Buildings	322,107	64,421	-	-	386,528
Total accumulated depreciation	322,107	64,421	-	-	386,528
Total capital assets being depreciated, net	1,610,532				1,546,111
<b>Maple Commerce Park Sewer Fund capital assets, net</b>	<b>\$ 1,610,532</b>				<b>\$ 1,546,111</b>
<b>Moyock Commons Sewer District</b>					
<b>Capital assets not being depreciated:</b>					
Land	\$ 67,625	\$ -	\$ -	\$ -	\$ 67,625
Total capital assets not being depreciated	67,625	-	-	-	67,625
<b>Capital assets being depreciated:</b>					
Buildings	346,055	-	-	-	346,055
Equipment	44,622	-	-	-	44,622
Total capital assets being depreciated	390,677	-	-	-	390,677
Less accumulated depreciation for:					
Buildings	109,685	10,292	-	-	119,977
Equipment	47,432	7,382	-	-	54,814
Total accumulated depreciation	157,117	17,674	-	-	174,791
Total capital assets being depreciated, net	233,560				215,886
<b>Moyock Commons Sewer District capital assets, net</b>	<b>\$ 301,185</b>				<b>\$ 283,511</b>
<b>Southern Outer Banks Water System</b>					
<b>Capital assets not being depreciated:</b>					
Land	\$ 42,600	\$ -	\$ -	\$ -	\$ 42,600
Total capital assets not being depreciated	42,600	-	-	-	42,600
<b>Capital assets being depreciated:</b>					
Buildings	25,738,505	-	26,000	-	25,712,505
Computer equipment	836,753	214,638	-	-	1,051,391
Other equipment	3,188,211	27,500	-	-	3,215,711
Vehicles	323,597	-	45,682	-	277,915
Total capital assets being depreciated	30,087,066	242,138	71,682	-	30,257,522
Less accumulated depreciation for:					
Buildings	7,796,226	857,084	4,766	-	8,648,544
Computer equipment	373,798	121,522	-	-	495,320
Other equipment	1,577,798	127,051	-	-	1,704,849
Vehicles	252,286	21,438	45,682	-	228,042
Total accumulated depreciation	10,000,108	1,127,095	50,448	-	11,076,755
Total capital assets being depreciated, net	20,086,958				19,180,767
<b>Southern Outer Banks Water Fund capital assets, net</b>	<b>\$ 20,129,558</b>				<b>\$ 19,223,367</b>

continued



## Construction commitments

Currituck County has active construction projects as of June 30, 2018, as listed below. At June 30, 2018 the government's commitments to projects are as follows:

Project	Spent-to-date	Remaining Commitment
Airport Corp Apron Phase II	\$ 844,833	\$ 41,072
Airport Taxiway	1,885,226	268,843
Incinerator	132,893	27,107
Public Safety Facility Design	29,830	220,170
NC 12 Beautification	157,636	102,364
County-wide Broadband	15,440	984,560
Restrooms - Historic Corolla Park	47,287	202,713
Shingle Landing Park	37,150	970,250
Total	<u>\$ 3,150,295</u>	<u>\$ 2,817,079</u>

## Discretely presented component unit

Activity for the ABC Board for the year ended June 30, 2018, 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>-</u>	<u>-</u>	<u>425,900</u>
Capital assets being depreciated:				
Buildings	2,182,928	-	-	2,182,928
Furniture and equipment	307,853	5,020	-	312,873
Vehicles	34,827	-	-	34,827
Leasehold improvements	26,706	-	-	26,706
Total capital assets being depreciated	<u>2,552,314</u>	<u>5,020</u>	<u>-</u>	<u>2,557,334</u>
Less accumulated depreciation:				
Buildings	739,062	66,966	-	806,028
Furniture and equipment	237,611	23,476	-	261,087
Vehicles	34,827	-	-	34,827
Leasehold improvements	7,300	527	-	7,827
Total accumulated depreciation	<u>1,018,800</u>	<u>90,969</u>	<u>-</u>	<u>1,109,769</u>
ABC capital assets, net	<u>\$ 1,959,414</u>			<u>\$ 1,873,465</u>

## **B. Liabilities**

### **1. Payables**

Payables at the government-wide level at June 30, 2018, were as follows:

	<u>Vendors</u>	<u>Other</u>	<u>Total</u>
Governmental Activities:			
General	\$ 2,025,026	\$ 386,940	\$ 2,411,966
County Governmental Facilities	5,999	-	5,999
Tourism Development Authority	76,633	54,551	131,184
Other Governmental Funds	187,966	25,664	213,630
Total-governmental activities	<u>\$ 2,295,624</u>	<u>\$ 467,155</u>	<u>\$ 2,762,779</u>
Business-type Activities			
Solid Waste	\$ 319,222	\$ -	\$ 319,222
Ocean Sands Water and Sewer	33,236	2,479	35,715
Mainland Water	32,153	11,410	43,563
Southern Outer Banks Water	43,267	8,762	52,029
Mbyock Central Sewer	113,378	2,547	115,925
Other Proprietary Funds	64	-	64
Total - business-type activities	<u>\$ 541,320</u>	<u>\$ 25,198</u>	<u>\$ 566,518</u>

### **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](http://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, 2018, was 8.25% of compensation for law enforcement officers and 7.50% 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 \$1,392,260 and contributions to the pension plan from the ABC Board were \$19,633 for the year ended June 30, 2018.

*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, 2018, the County reported a liability of \$4,701,873 for its proportionate share of the net pension liability. The ABC Board reported a liability of \$63,533 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2017. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2016. The total pension liability was then rolled forward to the measurement date of June 30, 2017 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, 2017, the County’s proportion was .308%, which was an increase of .012% from its proportion measured as of June 30, 2016. The ABC Board’s proportion was 0.00416%, which was a decrease of 0.00061% from its proportion measured as of June 30, 2016.

For the year ended June 30, 2018, the County recognized pension expense of \$1,564,091 and the ABC Board recognized pension expense of \$20,739. At June 30, 2018, 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	\$ 270,871	\$ 133,095	\$ 3,661	\$ 1,799
Changes of assumptions	671,493	-	9,076	-
Net difference between projected and actual earnings on pension plan investments	1,141,620	-	15,431	-
Changes in proportion and differences between County contributions and proportionate share of contributions	48,990	42,924	1,560	5,674
County contributions subsequent to the measurement date	1,392,260	-	19,633	-
Total	\$ 3,525,234	\$ 176,019	\$ 49,361	\$ 7,473

\$1,392,260 reported as deferred outflows of resources related to pensions resulting from County contributions and \$19,633 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, 2019. Other amounts reported as deferred inflows of resources related to pensions will be recognized in pension expense as follows:



<b>Year ended June 30:</b>	COUNTY	ABC BOARD
2019	\$225,332	\$2,675
2020	1,372,901	17,582
2021	700,051	7,799
2022	(341,329)	(5,801)
2023	-	-
Thereafter	-	-
	\$1,956,955	\$22,255

*Actuarial Assumptions.* The total pension liability in the December 31, 2016 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	3.0 percent
Salary increases	3.50 to 7.75 percent, including inflation and productivity factor
Investment rate of return	7.20 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, 2016 valuation were based on the results of an actuarial experience study for the period January 1, 2010 through December 31, 2014.

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, 2017 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%	1.4%
Global Equity	42.0%	5.3%
Real Estate	8.0%	4.3%
Alternatives	8.0%	8.9%
Credit	7.0%	6.0%
Inflation Protection	6.0%	4.0%
Total	100%	

The information above is based on 30 year expectations developed with the consulting actuary for the 2016, 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 3.05%. All rates of return and inflation are annualized.

*Discount rate.* The discount rate used to measure the total pension liability was 7.20%. 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 7.20 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 (6.20 percent) or 1-percentage-point higher (8.20 percent) than the current rate:

	<u>1% Decrease (6.20%)</u>	<u>Discount Rate (7.20%)</u>	<u>1% Increase (8.20%)</u>
County's proportionate share of the net pension liability (asset)	\$ 14,115,129	\$ 4,701,873	\$ (3,155,224)
ABC Board's proportionate share of the net pension liability (asset)	\$ 190,788	\$ 63,553	\$ (42,648)

*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 under the age of 62 who have completed at least 30 years of creditable service or have attained 55 years of age and have completed five or more years of creditable service. The Separation Allowance is equal to 0.85 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, 2016, the Separation Allowance's membership consisted of:

Retirees receiving benefits	1
Active plan members	62
Total	<u>63</u>

***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 Statement 73.

***3. Actuarial Assumptions***

The Entry Age Normal actuarial cost method was used in the December 31, 2016 valuation. The total pension liability (TPL) was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.50 percent
Projected salary increases	3.50 to 7.35 percent, including inflation and productivity factor
Discount rate	3.16 percent

The discount rate used to measure the TPL is the S & P Municipal Bond 20 Year High Grade Rate Index.

**Deaths After Retirement (Healthy)** – RP-2014 Health Annuitant base rates projected to 2015 using MP-2015, projected forward generationally from 2015 using MP-2015. Rates are adjusted by 104% for males and 100% for females.

**Deaths Before Retirement** - RP-2014 Employee base rates projected to 2015 using MP-2015, projected forward generationally from 2015 using MP-2015.

**Deaths After Retirement (Beneficiary)** – RP-2014 Health Annuitant base rates projected to 2015 using MP-2015, projected forward generationally from 2015 using MP-2015. Rates are adjusted by 123% for males and females.

**Deaths After Retirement (Disabled)** – RP-2014 Disabled Retiree base rates projected to 2015 using MP-2015, projected forward generationally from 2015 using MP-2015. Rates are adjusted by 103% for males and 99% for females.

**4. 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 through appropriations made in the Post-Employment Benefits Fund operating budget. 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 County paid \$15,819 as benefits came due for the reporting period.

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

At June 30, 2018, the County reported a total pension liability of \$2,247,435. The total pension liability was measured as of December 31, 2017 based on a December 31, 2016 actuarial valuation. The total pension liability was rolled forward to December 31, 2017 utilizing update procedures incorporating the actuarial assumptions. For the year ended June 30, 2018, the County recognized pension expense of \$200,101.

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ 79,349	\$ -
Changes of assumptions	127,538	34,278
County benefit payments and plan administrative expense made subsequent to the measurement date	39,075	-
Total	\$ 245,962	\$ 34,278

\$39,075 reported as deferred outflows of resources related to pensions resulting from benefit payments made and administrative expenses incurred subsequent to the measurement date will be recognized as a

decrease of the total pension liability in the year ended June 30, 2019. Other amounts reported as deferred inflows of resources related to pensions will be recognized in pension expense as follows:

**Year ended June 30:**

2019	\$ 32,115
2020	32,115
2021	32,115
2022	32,115
2023	33,922
Thereafter	10,227
	<u>\$ 172,609</u>

\$39,075 paid as benefits came due subsequent to the measurement date are reported as deferred outflows of resources.

*Sensitivity of the County's total pension liability to changes in the discount rate.* The following presents the County's total pension liability calculated using the discount rate of 3.16 percent, as well as what the County's total pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (2.16 percent) or 1-percentage-point higher (4.16 percent) than the current rate:

	<u>1% Decrease (2.16%)</u>	<u>Discount Rate (3.16%)</u>	<u>1% Increase (4.16%)</u>
Total pension liability	\$ 2,452,534	\$ 2,247,435	\$ 2,060,350

**Schedule of Changes in Total Pension Liability  
Law Enforcement Officers' Special Separation Allowance**

	<u>2018</u>
Beginning balance	\$ 1,849,311
Service Cost	96,646
Interest on the total pension liability	71,078
Changes of benefit terms	-
Differences between expected and actual experience in the measurement of the total pension liability	94,434
Changes of assumptions or other inputs	151,785
Benefit payments	(15,819)
Other changes	-
Ending balance of the total pension liability	<u>\$ 2,247,435</u>

*Changes of assumptions.* The assumed inflation rate has been reduced from 3.00% to 2.50% and assumed wage inflation has been increased from 0.5% to 1.0%. The Municipal Bond Index Rate decreased from 3.86% to 3.16%.

The plan currently uses mortality tables that vary by age, 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, 2016 valuation were based on the results of an actuarial experience study for the period January 1, 2010 through December 31, 2014.

**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, 2018, were \$264,026, which consisted of \$179,599 from the County and \$84,427 from the law enforcement officers. No amounts were forfeited.

**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 5.68% 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, 2018 were \$1,193,226 which consisted of \$837,128 from the County and \$356,098 from the county employees. No amounts were forfeited.

**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](http://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 \$4,106 for the year ended June 30, 2018.

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

At June 30, 2018, the County reported an asset of \$67,160 for its proportionate share of the net pension asset. The net pension asset was measured as of June 30, 2017. The total pension liability used to calculate the net pension asset was determined by an actuarial valuation as of December 31, 2016. The total pension liability was then rolled forward to the measurement date of June 30, 2017 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, 2017, the County's proportion was 0.393%, which was a decrease of 0.017% from its proportion measured as of June 30, 2016.

For the year ended June 30, 2018, the County recognized pension expense of \$14,321. At June 30, 2018, the County reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
Differences between expected and actual experience	\$ 1,153	\$ 216
Change in Assumptions	11,332	-
Net difference between projected and actual earnings on pension plan investments	5,709	-
Changes in proportion and differences between County contributions and proportionate share of contributions	3,941	-
County contributions subsequent to the measurement date	4,106	-
Total	<u>\$ 26,241</u>	<u>\$ 216</u>

\$4,106 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, 2019. Other amounts reported as deferred inflows of resources related to pensions will be recognized in pension expense as follows:

**Year ended June 30:**

2019	\$ 12,690
2020	7,119
2021	653
2022	1,457
2023	-
Thereafter	-
	<u>\$ 21,919</u>

*Actuarial Assumptions.* The total pension liability in the December 31, 2016 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	3.0 percent
Salary increases	3.5 to 7.75 percent, including inflation and productivity factor
Investment rate of return	3.75 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, 2016 valuation were based on the results of an actuarial experience study for the period January 1, 2010 through December 31, 2014.



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, 2017 is 1.4%.

The information above is based on 30 year expectations developed with the consulting actuary for the 2017 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 3.05%. All rates of return and inflation are annualized.

*Discount rate.* The discount rate used to measure the total pension liability was 3.75%. 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 3.75 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 (2.75 percent) or 1-percentage-point higher (4.75 percent) than the current rate:

	<b>1% Decrease (2.75%)</b>	<b>Discount Rate (3.75%)</b>	<b>1% Increase (4.75%)</b>
County's proportionate share of the net pension liability (asset)	\$ (52,787)	\$ (67,160)	\$ (79,247)

*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. Pension Liabilities (Assets), Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions**

The net pension liability for LGERS and ROD was measured as of December 31, 2016, and the total pension liability (asset) used to calculate the net pension liability (asset) was determined by an actuarial valuation as of that date. The total pension liability for LEOSSA was measured as of June 30, 2017, with an actuarial valuation date of December 31, 2016. The County’s proportion of the net pension liability (asset) was based on the County’s share of contributions to the pension plan relative to the contribution of all participating entities. Following is information related to the proportionate share and pension expense:

	<u>LGERS</u>	<u>ROD</u>	<u>LEOSSA</u>	<u>Total</u>
Proportionate Share of Net Pension Liability (Asset)	\$ 4,701,873	\$ (67,160)	\$ -	\$ 4,634,713
Proportion of the Net Pension Liability (Asset)	0.30777%	-0.39346%	n/a	
Total Pension Liability	-	-	\$ 2,247,435	\$ 2,247,435
Pension Expense	\$ 1,564,091	\$ 14,321	\$ 200,101	\$ 1,778,513

At June 30, 2018, the County reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>LGERS</u>	<u>ROD</u>	<u>LEOSSA</u>	<u>Total</u>
<b><u>Deferred Outflows of Resources</u></b>				
Differences between expected and actual experience	\$ 270,871	\$ 1,153	\$ 79,349	\$ 351,373
Changes of assumptions	671,493	11,332	127,538	810,363
Net difference between projected and actual earnings on pension plan investments	1,141,620	5,709	-	1,147,329
Changes in proportion and differences between County contributions and proportionate share of contributions	48,990	3,941	-	52,931
County contributions (LGERS,ROD)/benefit payments and administration costs (LEOSSA) subsequent to the measurement date	1,392,260	4,106	39,075	1,435,441
<b><u>Deferred Inflows of Resources</u></b>				
Differences between expected and actual experience	\$ 133,095	\$ 216	\$ -	\$ 133,311
Changes of assumptions	-	-	34,278	34,278
Changes in proportion and differences between County contributions and proportionate share of contributions	42,924	-	-	42,924

**g. 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](http://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, 2017, the State contributed \$17,602,000 to the plan. The County of Currituck's proportionate share of the State's contribution is \$38,982.

*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, 2018, 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 \$107,436. The net pension liability was measured as of June 30, 2017. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of

December 31, 2016. The total pension liability was then rolled forward to the measurement date of June 30, 2017 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, 2017 and at June 30, 2016 was 0%.

For the year ended June 30, 2018, the County recognized pension expense of \$23,508 and revenue of \$23,508 for support provided by the State. At June 30, 2018, 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, 2016 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	7.20 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 7.20%. 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.

#### **h. 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.

**i. Other Post Employment Benefits**

**Healthcare Benefits**

*Plan Description.* According to a County resolution, the County administers a single-employer defined benefit Healthcare Benefits Plan (the HCB Plan). The County Board has the authority to establish and amend the benefit terms and financing requirements. No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement 75.

*Benefits Provided.* Prior to September 2, 2007, retirees qualified for pro-rated healthcare benefits beginning with ten years of active service. Employees hired on or after January 8, 2017 qualified for retiree healthcare benefits with 20 years of active service. Employees hired on or after January 8, 2017 do not qualify for retiree healthcare benefits. Retirees who are eligible for coverage receive the same coverage as active employees until the retiree is eligible for Medicare. Coverage for all retirees who are eligible for Medicare will be transferred to a Medicare Supplemental plan after qualifying for Medicare. The County governing board may amend the benefit provisions. A separate report was not issued for the plan.

Retired Employees' Years of Creditable Service	Date Hired		
	Prior to September 1, 2007	September 1, 2007 through January 7, 2017	On or after January 8, 2017
Less than 10 years	Not eligible for coverage	Not eligible for coverage	Not eligible for coverage
10 to less than 15 years	County pays 50%	Not eligible for coverage	Not eligible for coverage
15 to less than 20 years	County pays 75%	Not eligible for coverage	Not eligible for coverage
20+ years	County pays 100%	County pays 100%	Not eligible for coverage

Membership of the HCB Plan consisted of the following at June 30, 2016, the date of the latest actuarial valuation:

	<u>Employees</u>
Inactive Employees or Beneficiaries Currently Receiving Benefits	41
Inactive Members Entitled to but not yet receiving benefits	0
Active plan members	<u>362</u>
Total	<u>403</u>

**Total OPEB Liability**

The County's total OPEB liability of \$25,159,771 was measured as of June 30, 2017 and was determined by an actuarial valuation as of that date.

*Actuarial assumptions and other inputs.* The total OPEB liability in the June 30 2017 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement unless otherwise specified:

Inflation	3.0 %
Real wage growth	0.5 %
Wage inflation	3.5 %

Salary increases, including wage inflation	
General employees	3.50% - 7.75%
Firefighters	3.50% - 7.75%
Law Enforcement Officers	3.50% - 7.35%
Municipal Bond Index Rate	
Prior Measurement Date	3.01%
Measurement Date	3.56%
Health Care Cost Trends	
Pre-Medicare	7.75% for 2016 decreasing to an ultimate rate of 5.00% by 2022
Medicare	5.75% for 2016 decreasing to an ultimate rate of 5.00% by 2019

The discount rate used to measure TOL was based on the June average of the Bond Buyer General Obligation 20-year Municipal Bond Index published weekly by the Bond Buyer.

Mortality rates were based on the RP-2014 mortality tables, with adjustments for LGERS experience and generational mortality improvements using Scale MP-2015.

The actuarial assumptions (e.g., initial per capita costs, health care cost trends, rate of plan participation, rates of plan election, etc.) used in the June 30, 2016 valuation were based on a review of recent plan experience done concurrently with the June 30, 2016 valuation.

The demographic actuarial assumptions for retirement, disability incidence, withdrawal, and salary increases used in the June 30, 2016 valuation were based on the results of an actuarial experience study for the period January 1, 2010 – December 31, 2014, adopted by the LGERS.

### Changes in the Total OPEB Liability

	<b>Total OPEB Liability</b>
<b>Balance at July 1/2016</b>	\$ 25,790,677
<b>Changes for the year</b>	
Service cost	1,570,488
Interest	773,361
Changes of benefit terms	-
Differences between expected and actual experience	(26,665)
Changes in assumptions or other inputs	(2,751,420)
Benefit payments	(196,670)
<b>Net changes</b>	<u>(630,906)</u>
<b>Balance at 6/30/2017</b>	<u><u>\$ 25,159,771</u></u>

*Sensitivity of the total OPEB liability to changes in the discount rate.* The following presents the total OPEB liability of the County, as well as what the County's total OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (2.56 percent) or 1-percentage-point higher (4.56 percent) than the current discount rate:

	<u>2.56% Decrease</u>	<u>Discount Rate (3.56%)</u>	<u>4.56% Increase</u>
Total OPEB liability	\$ 30,467,041	\$ 25,159,771	\$ 21,049,307

*Sensitivity of the total OPEB liability to changes in the healthcare cost trend rates.* The following presents the total OPEB liability of the County, as well as what the County's total OPEB liability would be if it were calculated using healthcare cost trend rates that are 1-percentage-point lower or 1-percentage-point higher than the current healthcare cost trend rates:

	<u>1% Decrease</u>	<u>Trend Rate</u>	<u>1% Increase</u>
Total OPEB liability	\$ 20,307,026	\$ 25,159,771	\$ 31,680,039

**OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB**

For the year ended June 30, 2018, the County recognized OPEB expense of \$2,015,470. At June 30, 2018, the County reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ -	\$ 23,513
Changes of assumptions	-	2,426,193
Benefit payments and administrative costs made subsequent to the measurement date	288,488	-
Total	<u>\$ 288,488</u>	<u>\$ 2,449,706</u>

\$288,488 reported as deferred outflows of resources related to pensions resulting from benefit payments made and administrative expenses incurred subsequent to the measurement date will be recognized as a decrease of the total pension liability in the year ended June 30, 2019. Other amounts reported as deferred inflows of resources related to pensions will be recognized in pension expense as follows:

**Year ended June 30:**

2019	\$ 328,379
2020	328,379
2021	328,379
2022	328,379
2023	328,379
Thereafter	807,811
	<u>\$ 2,449,706</u>

**j. 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	\$ 270,871	\$ 133,095
Register of Deeds	1,153	216
LEOSSA	79,349	-
OPEB	-	23,513
Pensions - change in assumptions - LGERS	671,493	-
Pensions - change in assumptions - LEOSSA	127,538	34,278
Pensions - change in assumptions - ROD	11,332	-
OPEB - change in assumptions	-	2,426,193
Pensions - change in proportion and difference between employer contributions and proportionate share of contributions - ROD	3,941	-
Contributions to pension plan subsequent to measurement date - ROD	4,106	-
Contributions to pension plan subsequent to measurement date - LEOSSA	39,075	-
Pensions - difference between projected and actual investment earnings - LGERS	1,141,620	-
Pensions - difference between projected and actual investment earnings - ROD	5,709	-
Pensions - change in proportion and difference between employer contributions and proportionate share of contributions - LGERS	48,990	42,924
Contributions to pension plan subsequent to the measurement date - LGERS	1,392,260	-
Prepaid taxes not yet earned (General)	-	155,941
Prepaid taxes not yet earned (Business-type)	-	577
Benefit payments to the OPEB plan paid subsequent to measurement date	288,488	-
Total	<u>\$ 4,085,924</u>	<u>\$ 2,816,737</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 and Restrooms Historic Corolla Park and the Moyock Library.

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.

## **6. Contingent Liabilities**

At June 30, 2018, 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 storm water 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 2019 through 2023 interest at 1.95%. \$1,900,000

**\$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; \$228,883 2019; \$115,825 2020 interest at 1.61%. – Interest rate modified February 1, 2013. 344,708

**\$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 2019 interest at 1.66%. 971,428

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**Total serviced by the General Fund** \$3,216,136

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**Serviced by the Mainland 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 2019 through 2027; interest at 3.09%. \$1,620,000

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**Serviced by the Ocean Sands Water and Sewer District Fund:**

**\$7,500,000** 2017 Installment Purchase Agreement for replacement of the Ocean Sands Sewer, dated October 27, 2017 with semi-annual principal payments and interest payments due June 19 and December 19, \$500,000 2019 through 2032; \$250,000 2033; interest at 2.45%. \$7,250,000

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**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 2019 through 2021 and \$425,000 2022; interest at 2.38%. 2,975,000

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**Total serviced by the Enterprise Funds** \$11,845,000

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**Total Installment Purchase Debt** \$15,061,136

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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
2019	\$ 1,580,312	\$ 51,924	\$ 1,530,000	\$ 288,979
2020	495,824	28,720	1,530,000	250,934
2021	380,000	20,378	1,530,000	212,894
2022	380,000	12,967	1,105,000	174,850
2023	380,000	5,558	680,000	151,983
2024-2028	-	-	3,220,000	494,120
2029-2033	-	-	2,250,000	137,813
	<u>\$ 3,216,136</u>	<u>\$ 119,547</u>	<u>\$ 11,845,000</u>	<u>\$ 1,711,573</u>

**b. General Obligation Indebtedness**

As of June 30, 2018, there is no general obligation debt serviced by the County's general fund or the County proprietary funds.

At June 30, 2018, Currituck County had no bonds authorized but un-issued and a legal debt margin of \$486,813,464.

**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

\$13,125,000

\$13,125,000

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

Year Ending June 30	Business-type Activities	
	Principal	Interest
2019	\$ 1,090,000	\$ 376,841
2020	1,135,000	345,545
2021	1,180,000	312,958
2022	1,225,000	279,078
2023	1,280,000	243,906
2024-2028	7,215,000	638,826
Total	<u>\$ 13,125,000</u>	<u>\$ 2,197,154</u>

**Debt Related to Capital Activities** – Of the total Governmental Activities debt listed, all \$3,216,136 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, 2018:

	Balance			Balance	Current Portion of
	June 30, 2017	Increases	Decreases	June 30, 2018	Balance
Governmental activities:					
Installment purchase	\$ 4,792,807	\$ -	\$ 1,576,671	\$ 3,216,136	\$ 1,580,312
Compensated absences	996,681	793,459	492,040	1,298,100	-
Net pension liability (LGERS)	5,940,113	-	1,515,649	4,424,464	-
Total pension liability (LEOSSA)	1,849,311	398,124	-	2,247,435	-
Total OPEB liability	24,479,855	-	1,096,364	23,383,491	-
Total governmental activities	\$ 38,058,767	\$ 1,191,583	\$ 4,680,724	\$ 34,569,626	\$ 1,580,312
Business-type activities:					
General obligation debt	\$ 270,000	\$ -	\$ 270,000	\$ -	\$ -
Revenue bonded debt	13,900,000	-	775,000	13,125,000	1,090,000
Installment purchase	5,625,000	7,500,000	1,280,000	11,845,000	1,530,000
Compensated absences	77,566	126,514	114,065	90,015	-
Net pension liability (LGERS)	339,455	-	62,046	277,409	-
Total OPEB liability	1,310,822	465,458	-	1,776,280	-
Total business-type activities	\$ 21,522,843	\$ 8,091,972	\$ 2,501,111	\$ 27,113,704	\$ 2,620,000
Discretely presented component units:					
Compensated absences - ABC Board	\$ 3,246	\$ 1,298	\$ -	\$ 4,544	\$ -
Net pension liability	101,235	-	37,682	63,553	-
Total OPEB liability	233,334	11,124	-	244,458	-
Total discretely presented component units long-term liabilities	\$ 337,815	\$ 12,422	\$ 37,682	\$ 312,555	\$ -

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, 2018, 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	1,200,000
From the General fund to the Moyock Central Sewer fund for operations	140,270
Total transfers from the General fund	<u>\$ 1,607,270</u>
From the Tourism Development Authority to the General fund for Economic Development	287,313
From the Tourism Development Authority to the General fund for Airport promotions	4,167
From the Tourism Development Authority to the General fund for Administrative Fee	129,959
From the Tourism Development Authority to the General fund for Sheriff Deputies	1,260,294
From the Tourism Development Authority to the General fund for Sheriff beach patrol vehicles	108,907
From the Tourism Development Authority to the General fund for Emergency Medical Services Personnel	1,602,063
From the Tourism Development Authority to the General fund the Currituck Rural Center	237,612
From the Tourism Development Authority to the General fund administration of tour operator permits	1,600
From the Tourism Development Authority to the General fund for professional services for Currituck Station masterplan	8,475
From the Tourism Development Authority fund to the Co Governmental Facilities fund for Connecting Corolla	442,967
From the Tourism Development Authority fund to the Corolla Fire District for start-up costs for fire services	485,863
Total transfers from the Tourism Development Authority Fund	<u>\$ 4,569,220</u>
From the Transfer Tax Capital fund to the Operating Fund for Broadband feasibility study	41,993
From the Transfer Tax Capital fund to the Land Banking fund for future land purchases	200,000
From the Transfer Tax Capital fund to the County Government Facilities fund for design of public safety facility	1,749,300
From the Transfer Tax Capital fund to the County Government Facilities fund for Broadband feasibility study	958,007
From the Transfer Tax Capital fund to the Moyock Central Sewer fund for debt payment.	100,000
Total transfers from Transfer Tax Capital Fund	<u>\$ 3,049,300</u>
From the County Governmental Facilities Fund to the Mainland Sewer Construction Fund for sewer repairs	378,000
Total transfers from County Governmental Facilities Fund	<u>\$ 378,000</u>
From the Whalehead Subdivision Drainage District fund to the General fund for debt service payment	656,123
From the Capital Improvements fund to the General fund for capital assets purchased in operating fund	1,650,000
Facility	999,649
From the Capital Improvements fund to the County Governmental Facilities fund for future construction	750,000
From the School Capital fund to the General fund for capital purchases for the Currituck County Schools.	1,000,000
From the School Capital fund to the School Capital Construction Fund for future school construction	974,770
Total transfers from other governmental funds	<u>\$ 6,030,542</u>
Internal balances between the General Fund and the Mainland Sewer Fund	51,360
Total internal balances	<u>\$ 51,360</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	\$ 20,921,225	\$ 4,503,960
Other capital assets	<u>144,054,422</u>	<u>93,889,511</u>
Total capital assets	<u>164,975,647</u>	<u>98,393,471</u>
Depreciation	<u>(63,130,212)</u>	<u>(44,895,536)</u>
Total capital assets, net of depreciation	<u>101,845,435</u>	<u>53,497,935</u>
Outstanding general obligation debt	-	-
Outstanding revenue bonded debt	-	(13,125,000)
Outstanding installment purchase debt	<u>(3,216,136)</u>	<u>(11,845,000)</u>
Total outstanding debt	<u>(3,216,136)</u>	<u>(24,970,000)</u>
Total capital assets, net of depreciation and debt	<u>\$ 98,629,299</u>	<u>\$ 28,527,935</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	\$ 20,903,382
Less:	
Inventories	855
County Governmental Assets	3,369,890
Stabilization by State Statute	3,130,079
Appropriated Fund Balance in subsequent budget	2,762,123
Fire Protection	33,819
Tax Revaluation	734,773
Remaining Fund Balance	10,871,843

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



### **III. Joint Ventures**

#### **Albemarle Regional Health Services**

The Board of Commissioners voted to join the all ready existing joint venture that operates Albemarle Regional Health Services with the State of North Carolina and four other counties became effective July 1, 1999. The area Boards of Commissioners appoints the fifteen member governing board. The County has an ongoing financial responsibility for Albemarle Regional Health Services because the County is required by State statute to provide public health services either directly or jointly with other counties. The County contributed \$127,000 to Albemarle Regional Health Services during the fiscal year ended June 30, 2018, 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, 2018. Complete financial statements may be obtained from the administrative offices at Albemarle Regional Health Services, Post Office Box 189, Elizabeth City, North Carolina 27909.

#### **Trillium Health Resources**

The County participates in a joint venture to operate Trillium Health Resources 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, 2018. In accordance with the intergovernmental agreement between the participating governments, the County appropriated \$49,012 to the Center to supplement its activities. Complete financial statements may be obtained from Joy Futrell, Vice President of Operations, Trillium Health Resources, 144 Community College Road, Ahoskie, North Carolina 29710.

#### **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 \$73,277 to the Authority during the fiscal year ended June 30, 2018, 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, 2018. 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 cost. 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, 2018, expenditures were \$583,535. 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, 2018. 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 \$22,198 to the Commission during the fiscal year ended June 30, 2018.

**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.

	<u>Federal</u>	<u>State</u>
Temporary assistance to needy families	\$ 84,481	\$ -
Medicaid	11,829,095	6,020,653
Food stamp program	2,353,881	-
LINKS	3,131	-
Adoption assistance	40,713	9,881
Adult assistance	-	136,123
Title IV-E, foster care	17,794	4,173
CWS Adoption	-	131,846
State foster care	-	51,276
NC Health Choice	349,655	96
Total	<u>\$ 14,678,750</u>	<u>\$ 6,354,048</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 \$47,181 to C T Mechanical Inc. from July 1, 2017 through June 30, 2018. Commissioner Michael Payment, sworn in to office on December 1, 2014, is a principal owner of this business.

### **VIII. Change in Accounting Principles/Restatement**

The County implemented Governmental Accounting Standards Board (GASB) No. Statement 75, *Accounting and Financial Reporting for Financial Reporting for Postemployment Benefits Other than Pensions*, in the fiscal year ending June 30, 2018. The implementation of the statement required the County to record beginning total OPEB liability and the effects on net position of benefit payments and administrative expenses paid by the County related to OPEB during the measurement period. Beginning deferred outflows and inflows of resources associated with the implementation were excluded from the restatement. As a result, net position for the governmental and business-type activities decreased by \$8,144,757 and \$443,249 respectively.

## **Required Supplemental Financial Data**

- Schedule of Changes in the total OPEB Liability and Related Ratios
- Schedule of Proportionate Share of Net Pension Liability (Asset) for Local Government Employees' Retirement System
- Schedule of Contributions to Local Government Employees' Retirement System
- Schedule of Proportionate Share of Net Pension Liability (Asset) for Register of Deeds Supplemental Pension Fund
- Schedule of Contributions to Register of Deeds' Supplemental Pension Fund
- Schedule of Changes in Total Pension Liability for Law Enforcement Officers Special Separation Allowance
- Schedule of Total Pension Liability as a Percentage of Covered-Employee Payroll for Law Enforcement Officers Special Separation Allowance
- Schedule of the County's Proportionate Share of the Net Pension Liability (Asset) for Firefighters' and Rescue Squad Workers' Pension Fund

**Schedule of Changes in the Total OPEB Liability and Related Ratios**  
June 30, 2018

	2018
<b>Total OPEB Liability</b>	
Service Cost	\$ 1,570,488
Interest	773,361
Changes in benefit terms	-
Differences between expected and actual experience	(26,665)
Changes of assumptions	(2,751,420)
Benefit Payments	(196,670)
<b>Net change in total OPEB liability</b>	<b>(630,906)</b>
<b>Total OPEB liability - beginning</b>	<b>25,790,677</b>
<b>Total OPEB liability - ending</b>	<b>\$ 25,159,771</b>
<b>Covered payroll</b>	<b>\$ 15,631,472</b>
<b>Total OPEB liability as a percentage of covered payroll</b>	<b>160.96%</b>

**Notes to Schedule**

Changes of assumptions: Changes of assumptions and other inputs reflect the effects of changes in the discount rate of each period. The following are the discount rates used in each period:

<u>Fiscal Year</u>	<u>Rate</u>
2018	3.56%

**Schedule of the County's Proportionate Share of the Net Pension Liability (Asset)  
Local Governmental Employees' Retirement System  
Last Five Fiscal Years\***

	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
County's proportion of the net pension liability (asset) %	0.308%	0.296%	0.283%	0.284%	0.295%
County's proportionate share of the net pension liability (asset) \$	\$ 4,071,873	\$ 6,279,568	\$ 1,267,843	\$ (1,673,817)	\$ 3,557,088
County's covered-payroll	17,127,313	15,952,995	15,466,682	14,945,378	14,596,237
County's proportionate share of the net pension liability (asset) as a percentage of its covered-payroll	23.77%	39.36%	8.20%	(11.20%)	24.37%
Plan fiduciary net position as a percentage of the total pension liability	94.18%	91.47%	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 Five Fiscal Years\***

	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Contractually required contribution	\$ 1,392,260	\$ 1,363,286	\$ 1,150,130	\$ 1,135,921	\$ 1,091,528
Contributions in relation to the contractually required contribution	<u>1,392,260</u>	<u>1,363,286</u>	<u>1,150,130</u>	<u>1,135,921</u>	<u>1,091,528</u>
Contribution deficiency (excess)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
County's covered-payroll	\$ 18,309,762	\$ 17,127,313	\$ 15,952,995	\$ 15,466,682	\$ 14,945,378
Contributions as a percentage of covered-payroll	7.60%	7.96%	7.21%	7.34%	7.30%

\*The above schedule is intended to show information for ten years. Additional years' information will be displayed as it becomes available.

**Schedule of the County's Proportionate Share of the net Pension Liability (Asset)**  
**Register of Deeds' Supplemental Pension Fund**  
 Last Five Fiscal Years\*

	2018	2017	2016	2015	2014
County's proportion of the net pension liability (asset) %	0.393%	0.410%	0.423%	0.428%	0.455%
County's proportionate share of the net pension liability (Asset) \$	\$ (67,160)	\$ (76,717)	\$ (98,010)	\$ (96,929)	\$ (97,263)
Plan fiduciary net position as a percentage of the total pension liability	153.77%	160.17%	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 Five Fiscal Years\*

	2018	2017	2016	2015	2014
Contractually required contribution	\$ 4,106	\$ 4,121	\$ 3,577	\$ 3,717	\$ 3,492
Contributions in relation to the contractually required contribution	4,106	4,121	3,577	3,717	3,492
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -

\*The above schedule is intended to show information for ten years. Additional years' information will be displayed as it becomes available.

**Schedule of Changes in Total Pension Liability**  
**Law Enforcement Officers' Special Separation Allowance**  
For the Year Ended June 30, 2018\*

	2018	2017
Beginning Balance	\$ 1,849,311	\$ 1,754,373
Service Cost	96,646	96,224
Interest on the total pension liability	71,078	62,364
Changes of benefit terms	-	-
Differences between expected and actual experience in the measurement of the total pension liability	94,434	-
Changes of assumption or other inputs	151,785	(48,712)
Benefit payments	(15,819)	(14,938)
Other changes	-	-
Ending balance of the total pension liability	\$ 2,247,435	\$ 1,849,311

\*The amounts presented for each fiscal year were determined as of the prior December 31.

**Schedule of Total Pension Liability as a Percentage of Covered Payroll**  
**Law Enforcement Officers' Special Separation Allowance**  
For the Year Ended June 30, 2018

	2018	2017
Total pension liability	\$ 2,247,435	\$ 1,849,311
Covered payroll	3,803,620	3,611,475
Total pension liability as a percentage of covered payroll	59.09%	51.21%

Notes to the schedules:

Currituck County has no assets accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement 73 to pay related benefits.

The above schedules are intended to show information for ten years. Additional years' information will be displayed as it becomes available.



**Schedule of the County's Proportionate Share of the Net Pension Liability (Asset)  
Firefighters' and Rescue Squad Workers' Pension Fund  
Last Four Fiscal Years\***

	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
County's proportion of the net pension liability (asset) %	0.00%	0.00%	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>\$ 107,436</u>	<u>\$ 67,078</u>	<u>\$ 60,691</u>	<u>\$ 49,324</u>
Total	<u>\$ 107,436</u>	<u>\$ 67,078</u>	<u>\$ 60,691</u>	<u>\$ 49,324</u>
County's covered-payroll	\$ 3,592,293	\$ 3,409,688	\$ 4,013,300	\$ 3,890,337
County's proportionate share of the net pension liability (asset) as a percentage of its covered-payroll	2.99%	1.97%	1.51%	1.27%
Plan fiduciary net position as a percentage of the total pension liability	89.35%	84.94%	91.40%	93.42%

\* The amounts presented are for the prior fiscal year.

The above schedule is intended to show information for ten years. Additional years' information will be displayed as it becomes available.

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County of Currituck, North Carolina  
**General Fund**  
**Schedule of Revenues, Expenditures, and**  
**Changes in Fund Balances - Budget and Actual**  
For the Fiscal Year Ended June 30, 2018

(With Comparative Actual Amounts for the Fiscal Year Ended June 30, 2017)

	2018			Variance with Final Budget Positive (Negative)	2017
	Budgeted Amounts		Actual		Actual
	Original	Final			
<b>Revenues:</b>					
<b>Ad valorem taxes:</b>					
Taxes	\$ -	\$ -	\$ 30,146,306	\$ -	\$ 29,431,454
Interest	-	-	88,389	-	95,247
Total	<u>28,853,013</u>	<u>29,079,135</u>	<u>30,234,695</u>	<u>1,155,560</u>	<u>29,526,701</u>
<b>Other taxes and licenses:</b>					
Sexually oriented business license	-	-	1,300	-	1,700
Animal tax	-	-	12,484	-	12,261
Marriage license	-	-	26,520	-	26,580
Franchise tax	-	-	330,738	-	338,679
Deed stamp excise tax	-	-	850,138	-	768,290
Article 39 local option sales tax	-	-	5,700,966	-	5,205,389
Article 44 local option sales tax	-	-	397	-	89
Medicaid hold harmless funds	-	-	182,607	-	342,243
Total	<u>6,010,100</u>	<u>6,219,492</u>	<u>7,105,150</u>	<u>885,658</u>	<u>6,695,231</u>
<b>Unrestricted intergovernmental:</b>					
Gasoline tax refund	-	-	1,712	-	2,072
Payments in lieu of taxes-outside sources	-	-	43,826	-	51,639
Beer and wine tax	-	-	113,050	-	115,992
Total	<u>157,000</u>	<u>157,000</u>	<u>158,588</u>	<u>1,588</u>	<u>169,703</u>
<b>Restricted intergovernmental:</b>					
Federal and State grants	-	-	2,326,330	-	3,347,455
Safe roads act	-	-	3,519	-	3,383
Crime control act	-	-	6,999	-	2,402
Court facility fees	-	-	65,856	-	63,092
Jail fees	-	-	32,973	-	27,720
Officer fees	-	-	72,370	-	72,077
Total	<u>3,191,628</u>	<u>2,633,799</u>	<u>2,508,047</u>	<u>(125,752)</u>	<u>3,516,129</u>
<b>Permits and fees:</b>					
Ambulance service fees	-	-	1,186,026	-	1,198,328
Beach parking permits	-	-	145,865	-	-
Administration and filing fees	-	-	495,499	-	731,651
Peddler License Fee	-	-	350	-	460
Register of deeds fees	-	-	203,046	-	201,326
Building permit fees	-	-	617,636	-	473,922
Re-inspection fees	-	-	13,200	-	15,650
Planning fees	-	-	18,720	-	15,642
Tour operator fees	-	-	1,371	-	1,280
Payment in Lieu of Open Space	-	-	41,201	-	5,184
Zoning violation fees	-	-	200	-	250
Homeowners' recovery fees	-	-	5,560	-	4,460
CAMA permits	-	-	9,500	-	5,000
Sheriff fees	-	-	9,309	-	8,416
Animal control fees	-	-	750	-	380
Total	<u>2,206,257</u>	<u>2,358,265</u>	<u>2,748,233</u>	<u>389,968</u>	<u>2,661,949</u>
<b>Sales and services:</b>					
Rents	-	-	213,563	-	139,214
Airport fees	-	-	83,376	-	93,235
Vending sales	-	-	5,682	-	5,214
Senior meals	-	-	279	-	249
Animal adoption fees	-	-	31,934	-	27,703
Animal reclamation fees	-	-	4,075	-	4,152

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, 2018

(With Comparative Actual Amounts for the Fiscal Year Ended June 30, 2017)

	2018			Variance with Final Budget Positive (Negative)	2017
	Budgeted Amounts		Actual		Actual
	Original	Final			
EMS revenues	-	-	4,142	-	1,320
Jail housing	-	-	94,332	-	21,240
Sale of materials	-	-	502	-	551
Aviation fuel sales	-	-	241,791	-	233,511
Tax data fees	-	-	-	-	30
Sale of fixed assets	-	-	7,004	-	34,275
Recreation concessions	-	-	15,565	-	-
Recreation fees	-	-	75,056	-	80,776
Total	<u>634,682</u>	<u>751,727</u>	<u>777,301</u>	<u>25,574</u>	<u>641,470</u>
<b>Investment earnings</b>	<u>90,750</u>	<u>103,650</u>	<u>131,458</u>	<u>27,808</u>	<u>119,866</u>
<b>Miscellaneous:</b>					
Donations	-	-	46,883	-	24,753
Insurance recoveries	-	-	52,411	-	148,860
ABC Education distribution	-	-	33,196	-	28,809
ABC Law enforcement distribution	-	-	23,698	-	20,578
ABC profits	-	-	578,079	-	517,353
Other	-	-	14,508	-	37,427
Total	<u>334,000</u>	<u>474,525</u>	<u>748,775</u>	<u>274,250</u>	<u>777,780</u>
Total revenues	<u>41,477,430</u>	<u>41,777,593</u>	<u>44,412,247</u>	<u>2,634,654</u>	<u>44,108,829</u>
<b>Expenditures:</b>					
<b>General government:</b>					
Administration:					
Salaries and employee benefits	-	-	511,569	-	471,783
Other operating expenditures	-	-	133,799	-	92,880
Total	<u>693,572</u>	<u>741,715</u>	<u>645,368</u>	<u>96,347</u>	<u>564,663</u>
Legal:					
Salaries and employee benefits	-	-	304,603	-	303,594
Other operating expenditures	-	-	328,234	-	183,117
Total	<u>468,385</u>	<u>672,485</u>	<u>632,837</u>	<u>39,648</u>	<u>486,711</u>
Governing body:					
Salaries and employee benefits	-	-	109,803	-	109,803
Other operating expenditures	-	-	113,502	-	37,440
Total	<u>170,647</u>	<u>228,047</u>	<u>223,305</u>	<u>4,742</u>	<u>147,243</u>
Elections:					
Salaries and employee benefits	-	-	142,669	-	142,289
Other operating expenditures	-	-	40,621	-	43,982
Capital outlay	-	-	93,954	-	-
Total	<u>278,383</u>	<u>296,034</u>	<u>277,244</u>	<u>18,790</u>	<u>186,271</u>
Finance					
Salaries and employee benefits	-	-	388,269	-	377,609
Other operating expenditures	-	-	124,690	-	81,858
Total	<u>525,521</u>	<u>566,521</u>	<u>512,959</u>	<u>53,562</u>	<u>459,467</u>
Information Technology:					
Salaries and employee benefits	-	-	309,714	-	305,860
Other operating expenditures	-	-	249,861	-	292,437
Capital outlay	-	-	67,215	-	107,168
Total	<u>706,934</u>	<u>782,838</u>	<u>626,790</u>	<u>156,048</u>	<u>705,465</u>

County of Currituck, North Carolina  
**General Fund**  
**Schedule of Revenues, Expenditures, and**  
**Changes in Fund Balances - Budget and Actual**  
For the Fiscal Year Ended June 30, 2018

(With Comparative Actual Amounts for the Fiscal Year Ended June 30, 2017)

	2018			Variance with Final Budget Positive (Negative)	2017
	Budgeted Amounts		Actual		Actual
	Original	Final			
<b>Human resources:</b>					
Salaries and employee benefits	-	-	133,498	-	133,299
Other operating expenditures	-	-	11,841	-	9,780
<b>Total</b>	<b>159,156</b>	<b>175,906</b>	<b>145,339</b>	<b>30,567</b>	<b>143,079</b>
<b>Taxes:</b>					
Salaries and employee benefits	-	-	410,370	-	419,813
Other operating expenditures	-	-	139,506	-	120,859
<b>Total</b>	<b>567,784</b>	<b>574,074</b>	<b>549,876</b>	<b>24,198</b>	<b>540,672</b>
<b>Public works:</b>					
Salaries and employee benefits	-	-	717,857	-	737,323
Other operating expenditures	-	-	372,979	-	346,246
Capital outlay	-	-	406,975	-	105,961
<b>Total</b>	<b>1,327,775</b>	<b>1,591,842</b>	<b>1,497,811</b>	<b>94,031</b>	<b>1,189,530</b>
<b>Public utilities:</b>					
Salaries and employee benefits	-	-	-	-	204,852
Operating expenditures	-	-	-	-	17,147
Capital outlay	-	-	-	-	29,342
<b>Total</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>251,341</b>
<b>Register of deeds:</b>					
Salaries and employee benefits	-	-	271,079	-	270,546
Other operating expenditures	-	-	482,549	-	414,376
<b>Total</b>	<b>708,856</b>	<b>778,856</b>	<b>753,628</b>	<b>25,228</b>	<b>684,922</b>
<b>Court facilities:</b>					
Operating expenditures	-	-	160,464	-	135,105
Capital outlay	-	-	44,062	-	2,661
<b>Total</b>	<b>205,254</b>	<b>224,554</b>	<b>204,526</b>	<b>20,028</b>	<b>137,766</b>
<b>Agency appropriations:</b>					
Operating expenditures	-	-	38,025	-	38,200
<b>Total</b>	<b>38,200</b>	<b>38,200</b>	<b>38,025</b>	<b>175</b>	<b>38,200</b>
<b>Central services:</b>					
Operating expenditures	-	-	643,972	-	584,002
<b>Total</b>	<b>730,565</b>	<b>750,565</b>	<b>643,972</b>	<b>106,593</b>	<b>584,002</b>
<b>Total general government</b>	<b>6,581,032</b>	<b>7,421,637</b>	<b>6,751,680</b>	<b>669,957</b>	<b>6,119,332</b>
<b>Public safety:</b>					
<b>Sheriff:</b>					
Salaries and employee benefits	-	-	5,374,429	-	5,164,514
Other operating expenditures	-	-	752,787	-	776,131
Capital outlay	-	-	790,370	-	290,396
<b>Total</b>	<b>7,179,092</b>	<b>7,337,022</b>	<b>6,917,586</b>	<b>419,436</b>	<b>6,231,041</b>
<b>Jail:</b>					
Salaries and employee benefits	-	-	1,634,057	-	1,688,232
Other operating expenditures	-	-	475,170	-	451,415
Capital outlay	-	-	31,200	-	30,359
<b>Total</b>	<b>2,270,478</b>	<b>2,270,478</b>	<b>2,140,427</b>	<b>130,051</b>	<b>2,170,006</b>
<b>Animal control:</b>					
Salaries and employee benefits	-	-	447,801	-	447,036

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, 2018

(With Comparative Actual Amounts for the Fiscal Year Ended June 30, 2017)

	2018			Variance with Final Budget Positive (Negative)	2017
	Budgeted Amounts		Actual		Actual
	Original	Final			
Other operating expenditures	-	-	146,118	-	157,056
Capital outlay	-	-	40,090	-	28,948
Total	<u>687,092</u>	<u>687,092</u>	<u>634,009</u>	<u>53,083</u>	<u>633,040</u>
Jury commission:					
Operating expenditures	-	-	2,500	-	2,350
Total	<u>3,000</u>	<u>3,000</u>	<u>2,500</u>	<u>500</u>	<u>2,350</u>
Emergency medical services:					
Salaries and employee benefits	-	-	6,126,610	-	5,789,765
Other operating expenditures	-	-	586,159	-	575,892
Capital outlay	-	-	403,466	-	347,053
Total	<u>6,982,249</u>	<u>7,397,037</u>	<u>7,116,235</u>	<u>280,802</u>	<u>6,712,710</u>
Emergency management:					
Salaries and employee benefits	-	-	152,693	-	151,591
Other operating expenditures	-	-	74,296	-	48,488
Capital outlay	-	-	13,500	-	-
Total	<u>209,399</u>	<u>281,566</u>	<u>240,489</u>	<u>41,077</u>	<u>200,079</u>
Communications:					
Salaries and employee benefits	-	-	731,260	-	724,721
Other operating expenditures	-	-	230,292	-	220,099
Capital outlay	-	-	57,517	-	31,882
Total	<u>1,124,804</u>	<u>1,164,094</u>	<u>1,019,069</u>	<u>145,025</u>	<u>976,702</u>
Building inspections:					
Salaries and employee benefits	-	-	642,652	-	566,512
Other operating expenditures	-	-	72,232	-	58,446
Capital outlay	-	-	33,000	-	29,990
Total	<u>828,775</u>	<u>828,775</u>	<u>747,884</u>	<u>80,891</u>	<u>654,948</u>
Fire prevention:					
Salaries and employee benefits	-	-	160,961	-	218,770
Other operating expenditures	-	-	38,766	-	62,261
Capital outlay	-	-	72,135	-	3,212
Total	<u>299,804</u>	<u>299,804</u>	<u>271,862</u>	<u>27,942</u>	<u>284,243</u>
Volunteer fire departments:					
Carova Beach Volunteer Fire Department	-	-	211,327	-	214,620
Corolla Fire & Rescue Squad	-	-	290,949	-	295,583
Crawford Volunteer Fire Department	-	-	330,251	-	310,327
Lower Currituck Volunteer Fire Department	-	-	344,257	-	386,122
Knotts Island Volunteer Fire Department	-	-	111,516	-	161,929
Moyock Volunteer Fire Department	-	-	248,406	-	241,500
Intra-departmental Fire Services	-	-	12,349	-	-
Total	<u>1,662,485</u>	<u>1,674,835</u>	<u>1,549,055</u>	<u>125,780</u>	<u>1,610,081</u>
Medical examiner:					
Contracted services	-	-	17,400	-	31,650
Total	<u>20,000</u>	<u>20,000</u>	<u>17,400</u>	<u>2,600</u>	<u>31,650</u>
Disaster recovery:					
Salaries and employee benefits	-	-	-	-	7,720
Other operating expenditures	-	-	83,956	-	233,260
Capital outlay	-	-	9,766	-	10,251
Total	<u>-</u>	<u>103,838</u>	<u>93,722</u>	<u>10,116</u>	<u>251,231</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, 2018

(With Comparative Actual Amounts for the Fiscal Year Ended June 30, 2017)

	2018			Variance with Final Budget Positive (Negative)	2017
	Budgeted Amounts		Actual		Actual
	Original	Final			
Total public safety	21,267,178	22,067,541	20,750,238	1,317,303	19,758,081
<b>Transportation:</b>					
Airport:					
Salaries and employee benefits	-	-	49,146	-	49,862
Other operating expenditures	-	-	264,752	-	249,213
Capital outlay	-	-	13,805	-	-
Total	362,379	363,701	327,703	35,998	299,075
Inter-county transportation:					
Contracted services	-	-	22,777	-	24,857
Total	62,144	62,144	22,777	39,367	24,857
Total transportation	424,523	425,845	350,480	75,365	323,932
<b>Environmental protection:</b>					
Forestry:					
Contracted services	-	-	69,967	-	42,719
Total	80,264	80,264	69,967	10,297	42,719
Soil and water conservation:					
Salaries and employee benefits	-	-	109,681	-	121,022
Other operating expenditures	-	-	13,664	-	13,227
Total	139,021	139,021	123,345	15,676	134,249
Total environmental protection	219,285	219,285	193,312	25,973	176,968
<b>Economic and physical development:</b>					
Cooperative extension:					
Salaries and employee benefits	-	-	105,733	-	100,765
Other operating expenditures	-	-	284,875	-	308,063
Contracted services	-	-	27,140	-	28,539
Capital outlay	-	-	34,276	-	-
Total	556,957	565,630	452,024	113,606	437,367
Economic development:					
Salaries and employee benefits	-	-	131,633	-	134,131
Other operating expenditures	-	-	155,680	-	284,133
Total	366,011	374,606	287,313	87,293	418,264
Planning and inspections:					
Salaries and employee benefits	-	-	582,480	-	659,809
Other operating expenditures	-	-	175,443	-	99,744
Capital outlay	-	-	-	-	29,990
Total	831,558	942,908	757,923	184,985	789,543
Total economic and physical development	1,754,526	1,883,144	1,497,260	385,884	1,645,174
<b>Human services:</b>					
Health:					
Contracted services	-	-	127,000	-	127,000
Total	127,000	127,000	127,000	-	127,000
Mental health:					

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, 2018

(With Comparative Actual Amounts for the Fiscal Year Ended June 30, 2017)

	2018			Variance with Final Budget Positive (Negative)	2017
	Budgeted Amounts		Actual		Actual
	Original	Final			
Contracted services	-	-	49,012	-	49,012
Total	61,012	61,012	49,012	12,000	49,012
<b>Social services:</b>					
<b>Administration:</b>					
Salaries and employee benefits	-	-	2,469,365	-	2,656,538
Other operating expenditures	-	-	701,170	-	647,470
Capital outlay	-	-	30,624	-	163,003
Total	3,498,579	3,527,022	3,201,159	325,863	3,467,011
<b>Public Assistance:</b>					
Electronic issuance	-	-	3,243	-	3,101
Medical Transportation	-	-	19,351	-	26,758
Special assistance for adults	-	-	141,305	-	133,104
Special adoption assistance	-	-	10,188	-	1,952
State foster care and boarding home payments	-	-	93,129	-	193,363
Title IV-E foster care	-	-	27,525	-	29,876
Special assistance for the blind	-	-	766	-	707
Title IV-E adoption assistance	-	-	9,861	-	9,226
Title IV-B adoption assistance	-	-	50,865	-	43,944
Title IV-B adoption assistance vendor payments	-	-	525	-	-
Child daycare	-	-	31,413	-	666,293
Home care block grant	-	-	48,207	-	49,859
LINKS special assistance	-	-	3,494	-	-
Other assistance	-	-	77,492	-	98,420
Total	1,500,589	806,681	517,364	289,317	1,256,603
Total social services	4,999,168	4,333,703	3,718,523	615,180	4,723,614
<b>Juvenile crime prevention control</b>					
JCPC council	-	-	3,540	-	4,453
Partnership of adolescents and support services	-	-	88,948	-	89,523
Restitution	-	-	8,808	-	10,228
Total	104,417	104,417	101,296	3,121	104,204
Total human services	5,291,597	4,626,132	3,995,831	630,301	5,003,830
<b>Cultural and recreational:</b>					
<b>Senior citizens centers:</b>					
Salaries and employee benefits	-	-	199,652	-	199,275
Other operating expenditures	-	-	142,022	-	136,990
Capital outlay	-	-	-	-	49,750
Total	360,456	360,456	341,674	18,782	386,015
<b>Libraries:</b>					
Salaries and employee benefits	-	-	486,949	-	476,578
Other operating expenditures	-	-	96,586	-	70,538
Total	583,240	606,490	583,535	22,955	547,116
<b>Parks and Recreation:</b>					
Salaries and employee benefits	-	-	448,550	-	444,179
Other operating expenditures	-	-	295,987	-	300,003
Capital outlay	-	-	74,826	-	103,992
Total	882,698	911,828	819,363	92,465	848,174



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, 2018

(With Comparative Actual Amounts for the Fiscal Year Ended June 30, 2017)

	2018			Variance with Final Budget Positive (Negative)	2017
	Budgeted Amounts		Actual		Actual
	Original	Final			
Rural Center					
Salaries and employee benefits	-	-	136,923	-	146,765
Other operating expenditures	-	-	42,640	-	39,898
Capital outlay	-	-	58,049	-	431,503
Total	<u>259,437</u>	<u>268,865</u>	<u>237,612</u>	<u>31,253</u>	<u>618,166</u>
Total cultural and recreational	<u>2,085,831</u>	<u>2,147,639</u>	<u>1,982,184</u>	<u>165,455</u>	<u>2,399,471</u>
<b>Education:</b>					
Public schools - current	-	-	9,976,717	-	9,773,759
Public schools - capital outlay	-	-	1,000,000	-	1,000,000
Community college	-	-	159,525	-	202,732
Total education	<u>11,166,717</u>	<u>11,166,717</u>	<u>11,136,242</u>	<u>30,475</u>	<u>10,976,491</u>
<b>Debt service:</b>					
Principal retirement	-	-	1,576,671	-	1,573,088
Interest and other charges	-	-	79,098	-	106,219
Total debt service	<u>1,655,772</u>	<u>1,655,772</u>	<u>1,655,769</u>	<u>3</u>	<u>1,679,307</u>
Total expenditures	<u>50,446,461</u>	<u>51,613,712</u>	<u>48,312,996</u>	<u>3,300,716</u>	<u>48,082,586</u>
<b>Revenues over (under) expenditures</b>	<u>(8,969,031)</u>	<u>(9,836,119)</u>	<u>(3,900,749)</u>	<u>5,935,370</u>	<u>(3,973,757)</u>
<b>Other financing sources (uses):</b>					
Transfers to other funds:					
Special Revenue Funds	-	-	(121,000)	-	(164,425)
Capital Projects Funds	-	-	(267,000)	-	(267,000)
Enterprise Funds	-	-	(1,340,270)	-	(1,217,376)
Total transfers to other funds	<u>(1,728,270)</u>	<u>(1,728,270)</u>	<u>(1,728,270)</u>	<u>-</u>	<u>(1,648,801)</u>
Transfers from other funds:					
Tourism Development Authority	-	-	3,640,390	-	3,753,334
Special Revenue Funds	-	-	656,123	-	663,533
Capital Projects Funds	-	-	3,691,642	-	3,204,758
Total transfers from other funds	<u>7,935,178</u>	<u>8,106,074</u>	<u>7,988,155</u>	<u>(117,919)</u>	<u>7,621,625</u>
Total other financing sources (uses)	<u>6,206,908</u>	<u>6,377,804</u>	<u>6,259,885</u>	<u>(117,919)</u>	<u>5,972,824</u>
<b>Revenues and other financing sources over (under) expenditures and other financing uses</b>	<u>(2,762,123)</u>	<u>(3,458,315)</u>	<u>2,359,136</u>	<u>5,817,451</u>	<u>1,999,067</u>
Appropriated fund balance	<u>2,762,123</u>	<u>3,458,315</u>	<u>-</u>	<u>(3,458,315)</u>	<u>-</u>
<b>Revenues, other sources, and appropriated fund balance over (under) expenditures</b>	<u>\$ -</u>	<u>\$ -</u>	<u>2,359,136</u>	<u>\$ 2,359,136</u>	<u>1,999,067</u>
<b>Fund balances:</b>					
Beginning of year, July 1			<u>14,439,583</u>		<u>12,440,516</u>
End of year, June 30			<u>\$ 16,798,719</u>		<u>\$ 14,439,583</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, 2018  
(With Comparative Actual Amounts for the Fiscal Year Ended June 30, 2017)

	2018			Variance with Final Positive (Negative)	2017
	Budgeted Amounts		Actual		Actual
	Original	Final			
Revenues:					
Investment earnings	\$ -	\$ -	\$ 5,423	\$ 5,423	\$ 4,394
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>5,423</u>	<u>126,423</u>	<u>4,394</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>126,423</u>	<u>\$ 126,423</u>	<u>125,394</u>
Fund balances:					
Beginning of year, July 1			<u>608,350</u>		<u>482,956</u>
End of year, June 30			<u>\$ 734,773</u>		<u>\$ 608,350</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, 2018  
(With Comparative Actual Amounts for the Fiscal Year Ended June 30, 2017)

	2018			Variance with Final Positive (Negative)	2017
	Original Budget	Final Budget	Actual		Actual
Revenues:					
Investment earnings	\$ -	\$ -	\$ 27,387	\$ 27,387	\$ 23,929
Total revenues	<u>-</u>	<u>-</u>	<u>27,387</u>	<u>27,387</u>	<u>23,929</u>
Expenditures:					
Capital outlay	-	-	-	-	37,341
Total expenditures	<u>200,000</u>	<u>200,000</u>	<u>-</u>	<u>-</u>	<u>37,341</u>
Revenues over (under) expenditures	<u>(200,000)</u>	<u>(200,000)</u>	<u>27,387</u>	<u>227,387</u>	<u>(13,412)</u>
Other financing sources (uses):					
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	<u>\$ -</u>	<u>\$ -</u>	<u>227,387</u>	<u>\$ 227,387</u>	<u>186,588</u>
Fund balances:					
Beginning of year, July 1			3,142,503		2,955,915
End of year, June 30			<u>\$ 3,369,890</u>		<u>\$ 3,142,503</u>

County of Currituck, North Carolina  
Combining Balance Sheet  
Non-Major Governmental Funds  
June 30, 2018

	Multi-year Grant Fund	Emergency Telephone System Fund	Corolla Fire District Fund	Guinea Mill Watershed Improvement Fund	Hog Bridge Ditch Watershed Improvement Fund	Moyock Watershed Improvement Fund	Northwest Watershed Improvement Fund
<b>ASSETS</b>							
Cash and cash equivalents	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 947	\$ 2,922
Investments	56,297	255,750	69,959	150,771	4,481	48,000	25,000
Accounts receivable, net	-	-	-	-	-	-	-
Taxes receivable, net	-	-	-	324	21	219	114
Due from other governments	-	28,534	105,994	159	27	144	20
Total assets	<u>\$ 56,297</u>	<u>\$ 284,284</u>	<u>\$ 175,953</u>	<u>\$ 151,254</u>	<u>\$ 4,529</u>	<u>\$ 49,310</u>	<u>\$ 28,056</u>
<b>LIABILITIES AND FUND BALANCES</b>							
Liabilities:							
Accounts payable and accrued liabilities	\$ -	\$ 15,219	\$ 33,434	\$ -	\$ -	\$ -	\$ -
Due to operating fund	-	-	-	-	-	-	-
Total liabilities	<u>-</u>	<u>15,219</u>	<u>33,434</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>							
Taxes receivable	-	-	-	324	21	219	114
Total deferred inflows of resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>324</u>	<u>21</u>	<u>219</u>	<u>114</u>
Fund balances:							
Restricted:							
Stabilization by State Statute	-	28,534	105,994	159	27	144	20
Emergency Telephone System	-	205,220	-	-	-	-	-
Fire Protection	-	-	36,525	-	-	-	-
Watershed Improvements	56,297	-	-	150,771	4,481	48,947	27,922
Whalehead Beach Solid Waste	-	-	-	-	-	-	-
Capital Assets	-	-	-	-	-	-	-
Committed:							
Fire Equipment	-	-	-	-	-	-	-
Assigned:							
Subsequent year's expenditures	-	35,311	-	-	-	-	-
Unassigned							
Total fund balances	<u>56,297</u>	<u>269,065</u>	<u>142,519</u>	<u>150,930</u>	<u>4,508</u>	<u>49,091</u>	<u>27,942</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 56,297</u>	<u>\$ 284,284</u>	<u>\$ 175,953</u>	<u>\$ 151,254</u>	<u>\$ 4,529</u>	<u>\$ 49,310</u>	<u>\$ 28,056</u>

Ocean Sands North/Crown Pointe Watershed Improvement Fund	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
\$ -	\$ -	\$ -	\$ 3,869	\$ -	\$ -	\$ -	\$ -	\$ 3,869
304,373	646,160	256,380	1,817,171	244,425	2,010,639	3,394,562	5,649,626	7,466,797
-	-	-	-	-	-	-	-	-
315	6,054	955	8,002	-	-	-	-	8,002
10	743	30	135,661	-	664,920	636,754	1,301,674	1,437,335
<u>\$ 304,698</u>	<u>\$ 652,957</u>	<u>\$ 257,365</u>	<u>\$ 1,964,703</u>	<u>\$ 244,425</u>	<u>\$ 2,675,559</u>	<u>\$ 4,031,316</u>	<u>\$ 6,951,300</u>	<u>\$ 8,916,003</u>
\$ 72,137	\$ 7,898	\$ 8,720	\$ 137,408	\$ 76,222	\$ -	\$ -	\$ 76,222	\$ 213,630
-	-	-	-	-	-	-	-	-
<u>72,137</u>	<u>7,898</u>	<u>8,720</u>	<u>137,408</u>	<u>76,222</u>	<u>-</u>	<u>-</u>	<u>76,222</u>	<u>213,630</u>
315	6,054	955	8,002	-	-	-	-	8,002
<u>315</u>	<u>6,054</u>	<u>955</u>	<u>8,002</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>8,002</u>
10	743	30	135,661	-	664,920	636,754	1,301,674	1,437,335
-	-	-	205,220	-	-	-	-	205,220
-	-	-	36,525	-	-	-	-	36,525
232,236	638,262	-	1,158,916	-	-	-	-	1,158,916
-	-	247,660	247,660	-	-	-	-	247,660
-	-	-	-	-	2,010,639	3,394,562	5,405,201	5,405,201
-	-	-	-	168,203	-	-	168,203	168,203
-	-	-	35,311	-	-	-	-	35,311
-	-	-	-	-	-	-	-	-
<u>232,246</u>	<u>639,005</u>	<u>247,690</u>	<u>1,819,293</u>	<u>168,203</u>	<u>2,675,559</u>	<u>4,031,316</u>	<u>6,875,078</u>	<u>8,694,371</u>
<u>\$ 304,698</u>	<u>\$ 652,957</u>	<u>\$ 257,365</u>	<u>\$ 1,964,703</u>	<u>\$ 244,425</u>	<u>\$ 2,675,559</u>	<u>\$ 4,031,316</u>	<u>\$ 6,951,300</u>	<u>\$ 8,916,003</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, 2018**

	Multi-year Grant Fund	Emergency Telephone System Fund	Corolla Fire District Fund	Guinea Mill Watershed Improvement Fund	Hog Ditch Watershed Improvement Fund	Moyock Watershed Improvement Fund	Northwest Watershed Improvement Fund
<b>REVENUES</b>							
Ad valorem taxes	\$ -	\$ -	\$ -	\$ 16,279	\$ 1,852	\$ 19,280	\$ 3,119
Other taxes and licenses	-	196,441	-	-	-	-	-
Restricted							
intergovernmental	48,250	-	100,372	-	-	-	-
Investment earnings	632	1,794	1	1,217	30	655	225
Total revenues	<u>48,882</u>	<u>198,235</u>	<u>100,373</u>	<u>17,496</u>	<u>1,882</u>	<u>19,935</u>	<u>3,344</u>
<b>EXPENDITURES</b>							
Current:							
General government	-	-	-	-	-	-	-
Public safety	-	245,553	443,717	-	-	-	-
Economic and physical development	122,070	-	-	-	-	-	-
Environmental protection	-	-	-	-	-	35,810	-
Total expenditures	<u>122,070</u>	<u>245,553</u>	<u>443,717</u>	<u>-</u>	<u>-</u>	<u>35,810</u>	<u>-</u>
Other financing sources (uses)							
Transfers (to) from other funds	-	-	485,863	-	-	-	-
Total other financing sources and uses	<u>-</u>	<u>-</u>	<u>485,863</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	(73,188)	(47,318)	142,519	17,496	1,882	(15,875)	3,344
Fund balances - beginning	129,485	316,383	-	133,434	2,626	64,966	24,598
Fund balances - ending	<u>\$ 56,297</u>	<u>\$ 269,065</u>	<u>\$ 142,519</u>	<u>\$ 150,930</u>	<u>\$ 4,508</u>	<u>\$ 49,091</u>	<u>\$ 27,942</u>

Ocean Sands North/Crown Point Watershed Improvement Fund	Whalehead Watershed Improvement Fund	Whalehead Beach Solid Waste Service District	Total Non-Major Special Revenue Funds
\$ 295,942	\$ 894,648	\$ 115,652	\$ 1,346,772
-	-	-	196,441
-	-	-	148,622
1,923	7,706	2,258	16,441
297,865	902,354	117,910	1,708,276
-	-	104,640	104,640
-	-	-	689,270
-	-	-	122,070
181,444	114,712	-	331,966
181,444	114,712	104,640	1,247,946
-	(656,123)	-	(170,260)
-	(656,123)	-	(170,260)
116,421	131,519	13,270	290,070
115,825	507,486	234,420	1,529,223
\$ 232,246	\$ 639,005	\$ 247,690	\$ 1,819,293

Fire Equipment Replacement Fund	Capital Improvements Fund	School Capital Fund	Total Non-major Capital Projects Funds	Total Non-Major Governmental Funds
\$ -	\$ -	\$ -	\$ -	\$ 1,346,772
-	2,394,846	2,241,960	4,636,806	4,833,247
-	-	-	-	148,622
4,761	29,017	33,315	67,093	83,534
4,761	2,423,863	2,275,275	4,703,899	6,412,175
-	-	-	-	104,640
659,834	-	-	659,834	1,349,104
-	-	-	-	122,070
-	-	-	-	331,966
659,834	-	-	659,834	1,907,780
267,000	(3,399,649)	(1,974,770)	(5,107,419)	(5,277,679)
267,000	(3,399,649)	(1,974,770)	(5,107,419)	(5,277,679)
(388,073)	(975,786)	300,505	(1,063,354)	(773,284)
556,276	3,651,345	3,730,811	7,938,432	9,467,655
\$ 168,203	\$ 2,675,559	\$ 4,031,316	\$ 6,875,078	\$ 8,694,371

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, 2018

	Project Authorization	Actual		Total to Date	Variance Positive (Negative)
		Prior Year	Current Year		
<b>Revenues</b>					
Restricted intergovernmental:					
Hazard Mitigation Elevation Grant	\$ 337,710	\$ 159,946	\$ -	\$ 159,946	\$ (177,764)
NC Dept of Agriculture - Hurricane Matthew	142,300	84,278	-	84,278	(58,022)
NC Div of Water Resources - Watershed Study	48,250	-	48,250	48,250	-
Investment Earnings	-	81,215	632	81,847	81,847
<b>Total revenues</b>	<b>528,260</b>	<b>325,439</b>	<b>48,882</b>	<b>374,321</b>	<b>(153,939)</b>
<b>Expenditures</b>					
Economic and physical development:					
Hazard Mitigation Elevation Grant	337,710	159,926	-	159,926	177,784
Environmental protection:					
Hurricane Matthew Snag/Clear Grant	142,300	84,278	25,570	109,848	32,452
US Army Corp/Watershed Study	96,500	-	96,500	96,500	-
<b>Total expenditures</b>	<b>576,510</b>	<b>244,204</b>	<b>122,070</b>	<b>366,274</b>	<b>210,236</b>
<b>Revenues under expenditures</b>	<b>(48,250)</b>	<b>81,235</b>	<b>(73,188)</b>	<b>8,047</b>	<b>56,297</b>
<b>Other financing sources:</b>					
Transfers in:					
General Fund	43,425	43,425	-	43,425	-
Guinea Mill Watershed	4,825	4,825	-	4,825	-
	48,250	48,250	-	48,250	-
<b>Revenues and other financing sources over (under) expenditures</b>	<b>\$ -</b>	<b>\$ 129,485</b>	<b>(73,188)</b>	<b>\$ 56,297</b>	<b>\$ 56,297</b>
<b>Fund balance:</b>					
Beginning of year, July 1			129,485		
End of Year, June 30			<u>\$ 56,297</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, 2018  
(With Comparative Actual Amounts for the Fiscal Year Ended June 30, 2017)

	2018			Variance with Final Positive (Negative)	2017
	Budgeted Amounts		Actual		Actual
	Original	Final			
Revenues					
Other taxes and licenses:					
911 system subscriber fees	\$ 196,441	\$ 196,441	\$ 196,441	\$ -	\$ 161,948
Investment earnings	2,400	2,400	1,794	(606)	2,609
Total revenues	198,841	198,841	198,235	(606)	164,557
Expenditures					
Public safety	-	-	150,659	-	141,599
Capital Outlay	-	-	94,894	-	92,303
Total expenditures	212,115	313,720	245,553	68,167	233,902
Revenues over (under) expenditures	(13,274)	(114,879)	(47,318)	67,561	(69,345)
Appropriated fund balance	13,274	114,879	-	(114,879)	-
Revenues and appropriated fund balance over (under) expenditures	\$ -	\$ -	(47,318)	\$ (47,318)	(69,345)
Fund balances:					
Beginning of year, July 1			316,383		385,728
End of year, June 30			\$ 269,065		\$ 316,383

County of Currituck, North Carolina  
**Corolla Fire District Fund**  
**Schedule of Revenues, Expenditures, and**  
**Changes in Fund Balances - Budget and Actual**  
For the Fiscal Year Ended June 30, 2018  
(With Comparative Actual Amounts for the Fiscal Year Ended June 30, 2017)

	2018			Variance with Final Positive (Negative)	2017
	Budgeted Amounts		Actual		Actual
	Original	Final			
<b>Revenues</b>					
Restricted intergovernmental:					
Grants	\$ 155,607	\$ 155,607	\$ 100,372	\$ (55,235)	\$ -
Investment earnings	-	-	1	1	-
<b>Total revenues</b>	<b>155,607</b>	<b>155,607</b>	<b>100,373</b>	<b>(55,234)</b>	<b>-</b>
<b>Expenditures</b>					
Salaries	-	-	178,684	-	-
Salaries - Overtime	-	-	73,718	-	-
FICA expense	-	-	19,008	-	-
Health insurance expense	-	-	21,067	-	-
Retirement expense	-	-	33,125	-	-
Training and education	-	-	715	-	-
Fuel	-	-	2,373	-	-
Supplies	-	-	250	-	-
Fire supplies	-	-	12,991	-	-
Uniforms	-	-	19,165	-	-
Contract services	-	-	194	-	-
Professional services	-	-	10,975	-	-
Capital outlay	-	-	71,452	-	-
<b>Total County administered fire services</b>	<b>-</b>	<b>641,470</b>	<b>443,717</b>	<b>197,753</b>	<b>-</b>
Revenues over (under) expenditures	-	(485,863)	(343,344)	142,519	-
Other financing sources:					
Transfers from Tourism Development Authority Fund	-	485,863	485,863	-	-
Revenues and other financing sources over expenditures	<u>\$ -</u>	<u>\$ -</u>	142,519	<u>\$ 142,519</u>	-
<b>Fund balances:</b>					
Beginning of year, July 1			-		-
End of year, June 30			<u>\$ 142,519</u>		<u>\$ -</u>

Note: Fund established March 19, 2018

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, 2018

(With Comparative Actual Amounts for the Fiscal Year Ended June 30, 2017)

	2018			Variance with Final Positive (Negative)	2017
	Budgeted Amounts		Actual		Actual
	Original	Final			
Revenues:					
Ad valorem taxes:					
Current year	\$ 15,186	\$ 15,186	\$ 16,053	\$ 867	\$ 12,612
Prior years	-	-	186	186	141
Interest	75	75	40	(35)	51
Total ad valorem taxes	15,261	15,261	16,279	1,018	12,804
Investment earnings	-	-	1,217	1,217	1,044
Total revenues	15,261	15,261	17,496	2,235	13,848
Expenditures:					
Current:					
Environmental protection:	15,261	15,261	-	15,261	-
Total expenditures	15,261	15,261	-	15,261	-
Revenues over (under) expenditures	-	-	17,496	17,496	13,848
Other financing uses:					
Transfers to Multi-year Grant fund	-	-	-	-	(4,825)
Revenues over (under) expenditures and other financing uses	\$ -	\$ -	17,496	\$ 17,496	9,023
Fund balances:					
Beginning of year, July 1			133,434		124,411
End of year, June 30			\$ 150,930		\$ 133,434

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, 2018  
(With Comparative Actual Amounts for the Fiscal Year Ended June 30, 2017)

	2018			Variance with Final Positive (Negative)	2017
	Budgeted Amounts		Actual		Actual
	Original	Final			
Revenues:					
Ad valorem taxes:					
Current year	\$ 1,841	\$ 1,841	\$ 1,820	\$ (21)	\$ 1,731
Prior years taxes	-	-	27	27	21
Interest	-	-	5	5	6
Total ad valorem taxes	1,841	1,841	1,852	11	1,758
Investment earnings	-	-	30	30	27
Total revenues	1,841	1,841	1,882	41	1,785
Expenditures:					
Current:					
Environmental protection:	1,841	1,841	-	1,841	4,718
Total expenditures	1,841	1,841	-	1,841	4,718
Revenues over (under) expenditures	\$ -	\$ -	1,882	\$ 1,882	(2,933)
Fund balances:					
Beginning of year, July 1			2,626		5,559
End of year, June 30			\$ 4,508		\$ 2,626

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, 2018

(With Comparative Actual Amounts for the Fiscal Year Ended June 30, 2017)

	2018			Variance with Final Positive (Negative)	2017
	Budgeted Amounts		Actual		Actual
	Original	Final			
Revenues:					
Ad valorem taxes:					
Current year	\$ 18,751	\$ 18,751	\$ 19,037	\$ 286	\$ 18,672
Prior years taxes	-	-	196	196	464
Interest	-	-	47	47	53
Total ad valorem taxes	<u>18,751</u>	<u>18,751</u>	<u>19,280</u>	<u>529</u>	<u>19,189</u>
Investment earnings	-	-	655	655	602
Total revenues	<u>18,751</u>	<u>18,751</u>	<u>19,935</u>	<u>1,184</u>	<u>19,791</u>
Expenditures:					
Current:					
Environmental protection:	18,751	68,037	35,810	32,227	24,550
Total expenditures	<u>18,751</u>	<u>68,037</u>	<u>35,810</u>	<u>32,227</u>	<u>24,550</u>
Revenues over (under) expenditures	-	<u>(49,286)</u>	<u>(15,875)</u>	<u>33,411</u>	<u>(4,759)</u>
Appropriated fund balance	-	<u>49,286</u>	-	<u>(49,286)</u>	-
Revenues and appropriated fund balance over (under) expenditures	<u>\$ -</u>	<u>\$ -</u>	<u>(15,875)</u>	<u>\$ (15,875)</u>	<u>(4,759)</u>
Fund balances:					
Beginning of year, July 1			<u>64,966</u>		<u>69,725</u>
End of year, June 30			<u>\$ 49,091</u>		<u>\$ 64,966</u>

County of Currituck, North Carolina  
**Northwest Watershed Improvement Fund**  
**Schedule of Revenues, Expenditures, and**  
**Changes in Fund Balances - Budget and Actual**  
For the Fiscal Year Ended June 30, 2018  
(With Comparative Actual Amounts for the Fiscal Year Ended June 30, 2017)

	2018			Variance with Final Positive (Negative)	2017
	Budgeted Amounts		Actual		Actual
	Original	Final			
Revenues:					
Ad valorem taxes:					
Current year	\$ 3,005	\$ 3,005	\$ 3,053	\$ 48	\$ 2,920
Prior years taxes	-	-	54	54	45
Interest	-	-	12	12	14
Total ad valorem taxes	3,005	3,005	3,119	114	2,979
Investment earnings	-	-	225	225	193
Total revenues	3,005	3,005	3,344	339	3,172
Expenditures:					
Current:					
Environmental protection:	-	-	-	-	1,560
Total expenditures	3,005	3,005	-	3,005	1,560
Revenues over (under) expenditures	\$ -	\$ -	3,344	\$ 3,344	1,612
Fund balances:					
Beginning of year, July 1			24,598		22,986
End of year, June 30			\$ 27,942		\$ 24,598

County of Currituck, North Carolina  
**Ocean Sands North/Crown Pointe Watershed Improvement Fund**  
**Schedule of Revenues, Expenditures, and**  
**Changes in Fund Balances - Budget and Actual**  
For the Fiscal Year Ended June 30, 2018  
(With Comparative Actual Amounts for the Fiscal Year Ended June 30, 2017)

	2018			Variance with Final Positive (Negative)	2017
	Budgeted Amounts		Actual		Actual
	Original	Final			
Revenues:					
Ad valorem taxes:					
Current year	\$ 292,133	\$ 292,133	\$ 295,569	\$ 3,436	\$ 244,050
Prior years taxes	-	-	124	124	-
Interest	-	-	249	249	144
Total ad valorem taxes	<u>292,133</u>	<u>292,133</u>	<u>295,942</u>	<u>3,809</u>	<u>244,194</u>
Investment earnings	-	-	1,923	1,923	1,147
Total revenues	<u>292,133</u>	<u>292,133</u>	<u>297,865</u>	<u>5,732</u>	<u>245,341</u>
Expenditures:					
Current:					
Environmental protection:	292,113	331,992	181,444	150,548	129,516
Total expenditures	<u>292,133</u>	<u>331,992</u>	<u>181,444</u>	<u>150,548</u>	<u>129,516</u>
Revenues over (under) expenditures	<u>-</u>	<u>(39,859)</u>	<u>116,421</u>	<u>156,280</u>	<u>115,825</u>
Appropriated fund balance	<u>-</u>	<u>39,859</u>	<u>-</u>	<u>(39,859)</u>	<u>-</u>
Revenues and appropriated fund balance over (under) expenditures	<u>\$ -</u>	<u>\$ -</u>	<u>116,421</u>	<u>\$ 116,421</u>	<u>115,825</u>
Fund balances:					
Beginning of year, July 1			<u>115,825</u>		<u>-</u>
End of year, June 30			<u>\$ 232,246</u>		<u>\$ 115,825</u>

County of Currituck, North Carolina  
**Whalehead Watershed Improvement Fund**  
**Schedule of Revenues, Expenditures, and**  
**Changes in Fund Balances - Budget and Actual**  
For the Fiscal Year Ended June 30, 2018

(With Comparative Actual Amounts for the Fiscal Year Ended June 30, 2017)

	2018			Variance with Final Positive (Negative)	2017
	Budgeted Amounts		Actual		Actual
	Original	Final			
<b>Revenues:</b>					
Ad valorem taxes:					
Current year	\$ 884,886	\$ 884,886	\$ 892,430	\$ 7,544	\$ 886,640
Prior year taxes	-	-	1,189	1,189	22
Interest	-	-	1,029	1,029	1,167
Total ad valorem taxes	<u>884,886</u>	<u>884,886</u>	<u>894,648</u>	<u>9,762</u>	<u>887,829</u>
Investment earnings	-	-	7,706	7,706	6,290
Total revenues	<u>884,886</u>	<u>884,886</u>	<u>902,354</u>	<u>17,468</u>	<u>894,119</u>
<b>Expenditures:</b>					
Current:					
Operations	-	-	114,712	(114,712)	97,854
Capital outlay	-	-	-	-	34,178
Total expenditures	<u>228,762</u>	<u>268,457</u>	<u>114,712</u>	<u>153,745</u>	<u>132,032</u>
Revenues over (under) expenditures	<u>656,124</u>	<u>616,429</u>	<u>787,642</u>	<u>171,213</u>	<u>762,087</u>
Other financing uses:					
Transfers to operating fund	(656,124)	(656,124)	(656,123)	1	(663,533)
Total other financing uses	<u>(656,124)</u>	<u>(656,124)</u>	<u>(656,123)</u>	<u>1</u>	<u>(663,533)</u>
Revenues over (under) expenditures and other financing uses	<u>-</u>	<u>(39,695)</u>	<u>131,519</u>	<u>171,214</u>	<u>98,554</u>
Appropriated fund balance	<u>-</u>	<u>39,695</u>	<u>-</u>	<u>(39,695)</u>	<u>-</u>
Revenues and appropriated fund balance over (under) expenditures and other financing uses	<u>\$ -</u>	<u>\$ -</u>	<u>131,519</u>	<u>\$ 131,519</u>	<u>98,554</u>
<b>Fund balances:</b>					
Beginning of year, July 1			<u>507,486</u>		<u>408,932</u>
End of year, June 30			<u>\$ 639,005</u>		<u>\$ 507,486</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, 2018

(With Comparative Actual Amounts for the Fiscal Year Ended June 30, 2017)

	2018			Variance with Final Positive (Negative)	2017
	Budgeted Amounts		Actual		Actual
	Original	Final			
Revenues:					
Ad valorem taxes:					
Current year	\$ 114,179	\$ 114,179	\$ 115,097	\$ 918	\$ 142,790
Prior year taxes	-	-	407	407	67
Interest	-	-	148	148	197
Total ad valorem taxes	<u>114,179</u>	<u>114,179</u>	<u>115,652</u>	<u>1,473</u>	<u>143,054</u>
Investment earnings	-	-	2,258	2,258	1,942
Total revenues	<u>114,179</u>	<u>114,179</u>	<u>117,910</u>	<u>3,731</u>	<u>144,996</u>
Expenditures:					
Current:					
General government	<u>114,179</u>	<u>114,179</u>	<u>104,640</u>	<u>9,539</u>	<u>106,131</u>
Total expenditures	<u>114,179</u>	<u>114,179</u>	<u>104,640</u>	<u>9,539</u>	<u>106,131</u>
Revenues over (under) expenditures	<u>\$ -</u>	<u>\$ -</u>	13,270	<u>\$ 13,270</u>	38,865
Fund balances:					
Beginning of year, July 1			<u>234,420</u>		<u>195,555</u>
End of year, June 30			<u>\$ 247,690</u>		<u>\$ 234,420</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, 2018

(With Comparative Actual Amounts for the Fiscal Year Ended June 30, 2017)

	2018			Variance with Final Positive (Negative)	2017
	Budgeted Amounts		Actual		Actual
	Original	Final			
Revenues:					
Investment earnings	\$ 2,500	\$ 2,500	\$ 4,761	\$ 2,261	\$ 3,866
Expenditures:					
Current:					
Debt payment on behalf of Moyock VFD	-	-	31,000	-	31,035
Capital outlay	-	-	628,834	-	312,508
Total expenditures	<u>657,828</u>	<u>657,828</u>	<u>659,834</u>	<u>(2,006)</u>	<u>343,543</u>
Revenues over (under) expenditures	(655,328)	(655,328)	(655,073)	255	(339,677)
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>(388,328)</u>	<u>(388,328)</u>	<u>(388,073)</u>	255	<u>(72,677)</u>
Appropriated fund balance	<u>388,328</u>	<u>388,328</u>	<u>-</u>	<u>(388,328)</u>	<u>-</u>
Revenues, other finance sources, and appropriated fund balance over (under) expenditures	<u>\$ -</u>	<u>\$ -</u>	(388,073)	<u>\$ (388,073)</u>	(72,677)
Fund balances:					
Beginning of year, July 1			<u>556,276</u>		<u>628,953</u>
End of year, June 30			<u>\$ 168,203</u>		<u>\$ 556,276</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, 2018  
(With Comparative Actual Amounts for the Fiscal Year Ended June 30, 2017)

	2018			Variance with Final Positive (Negative)	2017
	Budgeted Amounts		Actual		Actual
	Original	Final			
<b>Revenues:</b>					
Other taxes and licenses:					
Article 40 supplemental sales tax	\$ 1,067,190	\$ 1,067,190	\$ 1,260,288	\$ 193,098	\$ 1,183,886
Article 42 supplemental sales tax	932,810	932,810	1,134,558	201,748	1,035,408
Investment earnings	-	-	29,017	29,017	24,896
Total revenues	<u>2,000,000</u>	<u>2,000,000</u>	<u>2,423,863</u>	<u>423,863</u>	<u>2,244,190</u>
<b>Other financing uses:</b>					
Transfers to other funds:					
General fund	(2,649,649)	(2,649,649)	(2,649,649)	-	(1,705,758)
County Government Facilities fund	(750,000)	(750,000)	(750,000)	-	-
School Facilities fund	-	-	-	-	-
Total other financing uses	<u>(3,399,649)</u>	<u>(3,399,649)</u>	<u>(3,399,649)</u>	<u>-</u>	<u>(1,705,758)</u>
Revenues over (under) other financing uses	<u>(1,399,649)</u>	<u>(1,399,649)</u>	<u>(975,786)</u>	<u>423,863</u>	<u>538,432</u>
Appropriated fund balance	<u>1,399,649</u>	<u>1,399,649</u>	<u>-</u>	<u>(1,399,649)</u>	<u>-</u>
Revenues and appropriated fund balance over (under) other financing uses	<u>\$ -</u>	<u>\$ -</u>	<u>(975,786)</u>	<u>\$ (975,786)</u>	<u>538,432</u>
<b>Fund balances:</b>					
Beginning of year, July 1			<u>3,651,345</u>		<u>3,112,913</u>
End of year, June 30			<u>\$ 2,675,559</u>		<u>\$ 3,651,345</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, 2018  
(With Comparative Actual Amounts for the Fiscal Year Ended June 30, 2017)

	2018			Variance with Final Positive (Negative)	2017
	Budgeted Amounts		Actual		Actual
	Original	Final			
<b>Revenues:</b>					
Other taxes and licenses:					
Article 40 supplemental sales tax	\$ 479,405	\$ 479,405	\$ 540,123	\$ 60,718	\$ 507,380
Article 42 supplemental sales tax	1,495,365	1,495,365	1,701,837	206,472	1,553,112
Investment earnings	-	-	33,315	33,315	22,689
Total revenues	<u>1,974,770</u>	<u>1,974,770</u>	<u>2,275,275</u>	<u>300,505</u>	<u>2,083,181</u>
<b>Other financing uses:</b>					
Transfers to other funds:					
General fund	(1,000,000)	(1,000,000)	(1,000,000)	-	(1,000,000)
School capital projects fund	(2,750,000)	(974,770)	(974,770)	1,775,230	(250,000)
Total other financing uses	<u>(3,750,000)</u>	<u>(1,974,770)</u>	<u>(1,974,770)</u>	<u>-</u>	<u>(1,250,000)</u>
Revenues over (under) other financing uses	<u>(1,775,230)</u>	<u>-</u>	<u>300,505</u>	<u>300,505</u>	<u>833,181</u>
Appropriated fund balance	<u>1,775,230</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Revenues and appropriated fund balance over other financing uses	<u>\$ -</u>	<u>\$ -</u>	<u>300,505</u>	<u>\$ 300,505</u>	<u>833,181</u>
<b>Fund balances:</b>					
Beginning of year, July 1			3,730,811		2,897,630
End of year, June 30			<u>\$ 4,031,316</u>		<u>\$ 3,730,811</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, 2018

	Project Authorization	Actual			Variance Positive (Negative)
		Prior Years	Current Year	Total to Date	
<b>Revenues</b>					
Intergovernmental revenues:					
State aid to airports	\$ 3,652,644	\$ 1,919,605	\$ 753,297	\$ 2,672,902	\$ (979,742)
Crawford VFD Construction Grant	-	42,628	10,657	53,285	53,285
PARTF - Maple soccer field project	265,000	258,520	-	258,520	(6,480)
YMCA - Alpine Tower Grant	-	-	75,000	75,000	75,000
Incinerator Grant	-	2,000	-	2,000	2,000
Total	3,917,644	2,222,753	838,954	3,061,707	(855,937)
Investment earnings	89,635	263,841	75,065	338,906	249,271
Total revenues	4,007,279	2,486,594	914,019	3,400,613	(606,666)
<b>Expenditures</b>					
Public safety:					
Animal Shelter	2,461,817	2,458,546	-	2,458,546	3,271
Incinerator	160,000	-	132,893	132,893	27,107
Public Safety Facility	250,000	20,825	9,005	29,830	220,170
Shooting Range	268,619	236,194	-	236,194	32,425
Total public safety	3,140,436	2,715,565	141,898	2,857,463	282,973
Transportation:					
S Parallel Taxiway (FY 2016)	2,154,069	1,885,226	-	1,885,226	268,843
Corporate Area Apron	107,336	107,336	-	107,336	-
Corporate Apron Phase II	885,905	7,053	837,780	844,833	41,072
Total transportation	3,147,310	1,999,615	837,780	2,837,395	309,915
Cultural and recreational:					
Carova Park Improvements 2018	20,000	-	18,551	18,551	1,449
Connect Corolla Parking	15,115	15,115	-	15,115	-
Connect Corolla Bike Path	2,035,031	2,035,030	-	2,035,030	1
Connect Corolla East Side Walkway	14,232	14,232	-	14,232	-
Connect Corolla Albacore Sidewalk	158,538	145,392	12,876	158,268	270
Connect Corolla Corolla Village Rd Sidewalk	405,189	399,948	4,665	404,613	576
Connect Corolla - NC 12 Beautification	260,000	-	157,636	157,636	102,364
Connect Corolla - Contingencies	596,041	-	-	-	596,041
County-wide Broadband project	1,000,000	-	15,440	15,440	984,560
Historic Corolla Park - Boat Facility	9,625	1,444	8,181	9,625	-
Historic Corolla Park - Restrooms	250,000	46,786	501	47,287	202,713
Recreation baseball/softball fields - Maple	5,736,663	5,395,393	317,296	5,712,689	23,974
Recreation soccer fields - Maple	3,266,862	3,219,297	-	3,219,297	47,565
Recreation - Shingle Landing Park	1,007,400	26,300	10,850	37,150	970,250
Veteran's Park Dock Improvements	698,617	655,689	31,925	687,614	11,003
Total cultural and recreational	15,473,313	11,954,626	577,921	12,532,547	2,940,766
Total expenditures	21,761,059	16,669,806	1,557,599	18,227,405	3,533,654
Revenues under expenditures	(17,753,780)	(14,183,212)	(643,580)	(14,826,792)	2,926,988

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, 2018

	Project Authorization	Actual		Total to Date	Variance Positive (Negative)
		Prior Years	Current Year		
<b>Other financing sources (uses):</b>					
Transfers (to) from other funds:					
General fund	268,619	268,619	-	268,619	-
Tourism Development Authority	11,611,749	11,181,820	442,967	11,624,787	13,038
Capital improvements fund	1,379,020	6,425,464	750,000	7,175,464	5,796,444
Transfer tax capital fund	4,872,392	5,156,319	2,707,307	7,863,626	2,991,234
Mainland sewer construction fund	(378,000)	-	(378,000)	(378,000)	-
Total other financing sources (uses)	<u>17,753,780</u>	<u>23,032,222</u>	<u>3,522,274</u>	<u>26,554,496</u>	<u>8,800,716</u>
Revenues and other financing sources over (under) expenditures and other financing uses					
	<u>\$ -</u>	<u>\$ 8,849,010</u>	2,878,694	<u>\$ 11,727,704</u>	<u>\$ 11,727,704</u>
Fund balances:					
Beginning of year, July 1			<u>8,849,010</u>		
End of year, June 30			<u>\$ 11,727,704</u>		

County of Currituck, North Carolina  
**School Facilities Fund**  
**Schedule of Revenues, Expenditures, and**  
**Changes in Fund Balances - Budget and Actual**  
From Inception and for the Fiscal Year Ended June 30, 2018

	Project Authorization	Actual		Total to Date	Variance Positive (Negative)
		Prior Years	Current Year		
<b>Revenues</b>					
State Lottery proceeds	\$ 612,186	\$ 780,691	\$ 244,357	\$ 1,025,048	\$ 412,862
Investment earnings	115,305	2,366,475	47,593	2,414,068	2,298,763
Total revenues	<u>727,491</u>	<u>3,147,166</u>	<u>291,950</u>	<u>3,439,116</u>	<u>2,711,625</u>
<b>Expenditures</b>					
Intergovernmental - education:					
Central Elementary School Parking	750,000	686,045	-	686,045	63,955
Griggs - Energy Mgmt Upgrade Sept 2016	90,000	87,000	-	87,000	3,000
Griggs - Chiller Dec 2017	40,000	-	32,430	32,430	7,570
Griggs - HVAC replacement June 2018	112,000	-	-	-	112,000
Moyock Elementary School Kitchen Roof HVAC	15,469	16,099	-	16,099	(630)
Moyock Elementary School 2 Cafeteria Split Systems	46,510	44,612	-	44,612	1,898
Moyock Middle - Upgrade Energy Management	30,734	30,734	-	30,734	-
Moyock Middle - Energy Mgmt Upgrade Sept 2016	72,415	-	64,253	64,253	8,162
Moyock Middle - Energy Mgmt Upgrade June 2018	40,000	-	38,119	38,119	1,881
Knotts Island Elementary Gym HVAC	65,000	61,693	-	61,693	3,307
Knotts Island Elementary Rooftop HVAC	23,000	9,812	-	9,812	13,188
Knotts Island Elementary HVAC June 2016	20,000	-	6,285	6,285	13,715
Currituck High School HVAC Dec 2017	30,500	-	-	-	30,500
Currituck High School Energy Mgmt Upgrade June 2018	40,000	-	36,872	36,872	3,128
Currituck High School Energy Mgmt Upgrade Sept 2016	71,412	-	62,824	62,824	8,588
Total expenditures	<u>1,447,040</u>	<u>935,995</u>	<u>240,783</u>	<u>1,176,778</u>	<u>270,262</u>
Revenues over expenditures	<u>(719,549)</u>	<u>2,211,171</u>	<u>51,167</u>	<u>2,262,338</u>	<u>2,981,887</u>
Other financing sources:					
Transfers from					
School Capital Improvements Fund	-	660,000	974,770	1,634,770	1,634,770
Transfer Tax Capital Fund	719,549	2,429,109	-	2,429,109	1,709,560
Total other financing sources	<u>719,549</u>	<u>3,089,109</u>	<u>974,770</u>	<u>4,063,879</u>	<u>3,344,330</u>
Revenues and other financing sources over (under) expenditures	<u>\$ -</u>	<u>\$ 5,300,280</u>	<u>1,025,937</u>	<u>\$ 6,326,217</u>	<u>\$ 6,326,217</u>
Fund balances:					
Beginning of year, July 1			<u>5,300,280</u>		
End of year, June 30			<u>\$ 6,326,217</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, 2018

(With Comparative Actual Amounts for the Fiscal Year Ended June 30, 2017)

	2018			Variance with Final Positive (Negative)	2017
	Budgeted Amounts		Actual		Actual
	Original	Final			
<b>Revenues:</b>					
Other taxes and licenses					
Land transfer tax	\$ 3,000,000	\$ 3,000,000	\$ 4,165,710	\$ 1,165,710	\$ 3,790,324
Investment earnings	50,000	50,000	100,762	50,762	80,390
Total revenues	<u>3,050,000</u>	<u>3,050,000</u>	<u>4,266,472</u>	<u>1,216,472</u>	<u>3,870,714</u>
<b>Expenditures:</b>					
Fees Paid to Officials	700	700	-	700	-
Total expenditures	<u>700</u>	<u>700</u>	<u>-</u>	<u>700</u>	<u>-</u>
Revenues over (under) expenditures	<u>3,049,300</u>	<u>3,049,300</u>	<u>4,266,472</u>	<u>1,217,172</u>	<u>3,870,714</u>
<b>Other financing uses:</b>					
Transfers to general fund	-	(41,993)	(41,993)	-	(499,000)
Transfers to County government facilities	(6,500,000)	(2,707,307)	(2,707,307)	-	(1,716,592)
Transfers to land banking fund	(200,000)	(200,000)	(200,000)	-	(200,000)
Transfers to Moyock central sewer fund	(100,000)	(100,000)	(100,000)	-	(239,792)
Total other financing uses	<u>(6,800,000)</u>	<u>(3,049,300)</u>	<u>(3,049,300)</u>	<u>-</u>	<u>(2,655,384)</u>
Revenues over (under) expenditures and other financing uses	<u>(3,750,700)</u>	<u>-</u>	<u>1,217,172</u>	<u>1,217,172</u>	<u>1,215,330</u>
Appropriated fund balance	<u>3,750,700</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Revenues over expenditures and other financing uses	<u>\$ -</u>	<u>\$ -</u>	<u>1,217,172</u>	<u>\$ 1,217,172</u>	<u>1,215,330</u>
<b>Fund balances:</b>					
Beginning of year, July 1			<u>10,639,622</u>		<u>9,424,292</u>
End of year, June 30			<u>\$ 11,856,794</u>		<u>\$ 10,639,622</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, 2018

(With Comparative Actual Amounts for the Fiscal Year Ended June 30, 2017)

	2018			Variance with Final Positive (Negative)	2017
	Budgeted Amounts		Actual		Actual
	Original	Final			
<b>Revenues:</b>					
Occupancy Tax	\$ -	\$ -	\$ 11,913,048	\$ -	\$ 11,511,034
Grants	-	-	1,000	-	504,229
Retail sales - Tourism Promotion	-	-	13,802	-	14,589
Retail sales - Whalehead in Historic Corolla	-	-	12,217	-	11,323
Penalties and interest	-	-	3,065	-	1,279
Tour operator permits	-	-	10,892	-	11,116
Promotion events	-	-	35,136	-	2,162
Whalehead donations	-	-	7,341	-	8,816
Whalehead events	-	-	91,868	-	86,102
Whalehead rents	-	-	18,678	-	28,009
Whalehead tours	-	-	100,811	-	97,251
Interest on intra-fund loan	-	-	-	-	26,231
Sale of capital assets	-	-	54	-	-
Miscellaneous revenue	-	-	91,924	-	-
Investment earnings	-	-	137,506	-	103,096
Total revenues	<u>10,790,102</u>	<u>11,228,189</u>	<u>12,437,342</u>	<u>1,209,153</u>	<u>12,405,237</u>
<b>Expenditures:</b>					
<b>Tourism Promotion:</b>					
Salaries	-	-	695,946	-	607,139
Operating Expenses	-	-	239,110	-	234,764
Retail merchandise	-	-	9,950	-	12,655
Promotions	-	-	2,299,692	-	2,335,644
Capital Outlay	-	-	141,110	-	9,787
Total Tourism Promotions	<u>3,484,041</u>	<u>3,486,919</u>	<u>3,385,808</u>	<u>101,111</u>	<u>3,199,989</u>
<b>Tourism Related Expenditures:</b>					
<b>Operations:</b>					
Salaries	-	-	140,164	-	120,227
Operating expenses	-	-	33,262	-	21,152
Contracted services	-	-	291,169	-	99,989
Beach nourishment	-	-	7,800	-	9,400
Carova Beach Park	-	-	4,362	-	1,439
Corolla Wild Horse support	-	-	69,200	-	69,200
Historic Jarvisburg Colored School operations	-	-	7,457	-	1,891
Historic preservation	-	-	-	-	34,906
Lifeguard services	-	-	668,082	-	668,600
Outer Banks access ramps	-	-	14,635	-	17,704
Professional services	-	-	15,000	-	16,463
Signs	-	-	6,861	-	8,541
Capital outlay	-	-	205,912	-	1,536,452
Total Operations	<u>2,393,358</u>	<u>2,800,658</u>	<u>1,463,904</u>	<u>1,336,754</u>	<u>2,605,964</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, 2018

(With Comparative Actual Amounts for the Fiscal Year Ended June 30, 2017)

	2018			Variance with Final Positive (Negative)	2017
	Budgeted Amounts		Actual		Actual
	Original	Final			
Whalehead in Historic Corolla Park:					
Salaries	-	-	467,500		430,828
Operating expenses	-	-	230,065		185,644
Capital outlay	-	-	23,597		39,956
Total Whalehead in Historic Corolla Park	<u>733,369</u>	<u>780,348</u>	<u>721,162</u>	59,186	<u>656,428</u>
 Total tourism related expenditures	 3,126,727	 3,581,006	 2,185,066	 1,395,940	 3,262,392
 Total expenditures	 <u>6,610,768</u>	 <u>7,067,925</u>	 <u>5,570,874</u>	 <u>1,497,051</u>	 <u>6,462,381</u>
 Revenues over expenditures	 <u>4,179,334</u>	 <u>4,160,264</u>	 <u>6,866,468</u>	 <u>2,706,204</u>	 <u>5,942,856</u>
 Other financing uses:					
Transfers (to) from other funds:					
General fund	(3,629,405)	(3,758,308)	(3,640,390)	117,918	(3,753,333)
Carova Beach Service District Fund	(20,000)	(20,000)	(20,000)	-	(20,000)
Corolla Fire District Fund	-	(485,863)	(485,863)	-	-
County Governmental Facilities fund	(529,929)	(529,929)	(442,967)	86,962	(900,000)
Total other financing uses	<u>(4,179,334)</u>	<u>(4,794,100)</u>	<u>(4,589,220)</u>	<u>204,880</u>	<u>(4,673,333)</u>
 Revenues over (under) expenditures and other financing uses	 -	 (633,836)	 2,277,248	 2,911,084	 1,269,523
 Appropriated fund balance	 -	 633,836	 -	 (633,836)	 -
 Revenues and appropriated fund balance over expenditures and other financing uses	 <u>\$ -</u>	 <u>\$ -</u>	 2,277,248	 <u>\$ 2,277,248</u>	 1,269,523
 Fund balances:					
Beginning of year, July 1			12,023,546		10,754,023
Fund balance: Tourism promotion			8,365,991		7,853,610
Fund balance: Tourism related expenditures			5,934,803		4,169,936
End of year, June 30			<u>\$ 14,300,794</u>		<u>\$ 12,023,546</u>
 A legally budgeted Carova Beach Service District Fund is consolidated in the Tourism Development Authority Fund for reporting purposes:					
Revenues			15,606		14,514
Transfer-in Tourism Development Authority Fund			20,000		20,000
Expenditures			(34,750)		(17,850)
 Beginning Fund Balance, Carova Beach Service District Fund			48,392		31,728
Ending Fund Balance Exhibit 4			<u>\$ 14,350,042</u>		<u>\$ 12,071,938</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, 2018  
(With Comparative Actual Amounts for the Fiscal Year Ended June 30, 2017)

	2018			Variance with Final Positive (Negative)	2017
	Budgeted Amounts		Actual		Actual
	Original	Final			
Revenues:					
Tour operator fees	\$ 16,000	\$ 16,000	\$ 15,220	\$ (780)	\$ 14,204
Investment earnings	-	-	386	386	310
Total revenues	<u>16,000</u>	<u>16,000</u>	<u>15,606</u>	<u>(394)</u>	<u>14,514</u>
Expenditures:					
Current:					
Environmental protection	<u>36,000</u>	<u>36,000</u>	<u>34,750</u>	<u>1,250</u>	<u>17,850</u>
Total expenditures	<u>36,000</u>	<u>36,000</u>	<u>34,750</u>	<u>1,250</u>	<u>17,850</u>
Revenues over (under) expenditures	(20,000)	(20,000)	(19,144)	856	(3,336)
Other financing sources:					
Transfers from tourism development authority	<u>20,000</u>	<u>20,000</u>	<u>20,000</u>	<u>-</u>	<u>20,000</u>
Revenues and other financing sources over expenditures	<u>\$ -</u>	<u>\$ -</u>	856	<u>\$ 856</u>	16,664
Fund balances:					
Beginning of year, July 1			<u>48,392</u>		<u>31,728</u>
End of year, June 30			<u>\$ 49,248</u>		<u>\$ 48,392</u>

**County of Currituck, North Carolina  
Combining Statement of Net Position  
Non-Major Proprietary Funds  
June 30, 2018**

(With Comparative Actual Amounts for the Fiscal Year Ended June 30, 2017)

	Enterprise Funds				Totals	
	Newtown Road Sewer Fund	Maple Commerce Park Sewer Fund	Moyock Commons Sewer Fund	Walnut Island Sewer Fund	June 30, 2018	June 30, 2017
<b>ASSETS</b>						
Current assets:						
Cash and cash equivalents	\$ 2,487	\$ (3,467)	\$ 1,965	\$ 85,882	\$ 86,867	\$ 97,247
Restricted cash	350	-	150	-	500	500
Receivables, net	1,216	-	1,937	57,454	60,607	110,105
Total current assets	4,053	(3,467)	4,052	143,336	147,974	207,852
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	70,642	1,546,111	215,886	2,763,373	4,596,012	4,846,238
Total capital assets	157,642	1,546,111	283,511	2,817,063	4,804,327	5,054,553
Total assets	161,695	1,542,644	287,563	2,960,399	4,952,301	5,262,405
<b>LIABILITIES</b>						
Current liabilities:						
Accounts payable	-	-	-	64	64	12,660
Customer deposits	350	-	150	-	500	500
Total liabilities	350	-	150	64	564	13,160
<b>NET POSITION</b>						
Net investment in capital assets	157,642	1,546,111	283,511	2,817,063	4,804,327	5,054,553
Unrestricted	3,703	(3,467)	3,902	143,272	147,410	194,692
Total net position	\$ 161,345	\$ 1,542,644	\$ 287,413	\$ 2,960,335	\$ 4,951,737	\$ 5,249,245

**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, 2018**  
**(With Comparative Total Amounts as of June 30, 2017)**

	Enterprise Funds				Totals	
	Newtown Road Sewer Fund	Maple Commerce Park Sewer Fund	Moyock Commons Sewer Fund	Walnut Island Sewer Fund	June 30, 2018	June 30, 2017
<b>OPERATING REVENUES</b>						
Charges for services	\$ 25	\$ -	\$ -	\$ -	\$ 25	\$ 175,189
Total operating revenues	<u>25</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>25</u>	<u>175,189</u>
<b>OPERATING EXPENSES</b>						
Administration	-	-	-	47,309	47,309	31,128
Water and sewer district	-	-	-	-	-	103,081
Depreciation	16,954	64,421	17,674	151,177	250,226	250,601
Total operating expenses	<u>16,954</u>	<u>64,421</u>	<u>17,674</u>	<u>198,486</u>	<u>297,535</u>	<u>384,810</u>
Operating income (loss)	<u>(16,929)</u>	<u>(64,421)</u>	<u>(17,674)</u>	<u>(198,486)</u>	<u>(297,510)</u>	<u>(209,621)</u>
<b>NONOPERATING REVENUES (EXPENSES)</b>						
Tax revenue	-	-	-	-	-	26
Rent	-	-	-	-	-	3,600
Insurance recovery	-	-	-	-	-	26,112
Interest and investment revenue	-	-	2	-	2	526
Total nonoperating revenue (expenses)	<u>-</u>	<u>-</u>	<u>2</u>	<u>-</u>	<u>2</u>	<u>30,264</u>
Income (loss) before transfers	(16,929)	(64,421)	(17,672)	(198,486)	(297,508)	(179,357)
Transfer	-	-	-	-	-	15,000
Change in net position	(16,929)	(64,421)	(17,672)	(198,486)	(297,508)	(164,357)
Total net position - beginning	178,274	1,607,065	305,085	3,158,821	5,249,245	5,413,602
Total net position - ending	<u>\$ 161,345</u>	<u>\$ 1,542,644</u>	<u>\$ 287,413</u>	<u>\$ 2,960,335</u>	<u>\$ 4,951,737</u>	<u>\$ 5,249,245</u>

**County of Currituck, North Carolina**  
**Combining Statement of Cash Flows**  
**Non-Major Proprietary Fund**  
**For the Year Ended June 30, 2018**  
**(With Comparative Total Amounts for the Fiscal Year Ended June 30, 2017)**

	Newtown Road Sewer Fund	Maple Commerce Park Sewer Fund	Moyock Commons Sewer Fund	Walnut Island Sewer Fund	Totals	
					June 30, 2018	June 30, 2017
<b>Cash flows from operating activities:</b>						
Cash received from customers	\$ 212	\$ 1,223	\$ -	\$ 779	\$ 2,214	\$ 155,218
Cash paid for goods and services	-	(5,971)	-	(6,625)	(12,596)	(127,780)
Net cash provided (used) by operating activities	<u>212</u>	<u>(4,748)</u>	<u>-</u>	<u>(5,846)</u>	<u>(10,382)</u>	<u>27,438</u>
<b>Cash flows from noncapital financing activities:</b>						
Rental income	-	-	-	-	-	3,600
Tax revenues	-	-	-	-	-	26
Insurance recovery	-	-	-	-	-	26,112
Transfer from operating fund	-	-	-	-	-	15,000
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>44,738</u>
<b>Cash flows from investing activities:</b>						
Interest on investments	-	-	2	-	2	526
	<u>-</u>	<u>-</u>	<u>2</u>	<u>-</u>	<u>2</u>	<u>526</u>
Net increase (decrease) in cash and cash equivalents	212	(4,748)	2	(5,846)	(10,380)	72,702
Cash and cash equivalents, July 1	2,625	1,281	2,113	91,728	97,747	25,045
Cash and cash equivalents, June 30	<u>\$ 2,837</u>	<u>\$ (3,467)</u>	<u>\$ 2,115</u>	<u>\$ 85,882</u>	<u>\$ 87,367</u>	<u>\$ 97,747</u>
<b>Reconciliation of operating income (loss) to net cash provided (used) by operating activities:</b>						
Operating income (loss)	<u>\$ (16,929)</u>	<u>\$ (64,421)</u>	<u>\$ (17,674)</u>	<u>\$ (198,486)</u>	<u>\$ (297,510)</u>	<u>\$ (209,622)</u>
Adjustments to reconcile operating income to net cash provided by operating activities:						
Depreciation	16,954	64,421	17,674	151,177	250,226	250,601
Changes in assets and liabilities:						
(Increase) decrease in accounts receivable	187	1,223	-	48,088	49,498	(19,971)
Increase (decrease) in accounts payable and accrued liabilities	-	(5,971)	-	(6,625)	(12,596)	6,429
Total adjustments	<u>17,141</u>	<u>59,673</u>	<u>17,674</u>	<u>192,640</u>	<u>287,128</u>	<u>237,059</u>
Net cash provided (used) by operating activities	<u>\$ 212</u>	<u>\$ (4,748)</u>	<u>\$ -</u>	<u>\$ (5,846)</u>	<u>\$ (10,382)</u>	<u>\$ 27,437</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, 2018  
(With Comparative Actual Amounts for the Fiscal Year Ended June 30, 2017)

	2018			Variance Positive (Negative)	2017
	Original Budget	Final Budget	Actual		Actual
Revenues:					
Charges for services:					
Sewer charges	\$ -	\$ -	\$ 25	\$ -	\$ -
Total, sewer operating revenues	<u>-</u>	<u>-</u>	<u>25</u>	<u>25</u>	<u>-</u>
Total revenues	<u>\$ -</u>	<u>\$ -</u>	25	<u>\$ 25</u>	-
<b>Reconciliation from budgetary basis (modified accrual) to full accrual:</b>					
Reconciling items:					
Depreciation			(16,954)		(16,954)
Total reconciling items			<u>(16,954)</u>		<u>(16,954)</u>
Change in net position			<u>\$ (16,929)</u>		<u>\$ (16,954)</u>



County of Currituck, North Carolina  
**Maple Commerce Park Sewer Fund**  
**Schedule of Revenues and Expenditures**  
**Budget and Actual (Non-GAAP)**  
For the Year Ended June 30, 2018  
(With Comparative Actual Amounts for the Fiscal Year Ended June 30, 2017)

	2018			Variance Positive (Negative)	2017
	Original Budget	Final Budget	Actual		Actual
<b>Revenues:</b>					
Charges for services:					
Sewer charges	\$ -	\$ -	\$ -	\$ -	\$ 24,040
Penalties and interest, sewer	-	-	-	-	265
Total, sewer operating revenues	-	-	-	-	24,305
Nonoperating revenues:					
Rent	-	-	-	-	3,600
Total, sewer nonoperating revenues	-	-	-	-	3,600
Total revenues	-	-	-	-	27,905
Other financing sources:					
Transfer from operating fund	-	-	-	-	15,000
	-	-	-	-	15,000
Total revenues and other financing sources	-	-	-	-	42,905
<b>Expenditures:</b>					
Administration:					
Telephone and postage	-	-	-	-	665
Dues and subscriptions	-	-	-	-	1,410
Administrative expenses	-	-	-	-	6,967
	-	-	-	-	9,042
Sewer treatment operations:					
Utilities	-	-	-	-	4,935
Repairs and maintenance	-	-	-	-	3,667
Lab tests	-	-	-	-	8,345
System supplies	-	-	-	-	21,040
Contracted services	-	-	-	-	1,320
Total	-	-	-	-	39,307
Total expenditures	-	-	-	-	48,349
Revenues and other financing sources over (under) expenditures	\$ -	\$ -	-	\$ -	(5,444)
<b>Reconciliation from budgetary basis (modified accrual) to full accrual:</b>					
Reconciling items:					
Depreciation			(64,421)		(64,421)
Total reconciling items			(64,421)		(64,421)
Change in net position			\$ (64,421)		\$ (69,865)

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, 2018

(With Comparative Actual Amounts for the Fiscal Year Ended June 30, 2017)

	2018			Variance Positive (Negative)	2017
	Original Budget	Final Budget	Actual		Actual
Revenues:					
Nonoperating revenues:					
Tax revenue	\$ -	\$ -	\$ -	\$ -	\$ 26
Interest earnings	-	-	2	-	-
Total nonoperating revenues	<u>-</u>	<u>-</u>	<u>2</u>	<u>2</u>	<u>26</u>
Total revenues	<u>\$ -</u>	<u>\$ -</u>	2	<u>\$ 2</u>	26
<b>Reconciliation from budgetary basis (modified accrual) to full accrual:</b>					
Depreciation			<u>(17,674)</u>		<u>(17,674)</u>
Change in net position			<u>\$ (17,672)</u>		<u>\$ (17,648)</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, 2018  
(With Comparative Actual Amounts for the Fiscal Year Ended June 30, 2017)

	2018			Variance Positive (Negative)	2017
	Original Budget	Final Budget	Actual		Actual
<b>Revenues:</b>					
Charges for services:					
Sewer charges	\$ -	\$ -	\$ -	\$ -	\$ 115,164
Tap fees	-	-	-	-	12,703
Penalties and interest	-	-	-	-	23,017
Total, sewer operating revenues	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>150,884</u>
Nonoperating revenues:					
Interest earnings	-	-	-	-	526
Insurance recovery	-	-	-	-	26,112
Total nonoperating revenues	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>26,638</u>
Total revenues	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>177,522</u>
<b>Expenditures:</b>					
Administration:					
Telephone and postage	-	-	-	-	836
Administration	-	-	-	-	13,587
Supplies	-	-	-	-	5,149
Credit card fees	-	-	-	-	518
Dues and subscriptions	-	-	-	-	1,886
Software license fees	-	-	-	-	109
Total	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>22,086</u>
Sewer treatment operations:					
Utilities	-	-	-	-	20,240
Repairs and maintenance	-	-	-	-	2,878
Lab tests	-	-	-	-	9,095
Chemicals	-	-	-	-	17,313
Contracted services	-	-	-	-	14,248
Total	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>63,774</u>
Total expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>85,860</u>
Revenues over expenditures	<u>\$ -</u>	<u>\$ -</u>	<u>-</u>	<u>\$ -</u>	<u>91,662</u>
<b>Reconciliation from budgetary basis (modified accrual) to full accrual:</b>					
Bad debt			(47,309)		-
Depreciation			<u>(151,177)</u>		<u>(151,177)</u>
Change in net position			<u>\$ (198,486)</u>		<u>\$ (59,515)</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, 2018  
(With Comparative Actual Amounts for the Fiscal Year Ended June 30, 2017)

	2018			2017	
	Original Budget	Final Budget	Actual	Variance Positive (Negative)	Actual
<b>Revenues:</b>					
Operating revenues:					
Charges for services:					
Solid waste disposal charges	\$ -	\$ -	\$ 2,303,655	\$ -	\$ 2,266,122
Recycling	-	-	37,990	-	42,174
Tipping fees	-	-	670,447	-	554,243
Total	<u>2,844,500</u>	<u>2,981,200</u>	<u>3,012,092</u>	<u>30,892</u>	<u>2,862,539</u>
Nonoperating revenues:					
Ad valorem taxes	-	-	9,645	-	10,779
White goods tax	-	-	16,710	-	7,906
White goods disposal tax	-	-	72,312	-	71,054
Tire tax	-	-	34,862	-	34,311
Other solid waste grants	-	-	10,896	-	9,629
Insurance recovery	-	-	-	-	1,056
Investment earnings	-	-	24,108	-	28,110
Total	<u>130,000</u>	<u>140,581</u>	<u>168,533</u>	<u>27,952</u>	<u>162,845</u>
Appropriated net position	<u>379,718</u>	<u>425,909</u>	<u>-</u>	<u>(425,909)</u>	<u>-</u>
Total revenues and appropriated net position	<u>3,354,218</u>	<u>3,547,690</u>	<u>3,180,625</u>	<u>(367,065)</u>	<u>3,025,384</u>
<b>Expenditures:</b>					
Solid waste administration:					
Telephone and postage	-	-	272	-	287
Other administrative expenditures	-	-	67,776	-	195,169
Total	<u>67,826</u>	<u>67,826</u>	<u>68,048</u>	<u>(222)</u>	<u>195,456</u>
Solid waste operations:					
Utilities	-	-	6,178	-	5,542
Repair and maintenance	-	-	2,944	-	4,665
Rent	-	-	38,400	-	30,750
Supplies	-	-	378	-	1,533
Professional services	-	-	5,919	-	985
Contract services, other	-	-	9,181	-	7,422
Contract services, collection	-	-	1,999,688	-	2,168,770
Contract services, disposal	-	-	1,980,986	-	1,797,209
Site work and landscaping	-	-	24,061	-	18,794
White goods disposal	-	-	60,176	-	63,679
White goods disposal tax	-	-	50,689	-	45,215
Tire disposal	-	-	40,518	-	54,203
Monitoring wells	-	-	5,667	-	2,450
Recycling	-	-	373,473	-	367,632
Total	<u>4,479,392</u>	<u>4,666,064</u>	<u>4,598,258</u>	<u>67,806</u>	<u>4,568,849</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, 2018  
(With Comparative Actual Amounts for the Fiscal Year Ended June 30, 2017)

	2018			2017	
	Original Budget	Final Budget	Actual	Variance Positive (Negative)	Actual
Capital outlays	7,000	13,800	6,058	7,742	99,610
Total expenditures	<u>4,554,218</u>	<u>4,747,690</u>	<u>4,672,364</u>	<u>75,326</u>	<u>4,863,915</u>
Revenues and appropriated net position over expenditures	<u>(1,200,000)</u>	<u>(1,200,000)</u>	<u>(1,491,739)</u>	<u>(291,739)</u>	<u>(1,838,531)</u>
Other financing sources:					
Transfers from operating fund	<u>1,200,000</u>	<u>1,200,000</u>	<u>1,200,000</u>	<u>-</u>	<u>1,142,376</u>
Revenues, appropriated net position, and other financing sources over (under) expenditures	<u>\$ -</u>	<u>\$ -</u>	<u>(291,739)</u>	<u>\$ (291,739)</u>	<u>(696,155)</u>
<b>Reconciliation from budgetary basis (modified accrual) to full accrual:</b>					
Reconciling items:					
Capital outlays			6,058		99,610
Depreciation			<u>(50,379)</u>		<u>(50,379)</u>
Total reconciling items			<u>(44,321)</u>		<u>49,231</u>
Change in net position			<u>\$ (336,060)</u>		<u>\$ (646,924)</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, 2018  
(With Comparative Actual Amounts for the Fiscal Year Ended June 30, 2017)

	2018			Variance Positive (Negative)	2017
	Original Budget	Final Budget	Actual		Actual
<b>Revenues:</b>					
Charges for services:					
Water sales	\$ -	\$ -	\$ 634,845	\$ -	\$ 589,907
Water tap fees	-	-	1,225	-	-
Penalties and interest, water	-	-	6,562	-	7,347
Other operating revenues, water	-	-	2,638	-	1,915
Total, water operating revenues	<u>643,337</u>	<u>644,937</u>	<u>645,270</u>	<u>333</u>	<u>599,169</u>
Sewer charges	-	-	654,578	-	606,126
Sewer tap fees	-	-	1,225	-	-
Penalties and interest, sewer	-	-	12,663	-	9,133
Other operating revenues, sewer	-	-	2,638	-	1,915
Total, sewer operating revenues	<u>684,256</u>	<u>687,256</u>	<u>671,104</u>	<u>(16,153)</u>	<u>617,174</u>
Total operating revenues	<u>1,327,593</u>	<u>1,332,193</u>	<u>1,316,373</u>	<u>(15,820)</u>	<u>1,216,343</u>
Nonoperating revenues:					
Tax revenue	-	-	527,929	-	238,006
Unrestricted intergovernmental revenues	-	-	13,621	-	27,242
Insurance recovery	-	-	-	-	1,057
Interest earnings	-	-	12,522	-	14,106
Total nonoperating revenues	<u>482,631</u>	<u>532,631</u>	<u>554,072</u>	<u>21,441</u>	<u>280,411</u>
Total revenues	<u>1,810,224</u>	<u>1,864,824</u>	<u>1,870,445</u>	<u>5,621</u>	<u>1,496,754</u>
Appropriated net position	<u>44,401</u>	<u>351,320</u>	<u>-</u>	<u>(351,320)</u>	<u>-</u>
Total revenues and appropriated net position	<u>1,854,625</u>	<u>2,216,144</u>	<u>1,870,445</u>	<u>(345,699)</u>	<u>1,496,754</u>
<b>Expenditures:</b>					
Administration:					
Processing fees	-	-	4,529	-	4,178
Telephone and postage	-	-	9,450	-	321
Data transmission	-	-	912	-	912
Travel and training	-	-	5,759	-	2,745
Advertising	-	-	94	-	197
Supplies	-	-	33,262	-	12,164
Uniforms	-	-	710	-	972
Dues and subscriptions	-	-	9,573	-	4,353
Software license fees	-	-	1,587	-	1,520
Contract services	-	-	60,127	-	60,327
	<u>101,231</u>	<u>126,318</u>	<u>126,003</u>	<u>315</u>	<u>87,689</u>
Water treatment operations:					
Utilities	-	-	4,334	-	5,286
Repairs and maintenance	-	-	4,250	-	4,039
Lab tests	-	-	3,032	-	2,270
System supplies	-	-	24,939	-	13,215
Contracted services	-	-	579,991	-	437,914
Professional services	-	-	258,968	-	84,382
Total	<u>588,030</u>	<u>878,030</u>	<u>875,514</u>	<u>2,516</u>	<u>547,106</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, 2018  
(With Comparative Actual Amounts for the Fiscal Year Ended June 30, 2017)

	2018			Variance Positive (Negative)	2017
	Original Budget	Final Budget	Actual		Actual
Sewer treatment operations:					
Salaries & benefits	-	-	129,846	-	109,005
Utilities	-	-	68,582	-	58,402
Repairs and maintenance	-	-	7,556	-	6,380
Gas	-	-	3,986	-	4,903
Lab tests	-	-	30,195	-	27,291
System supplies	-	-	16,369	-	22,966
Chemicals	-	-	44,929	-	26,183
Contracted services	-	-	67,762	-	172,110
Professional services	-	-	48,131	-	78,005
Total	<u>455,346</u>	<u>557,596</u>	<u>417,356</u>	<u>140,240</u>	<u>505,245</u>
Debt service:					
Interest and other charges	-	-	91,875	-	-
Debt principal	-	-	250,000	-	-
Total	<u>313,443</u>	<u>341,875</u>	<u>341,875</u>	<u>-</u>	<u>-</u>
Capital outlay	<u>212,000</u>	<u>127,750</u>	<u>126,695</u>	<u>1,055</u>	<u>104,451</u>
Total expenditures	<u>1,670,050</u>	<u>2,031,569</u>	<u>1,887,443</u>	<u>144,126</u>	<u>1,244,491</u>
Revenues and appropriated net position over expenditures	<u>184,575</u>	<u>184,575</u>	<u>(16,998)</u>	<u>(201,573)</u>	<u>252,263</u>
Other financing uses:					
Transfer to Ocean Sands Construction	<u>(184,575)</u>	<u>(184,575)</u>	<u>(184,575)</u>	<u>-</u>	<u>(529,561)</u>
Revenues and appropriated net position over (under) expenditures and other financing uses:	<u>\$ -</u>	<u>\$ -</u>	<u>(201,573)</u>	<u>\$ (201,573)</u>	<u>(277,298)</u>
<b>Reconciliation from budgetary basis (modified accrual) to full accrual:</b>					
Reconciling items:					
Capital outlays			126,695		104,451
Debt principal			250,000		-
(Increase) Decrease in accrued salaries			(98)		2,559
(Increase) Decrease in accrued vacation			37		(1,539)
Transfer to Ocean Sands Construction			184,575		529,561
Increase in total OPEB liability			(123,263)		(8,889)
Depreciation			(328,431)		(338,027)
Interest income from capital project funds			7,271		4,749
Increase in deferred inflows of resources - pension			(595)		16,616
Decrease in net pension liability			1,892		(20,595)
Decrease in deferred outflows of resources - pension			(3,015)		2,229
Increase in deferred inflow of resources - OPEB			(15,188)		-
Total reconciling items			<u>99,880</u>		<u>291,115</u>
Change in net position			<u>\$ (101,693)</u>		<u>\$ 13,817</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, 2018

	Project Authorization	Actual		Total to Date	Variance Positive (Negative)
		Prior Years	Current Year		
<b>Revenues</b>					
Intergovernmental revenues:					
Investment earnings	\$ -	\$ 79,710	\$ 7,271	\$ 86,981	\$ 86,981
Total revenues	-	79,710	7,271	86,981	86,981
<b>Expenditures</b>					
Contract services	11,747,793	4,297,381	2,187,042	6,484,423	5,263,370
Professional services	871,150	655,388	127,616	783,004	88,146
Contingency	580,000	-	-	-	580,000
Total expenditures	13,198,943	4,952,769	2,314,658	7,267,427	5,931,516
Revenues under expenditures	(13,198,943)	(4,873,059)	(2,307,387)	(7,180,446)	6,018,497
<b>Other financing sources:</b>					
Proceeds from Debt Issuance	7,500,000	-	7,500,000	7,500,000	-
Transfers from other funds:					
Ocean Sands Water & Sewer fund	5,698,943	5,305,252	184,575	5,489,827	(209,116)
Total other financing sources	13,198,943	5,305,252	7,684,575	12,989,827	(209,116)
Revenues and other financing sources over (under) expenditures	\$ -	\$ 432,193	\$ 5,377,188	\$ 5,809,381	\$ 5,809,381



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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, 2018  
(With Comparative Actual Amounts for the Fiscal Year Ended June 30, 2017)

	2018			Variance Positive (Negative)	2017
	Original Budget	Final Budget	Actual		Actual
Revenues:					
Charges for services:					
Water sales	\$ -	\$ -	\$ 3,094,533	\$ -	\$ 2,874,696
Water tap fees	-	-	1,268,600	-	601,276
Reconnection fees	-	-	77,375	-	58,700
Penalties and interest	-	-	72,928	-	73,802
Sale of materials	-	-	15,718	-	18,971
Total	<u>3,050,050</u>	<u>3,103,650</u>	<u>4,529,154</u>	<u>1,425,504</u>	<u>3,627,445</u>
Nonoperating revenues:					
Interest earnings	-	-	48,397	-	33,051
Insurance recovery	-	-	-	-	1,000
Other nonoperating revenues	-	-	35,500	-	-
Total nonoperating revenues	<u>20,982</u>	<u>56,482</u>	<u>83,897</u>	<u>27,415</u>	<u>34,051</u>
Total revenues	<u>3,071,032</u>	<u>3,160,132</u>	<u>4,613,051</u>	<u>1,452,919</u>	<u>3,661,496</u>
Other financing sources:					
Sales of capital assets	-	-	-	-	30,337
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>30,337</u>
Total revenues and other financing sources	<u>3,071,032</u>	<u>3,160,132</u>	<u>4,613,051</u>	<u>1,452,919</u>	<u>3,691,833</u>
Expenditures:					
Administration:					
Salaries and benefits	-	-	60,141	-	59,206
Administrative support	-	-	158,361	-	223,678
Credit card fees	-	-	19,004	-	18,204
Telephone and postage	-	-	19,765	-	14,108
Travel	-	-	2,303	-	3,788
Training and education	-	-	2,664	-	3,474
Advertising	-	-	191	-	178
Supplies	-	-	89,024	-	105,343
Dues and subscriptions	-	-	7,490	-	6,409
Software license fees	-	-	3,444	-	3,448
Other administration	-	-	100	-	21,638
	<u>351,459</u>	<u>381,130</u>	<u>362,487</u>	<u>18,643</u>	<u>459,474</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, 2018  
(With Comparative Actual Amounts for the Fiscal Year Ended June 30, 2017)

	2018			Variance Positive (Negative)	2017
	Original Budget	Final Budget	Actual		Actual
Water treatment operations:					
Salaries and benefits	-	-	691,618	-	680,858
Utilities	-	-	163,041	-	165,192
Repairs and maintenance	-	-	19,254	-	17,610
Fuel	-	-	24,656	-	23,555
Lab tests	-	-	7,792	-	12,216
Chemicals	-	-	39,405	-	44,177
Uniforms	-	-	1,574	-	999
Contracted services	-	-	66,314	-	79,024
Professional services	-	-	25,826	-	60
Total	<u>1,041,364</u>	<u>1,135,516</u>	<u>1,039,480</u>	<u>96,036</u>	<u>1,023,691</u>
Debt service:					
Interest and other charges	-	-	409,083	-	439,906
Debt principal	-	-	1,045,000	-	1,005,000
Total	<u>1,454,084</u>	<u>1,454,084</u>	<u>1,454,083</u>	<u>1</u>	<u>1,444,906</u>
Capital outlay	<u>224,125</u>	<u>189,402</u>	<u>189,402</u>	<u>-</u>	<u>189,552</u>
Total expenditures	<u>3,071,032</u>	<u>3,160,132</u>	<u>3,045,452</u>	<u>114,680</u>	<u>3,117,623</u>
Revenues and other financing sources over (under) expenditures	<u>\$ -</u>	<u>\$ -</u>	<u>1,567,599</u>	<u>\$ 1,567,599</u>	<u>574,210</u>
<b>Reconciliation from budgetary basis (modified accrual) to full accrual:</b>					
Reconciling items:					
Capital outlays			189,402		189,552
Debt principal			1,045,000		1,005,000
Depreciation			(1,585,090)		(1,585,090)
Increase in total OPEB liability			(161,215)		(58,919)
Increase in accrued vacation			(4,716)		1,055
Decrease in accrued salaries			6,392		25,848
Decrease in deferred outflows of resources - pension			(47,350)		112,448
Decrease in net pension liability			37,910		(135,566)
Decrease in deferred inflow of resources - pension			9,607		12,919
Increase in deferred inflow of resources - OPEB			(82,555)		-
Increase in deferred outflow of resources - OPEB			9,025		-
Total reconciling items			<u>(583,590)</u>		<u>(432,753)</u>
Change in net position			<u>\$ 984,009</u>		<u>\$ 141,457</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, 2018  
(With Comparative Actual Amounts for the Fiscal Year Ended June 30, 2017)

	2018			2017	
	Original Budget	Final Budget	Actual	Variance Positive (Negative)	Actual
<b>Revenues:</b>					
Charges for services:					
Water sales	\$ -	\$ -	\$ 2,763,623	\$ -	\$ 2,481,437
Water tap fees	-	-	207,250	-	219,722
Administration	-	-	572,646	-	428,312
Billing services	-	-	3,500	-	3,805
Penalties and interest	-	-	33,930	-	32,341
Other operating revenues	-	-	19,099	-	17,997
Total, water operating revenues	<u>3,244,237</u>	<u>3,233,500</u>	<u>3,600,048</u>	<u>366,548</u>	<u>3,183,614</u>
Nonoperating revenues:					
Rent	-	-	169,597	-	177,947
Insurance recovery	-	-	-	-	-
Interest earnings	-	-	37,545	-	20,830
Sale of capital assets	-	-	-	-	2,841
Total nonoperating revenues	<u>177,025</u>	<u>187,762</u>	<u>207,142</u>	<u>19,380</u>	<u>201,618</u>
Total revenues	<u>3,421,262</u>	<u>3,421,262</u>	<u>3,807,190</u>	<u>385,928</u>	<u>3,385,232</u>
Other financing sources:					
Transfer from Southern Outer Banks Water Construction fund	-	-	-	-	65,594
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>65,594</u>
Total revenues and other financing sources	<u>3,421,262</u>	<u>3,421,262</u>	<u>3,807,190</u>	<u>385,928</u>	<u>3,450,826</u>
<b>Expenditures:</b>					
Administration:					
Salaries and benefits	-	-	147,814	-	155,350
Telephone and postage	-	-	7,229	-	4,319
Travel	-	-	1,640	-	1,365
Training and education	-	-	1,180	-	1,789
Data transmission	-	-	4,722	-	4,223
Advertising	-	-	215	-	214
Supplies	-	-	80,431	-	50,130
Credit card fees	-	-	7,162	-	5,543
Dues and subscriptions	-	-	6,696	-	6,779
Other administrative expenditures	-	-	143,361	-	189,810
Total administration expenditures	<u>416,162</u>	<u>474,155</u>	<u>400,450</u>	<u>73,705</u>	<u>419,522</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, 2018  
(With Comparative Actual Amounts for the Fiscal Year Ended June 30, 2017)

	2018			2017	
	Original Budget	Final Budget	Actual	Variance Positive (Negative)	Actual
Water treatment operations:					
Salaries and benefits	-	-	443,443	-	466,068
Utilities	-	-	171,245	-	201,689
Gas, oil, etc	-	-	18,823	-	16,277
Repairs and maintenance	-	-	15,098	-	15,906
Lab tests	-	-	18,240	-	19,317
Chemicals	-	-	109,546	-	106,168
Uniforms	-	-	968	-	531
Contracted services	-	-	66,340	-	15,916
Professional services	-	-	-	-	5,223
Total water treatment operations	<u>1,803,462</u>	<u>1,745,469</u>	<u>843,703</u>	<u>901,766</u>	<u>847,095</u>
Debt service:					
Interest and other charges	-	-	85,978	-	132,439
Debt principal	-	-	850,000	-	1,777,072
Total	<u>935,978</u>	<u>935,978</u>	<u>935,978</u>	<u>-</u>	<u>1,909,511</u>
Capital outlays	265,660	265,660	242,138	23,522	478,564
Total expenditures	<u>3,421,262</u>	<u>3,421,262</u>	<u>2,422,269</u>	<u>998,993</u>	<u>3,654,692</u>
Revenues and other financing sources over (under) expenditures	<u>\$ -</u>	<u>\$ -</u>	1,384,921	<u>\$ 1,384,921</u>	(203,866)
<b>Reconciliation from budgetary basis (modified accrual) to full accrual:</b>					
Reconciling items:					
Capital outlays			242,138		478,564
Debt principal			850,000		1,777,072
Increase in total OPEB liability			(83,119)		(45,794)
Decrease in accrued vacation			874		1,718
Depreciation			(1,127,095)		(1,091,702)
Transfer to (from) construction fund			-		(65,594)
Decrease in accrued salaries			971		20,466
Loss on disposal of assets			(21,234)		-
Decrease in deferred outflow of resources - pensions			(43,353)		93,432
Decrease in net pension liability			41,051		(114,343)
Decrease in deferred inflows of resources - pensions			2,766		10,896
Increase in deferred inflow of resources - OPEB			(66,142)		-
Total reconciling items			<u>(203,143)</u>		<u>1,064,715</u>
Change in net position			<u>\$ 1,181,778</u>		<u>\$ 860,849</u>

County of Currituck, North Carolina  
**Mainland Central Sewer Fund**  
**Schedule of Revenues and Expenditures**  
**Budget and Actual (Non-GAAP)**  
For the Year Ended June 30, 2018  
(With Comparative Actual Amounts for the Fiscal Year Ended June 30, 2017)

	2018			Variance Positive (Negative)	2017
	Original Budget	Final Budget	Actual		Actual
<b>Revenues:</b>					
Charges for services:					
Sewer charges	\$ -	\$ -	\$ 294,702	\$ -	\$ 96,163
Tap fees	-	-	549,180	-	304,525
Penalties and interest	-	-	22,167	-	1,130
Total, sewer operating revenues	<u>519,750</u>	<u>519,750</u>	<u>866,049</u>	<u>346,299</u>	<u>401,818</u>
Nonoperating revenues:					
Rents	-	-	3,600	-	-
Insurance recovery	-	-	8,021	-	1,327
Interest earnings	-	-	4,358	-	1,531
Total nonoperating revenues	<u>3,600</u>	<u>3,600</u>	<u>15,979</u>	<u>12,379</u>	<u>2,858</u>
Total revenues	<u>523,350</u>	<u>523,350</u>	<u>882,028</u>	<u>358,678</u>	<u>404,676</u>
Other financing sources:					
Transfer from Operating fund	140,270	140,270	140,270	-	60,000
Transfer from Transfer tax capital fund	100,000	100,000	100,000	-	239,792
	<u>240,270</u>	<u>240,270</u>	<u>240,270</u>	<u>-</u>	<u>299,792</u>
Total revenues and other financing sources	<u>763,620</u>	<u>763,620</u>	<u>1,122,298</u>	<u>358,678</u>	<u>704,468</u>
<b>Expenditures:</b>					
Administration:					
Salaries and benefits	-	-	48,405	-	-
Telephone and postage	-	-	1,579	-	4
Training and education	-	-	365	-	-
Administration	-	-	32,634	-	26,151
Supplies	-	-	75,017	-	8,344
Credit card fees	-	-	1,313	-	757
Dues and subscriptions	-	-	21,369	-	3,510
Software license fees	-	-	130	-	21
	<u>111,903</u>	<u>181,203</u>	<u>180,812</u>	<u>391</u>	<u>38,787</u>
Sewer treatment operations:					
Salaries and benefits	-	-	48,405	-	-
Utilities	-	-	38,300	-	12,046
Gas	-	-	4,856	-	186
Data Transmission	-	-	457	-	-
Repairs and maintenance	-	-	14,889	-	4,569
Lab tests	-	-	37,600	-	7,255
Chemicals	-	-	52,363	-	33,090
Contracted services	-	-	76,918	-	64,377
Total	<u>401,487</u>	<u>274,187</u>	<u>273,788</u>	<u>399</u>	<u>121,523</u>
Debt service:					
Interest and other charges	-	-	54,230	-	59,792
Debt principal	-	-	180,000	-	180,000
Total	<u>234,230</u>	<u>234,230</u>	<u>234,230</u>	<u>-</u>	<u>239,792</u>
Capital outlay	<u>16,000</u>	<u>74,000</u>	<u>12,912</u>	<u>61,088</u>	<u>19,075</u>
Total expenditures	<u>763,620</u>	<u>763,620</u>	<u>701,741</u>	<u>61,879</u>	<u>419,177</u>
Revenues and other financing sources over (under) expenditures	<u>\$ -</u>	<u>\$ -</u>	<u>420,557</u>	<u>\$ 420,557</u>	<u>285,291</u>
<b>Reconciliation from budgetary basis (modified accrual) to full accrual:</b>					
Capital outlay			12,912		19,075
Contributed capital			-		500,000
Debt principal			180,000		180,000
Depreciation			(396,974)		(396,974)
(Increase) Decrease in accrued salaries			(2,547)		-
(Increase) Decrease in accrued vacation			(8,646)		-
Increase in total OPEB liability			(93,091)		-
Increase in deferred inflows of resources - pension			(704)		-
Increase in net pension liability			(18,807)		-
Increase in deferred outflows of resources - pension			13,972		-
Increase in deferred inflow of resources - OPEB			(9,064)		-
Transfer from County Governmental Facility fund to capital project fund			378,000		-
Total reconciling items			<u>55,051</u>		<u>302,101</u>
Change in net position			<u>\$ 475,608</u>		<u>\$ 587,392</u>

County of Currituck, North Carolina  
**Mainland Central Sewer Construction Fund**  
**Schedule of Revenues and Expenditures**  
**Budget and Actual (Non-GAAP)**

From Inception and for the Fiscal Year Ended June 30, 2018

	Project Authorization	Actual		Total to Date	Variance Positive (Negative)
		Prior Years	Current Year		
<b>Expenditures</b>					
Capital outlay	\$ 378,000	\$ -	\$ 108,950	\$ 108,950	\$ 269,050
Total expenditures	378,000	-	108,950	108,950	269,050
Revenues over (under) expenditures	(378,000)	-	(108,950)	(108,950)	269,050
<b>Other finance sources:</b>					
Transfers from other funds:					
County Governmental Construction Fund	378,000	-	378,000	378,000	-
Total transfers from other funds	378,000	-	378,000	378,000	-
Revenues and other financing sources over expenditures	\$ -	\$ -	\$ 269,050	\$ 269,050	\$ 269,050

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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, 2018

	Balance June 30 2017	Additions	Deductions	Balance June 30 2018
<b>Social Services</b>				
Assets:				
Cash and cash equivalents	\$ 28,091	\$ 160,408	\$ 164,894	\$ 23,605
Liabilities:				
Accounts Payable	\$ 28,091	\$ 160,408	\$ 164,894	\$ 23,605
<b>Fines and Forfeitures</b>				
Assets:				
Cash and cash equivalents	\$ -	\$ 315,663	\$ 315,663	\$ -
Due from other governments	17,836	312,170	315,664	14,342
Total assets	<u>\$ 17,836</u>	<u>\$ 627,833</u>	<u>\$ 631,327</u>	<u>\$ 14,342</u>
Liabilities:				
Due to other governments	<u>\$ 17,836</u>	<u>\$ 312,170</u>	<u>\$ 315,664</u>	<u>\$ 14,342</u>
<b>Deed of Trust Fee</b>				
Assets:				
Cash and cash equivalents	<u>\$ 2,685</u>	<u>\$ 37,361</u>	<u>\$ 36,816</u>	<u>\$ 3,230</u>
Liabilities:				
Due to other governments	<u>\$ 2,685</u>	<u>\$ 47,244</u>	<u>\$ 46,699</u>	<u>\$ 3,230</u>
<b>Totals - All Agency Funds</b>				
Assets:				
Cash and cash equivalents	\$ 30,776	\$ 513,432	\$ 517,373	\$ 26,835
Due from other governments	17,836	312,170	315,664	14,342
Total assets	<u>\$ 48,612</u>	<u>\$ 825,602</u>	<u>\$ 833,037</u>	<u>\$ 41,177</u>
Liabilities:				
Accounts payable	28,091	160,408	164,894	23,605
Due to other governments	20,521	359,414	362,363	17,572
Total liabilities	<u>\$ 48,612</u>	<u>\$ 519,822</u>	<u>\$ 527,257</u>	<u>\$ 41,177</u>

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County of Currituck, North Carolina  
**General Fund**  
**Schedule of Ad Valorem Taxes Receivable**  
June 30, 2018

<u>Fiscal Year</u>	<u>Uncollected Balance June 30, 2017</u>	<u>Additions</u>	<u>Collections And Credits</u>	<u>Uncollected Balance June 30, 2018</u>
2017-2018	\$ -	\$ 30,142,709 (a)	\$ 29,866,897 (b)	\$ 275,812 (c)
2016-2017	291,777	-	195,538	96,239
2015-2016	85,069	-	46,776	38,293
2014-2015	34,923	-	12,713	22,210
2013-2014	22,333	340	7,576	15,097
2012-2013	15,633	-	4,185	11,448
2011-2012	14,479	-	4,890	9,589
2010-2011	9,618	-	1,651	7,967
2009-2010	6,847	-	1,832	5,015
2008-2009	6,207	-	681	5,526
2007-2008	5,149	-	5,149	-
	<u>492,035</u>	<u>30,143,049</u>	<u>30,147,888 (d)</u>	487,196
Less: allowance for uncollectible accounts:				
General Fund				<u>(17,134)</u>
Ad valorem taxes receivable - net:				<u>\$ 470,062</u>
<u>Reconciliation with revenues:</u>				
Ad valorem taxes - General Fund				\$ 30,234,695
Reconciling items:				
Interest collected				(88,389)
Taxes written off				<u>1,582</u>
Total reconciling items				<u>(86,807)</u>
Total collections and credits				<u>\$ 30,147,888 (d)</u>

County of Currituck, North Carolina  
**Analysis of Current Tax Levy**  
**County - wide Levy**  
For the Fiscal Year Ended June 30, 2018

	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	\$ 6,281,708,542	0.480	\$ 30,152,201	\$ 28,673,695	\$1,478,506
Penalties	-		28,499	28,499	-
Total	<u>6,281,708,542</u>		<u>30,180,700</u>	<u>28,702,194</u>	<u>1,478,506</u>
Discoveries:					
Current year taxes	710,417	0.480	3,410	3,410	-
Prior year taxes	952,083		4,570	4,570	-
Penalties	-		1,734	1,734	-
Total	<u>1,662,500</u>		<u>9,714</u>	<u>9,714</u>	<u>-</u>
Abatements	<u>(9,938,542)</u>		<u>(47,705)</u>	<u>(32,518)</u>	<u>(15,187)</u>
Total property valuation	<u><u>\$ 6,273,432,500</u></u>				
Net levy			30,142,709 (a)	28,679,390	1,463,319
Uncollected taxes at June 30, 2018			<u>275,812 (c)</u>	<u>275,812</u>	<u>-</u>
Current year's taxes collected			<u><u>\$ 29,866,897 (b)</u></u>	<u><u>\$ 28,403,578</u></u>	<u><u>\$1,463,319</u></u>
Current levy collection percentage			<u><u>99.08%</u></u>	<u><u>99.04%</u></u>	<u><u>100.00%</u></u>

County of Currituck, North Carolina  
**Analysis of Current Tax Levy**  
**County - wide Levy**  
For the Fiscal Year Ended June 30, 2018

**Secondary Market Disclosures:**

Assessed Valuation:		
Assessment Ratio <sup>1</sup>		100 %
Real Property	\$ 5,953,675,831	
Personal Property	207,781,195	
Public Service Companies <sup>2</sup>	<u>111,975,474</u>	
Total Assessed Valuation	\$ 6,273,432,500	
Tax Rate per \$100		0.48
Levy (includes discoveries, releases and abatements) <sup>3</sup>	\$	<u>30,142,709</u>

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	14,372
Hog Ditch watershed improvement district	1,616
Moyock watershed improvement district	17,217
Northwest watershed improvement district	2,735
Whalehead solid waste district	115,396
Whalehead watershed improvement district	894,317
Ocean Sands water and sewer district	521,675
Ocean Sands/Crown Pointe North watershed improvement district	<u>295,897</u>
Total	<u><u>\$ 32,005,934</u></u>

<sup>1</sup> Percentage of appraised value has been established by statute.

<sup>2</sup> Valuation of railroads, telephone companies and other utilities as determined by the North Carolina Property Tax Commission.

<sup>3</sup> The levy includes interest and penalties.

County of Currituck, North Carolina  
**Ten Largest Taxpayers**  
For the Fiscal Year Ended June 30, 2018

<b>Taxpayer</b>	<b>Type of Business</b>	<b>Assessed Valuation January 1, 2017</b>	<b>Percentage of Total Assessed Valuation</b>
Summit Farms Solar LLC	Solar Energy	\$ 116,184,119	1.86 %
Dominion Power	Utility	83,619,877	1.34
Coastland Properties I LLC	Land Development	22,087,200	0.35
Harrison Inn Corolla LLC	Hotel	20,142,875	0.32
Coastland Corporation	Land Development	15,913,800	0.25
Pine Island Properties LLC	Land Development	13,687,600	0.22
Sun Energy 1 LLC	Solar Energy	12,267,001	0.20
SRA/OBX LLC	Real Estate Investor	8,090,100	0.13
Golasa Holdings LLC	Land Development	7,742,762	0.12
Monteray Plaza Inc	Land Development	7,738,505	0.12
<b>Total</b>		<b><u>\$ 307,473,839</u></b>	<b><u>4.91 %</u></b>

County of Currituck, North Carolina  
**Emergency Telephone System Unspent Balance**  
**PSAP Reconciliation**  
June 30, 2018

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	\$ (47,318)
Disallowed costs for software license fees from FY 2017	(3,815)
Pacific Interpreters charged above allowable reimbursement rate FY 2017	(49)
Disallowed charges for computer workstations	<u>(1,754)</u>
	(5,618)
Beginning Balance, PSAP Revenue-Expenditure Report	<u>323,192</u>
Ending Balance, PSAP Revenue-Expenditure Report	<u><u>\$ 270,256</u></u>

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## Statistical Section

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

### **Financial Trends:**

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

### **Revenue Capacity:**

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

### **Debt Capacity:**

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

### **Demographic and Economic Information:**

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

### **Operating Information:**

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

**Schedule 1**  
Currituck County, North Carolina  
Net Position by Component  
*(accrual basis of accounting)*

	Fiscal Year										
	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
<b>Governmental activities</b>											
Net investment in capital assets	\$ 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	\$ 98,607,671	\$ 98,629,299
Restricted	-	-	-	15,397,965	12,362,081	18,056,879	21,530,373	21,700,488	22,905,623	36,645,981	35,385,491
Unrestricted	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	8,333,046	9,057,138
<b>Total governmental activities net position</b>	<b>\$ 118,568,956</b>	<b>\$ 122,550,171</b>	<b>\$ 122,291,625</b>	<b>\$ 125,663,633</b>	<b>\$ 130,420,968</b>	<b>\$ 136,045,469</b>	<b>\$ 139,361,153</b>	<b>\$ 144,303,532</b>	<b>\$ 138,215,230</b>	<b>\$ 143,586,698</b>	<b>\$ 143,071,928</b>
<b>Business-type activities</b>											
Net investment in capital assets	\$ 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	\$ 34,461,551	\$ 28,527,935
Restricted	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	10,841,508	18,238,009
Unrestricted	11,456,968	7,082,567	8,819,312	10,079,410	15,166,507	15,801,967	14,131,846	19,944,678	20,686,631	23,620,043	10,289,926
<b>Total business-type activities net position</b>	<b>\$ 34,014,648</b>	<b>\$ 35,405,601</b>	<b>\$ 36,228,736</b>	<b>\$ 36,953,022</b>	<b>\$ 42,438,447</b>	<b>\$ 42,902,153</b>	<b>\$ 42,792,818</b>	<b>\$ 43,659,196</b>	<b>\$ 44,851,653</b>	<b>\$ 45,303,059</b>	<b>\$ 46,765,944</b>
<b>Primary government</b>											
Net investment in capital assets	\$ 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	\$ 133,069,222	\$ 127,157,234
Restricted	-	-	-	15,397,965	12,362,081	18,056,879	21,530,373	21,700,488	22,905,623	36,645,981	35,385,491
Unrestricted	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	19,174,554	27,295,147
<b>Total governmental activities net position</b>	<b>\$ 152,583,604</b>	<b>\$ 157,955,772</b>	<b>\$ 158,520,361</b>	<b>\$ 162,616,655</b>	<b>\$ 172,859,415</b>	<b>\$ 178,947,622</b>	<b>\$ 182,153,971</b>	<b>\$ 187,962,728</b>	<b>\$ 183,066,883</b>	<b>\$ 188,889,757</b>	<b>\$ 189,837,872</b>

**Schedule 2**

Currituck County, North Carolina  
Changes in Net Position

(accrual basis of accounting)

	Fiscal Year									
	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
<b>Expenses</b>										
Governmental activities:										
General government	\$ 7,677,910	\$ 8,415,095	\$ 8,369,991	\$ 6,351,749	\$ 7,999,138	\$ 6,607,468	\$ 6,716,864	\$ 7,316,823	\$ 7,605,726	\$ 7,720,712
Public safety	17,202,362	17,211,595	17,159,996	18,160,689	19,305,733	20,161,974	19,371,231	20,237,291	22,184,580	23,107,388
Transportation	751,195	783,800	1,726,573	1,222,468	1,079,075	1,000,818	884,955	1,864,818	878,356	879,908
Economic and physical development	5,792,463	6,713,211	6,469,555	9,094,719	3,531,181	761,700	1,401,180	7,059,866	6,919,571	7,125,880
Environmental protection	390,630	568,900	424,447	385,902	3,174,699	8,490,835	6,735,282	1,112,071	1,304,616	1,352,279
Human services	4,462,531	4,155,112	4,156,265	4,351,492	4,492,638	4,688,478	4,551,724	4,821,314	5,135,697	4,183,766
Cultural and recreation	1,368,558	2,577,198	2,094,488	1,939,442	1,982,118	3,131,488	2,945,656	2,337,746	3,649,685	3,521,851
Education	11,758,442	10,330,209	10,098,107	9,810,904	10,100,754	10,782,180	11,099,664	11,078,398	11,223,471	11,377,025
Interest on long-term debt	492,453	449,982	456,783	359,601	364,671	290,717	196,630	133,147	106,219	79,098
Total governmental activities expenses	<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>	<u>59,007,921</u>	<u>59,347,907</u>
Business-type activities:										
Solid Waste	3,927,902	4,196,020	4,193,309	4,252,922	4,274,049	4,135,657	4,256,648	4,285,157	4,814,409	4,716,685
Water and Sewer	5,591,471	6,398,328	6,519,262	7,466,805	8,295,709	8,437,098	8,528,166	8,669,910	8,900,685	9,534,844
Total business-type activities expenses	<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>	<u>13,715,094</u>	<u>14,251,529</u>
Total primary government expenses	<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>	<u>\$ 72,723,015</u>	<u>\$ 73,599,436</u>
<b>Program Revenues</b>										
Governmental activities:										
Charges for services:										
General government	\$ 732,634	\$ 953,864	\$ 960,242	\$ 1,406,215	\$ 2,007,829	\$ 1,500,025	\$ 1,377,621	\$ 1,333,039	\$ 1,082,865	\$ 1,110,766
Public safety	1,122,524	1,013,183	1,392,245	1,417,775	1,906,102	1,495,000	1,788,900	1,779,070	1,751,361	1,961,604
Transportation	331,208	300,395	400,314	444,744	487,746	461,021	357,148	375,589	326,746	325,167
Economic and physical development	-	18,570	16,878	37,641	99,060	85,482	-	68,765	271,933	317,343
Environmental protection	-	-	-	9,400	80,039	-	86,965	-	-	-
Human services	16,314	-	-	-	-	14,063	4,408	224	249	279
Cultural and recreation	59,983	60,577	188,356	66,700	95,097	72,376	70,492	63,688	87,270	91,992
Operating grants and contributions:										
General government	9,392	854,484	40,909	316,482	-	154,237	187,442	174,287	174,988	158,589
Public safety	388,608	495,545	238,506	810,366	187,756	458,824	564,997	851,728	640,816	615,721
Transportation	-	-	-	-	-	-	-	-	3,383	3,519
Economic and physical development	40,000	-	-	16,020	33,904	13,547	26,760	-	575,805	69,250
Environmental protection	16,365	56,690	-	32,282	-	273,267	-	26,629	110,808	26,550
Human services	2,808,773	2,730,538	2,786,951	2,314,370	2,277,836	2,354,571	2,464,702	2,483,300	2,605,116	1,942,628
Cultural and recreation	-	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	235,000	10,657
Transportation	740,232	-	1,016,192	682,120	476,612	73,511	98,700	1,052,019	867,286	753,297
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	-	75,000
Education	756,356	-	219,962	-	398,560	270,000	240,000	289,999	185,856	244,357
Total governmental activities program revenues	<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>	<u>\$ 8,919,482</u>	<u>\$ 7,706,719</u>

	Fiscal Year									
	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
<b>Business-type activities:</b>										
Charges for services:										
Solid Waste	\$ 2,568,346	\$ 2,562,992	\$ 2,458,693	\$ 2,956,155	\$ 2,690,617	\$ 2,715,259	\$ 2,756,440	\$ 2,789,931	\$ 2,862,539	\$ 3,012,092
Water and Sewer	5,978,335	5,884,552	6,620,476	7,732,900	8,846,411	8,553,691	9,183,083	9,339,100	8,604,409	10,311,649
Operating grants and contributions:										
Solid Waste	45,481	57,113	67,716	75,477	55,392	26,860	39,024	41,780	51,846	62,468
Water and Sewer	-	-	940	-	113,475	48,984	12,544	13,621	27,242	49,121
Capital grants and contributions:										
Solid Waste	-	-	-	-	-	-	-	-	-	-
Water and Sewer	-	329,144	540,000	-	206,491	72,527	-	-	500,000	-
<b>Total business-type program revenues</b>	<u>8,592,162</u>	<u>8,833,801</u>	<u>9,687,825</u>	<u>10,764,532</u>	<u>11,912,386</u>	<u>11,417,321</u>	<u>11,991,091</u>	<u>12,184,432</u>	<u>12,046,036</u>	<u>13,435,330</u>
<b>Total primary government program revenues</b>	<u>\$ 15,614,551</u>	<u>\$ 15,639,900</u>	<u>\$ 17,247,854</u>	<u>\$ 18,532,417</u>	<u>\$ 20,519,163</u>	<u>\$ 18,839,665</u>	<u>\$ 20,430,435</u>	<u>\$ 21,358,858</u>	<u>\$ 20,965,518</u>	<u>\$ 21,142,049</u>
<b>Net (Expense)/Revenue</b>										
Governmental activities	\$ (42,874,155)	\$ (44,399,003)	\$ (43,396,176)	\$ (43,909,081)	\$ (43,423,230)	\$ (48,493,314)	\$ (45,463,842)	\$ (46,787,048)	\$ (50,088,439)	\$ (51,641,188)
Business-type activities	(927,211)	(1,760,547)	(1,024,746)	(955,195)	(657,372)	(1,155,434)	(793,723)	(770,635)	(1,669,058)	(816,199)
<b>Total primary government net expense</b>	<u>\$ (43,801,366)</u>	<u>\$ (46,159,550)</u>	<u>\$ (44,420,922)</u>	<u>\$ (44,864,276)</u>	<u>\$ (44,080,602)</u>	<u>\$ (49,648,748)</u>	<u>\$ (46,257,565)</u>	<u>\$ (47,557,683)</u>	<u>\$ (51,757,497)</u>	<u>\$ (52,457,387)</u>
<b>General Revenues and Other Changes in Net Position</b>										
Governmental activities:										
Property taxes	\$ 26,695,743	\$ 26,954,749	\$ 27,107,432	\$ 27,761,231	\$ 27,912,650	\$ 29,305,427	\$ 28,264,857	\$ 29,969,020	\$ 30,779,188	\$ 31,577,071
Intergovernmental	19,731,255	19,128,767	20,290,383	21,046,019	21,808,029	22,746,261	24,835,248	24,796,096	26,438,326	28,020,220
Investment earnings	2,141,772	678,816	806,637	537,109	327,131	357,310	386,405	450,673	526,677	609,114
Miscellaneous	-	-	-	-	-	-	337,425	679,606	867,331	888,609
Loss on disposal/sale of capital assets	-	-	-	-	(99,618)	-	(12,662)	(110,726)	-	(5,569)
Special item	-	(324,419)	-	-	-	-	-	(13,655,028)	-	-
Transfers	(1,713,400)	(2,297,456)	(1,436,268)	(677,943)	(900,461)	(600,000)	(1,180,187)	(1,430,895)	(1,457,168)	(1,818,270)
<b>Total governmental activities</b>	<u>46,855,370</u>	<u>44,140,457</u>	<u>46,768,184</u>	<u>48,666,416</u>	<u>49,047,731</u>	<u>51,808,998</u>	<u>52,631,086</u>	<u>40,698,746</u>	<u>57,154,354</u>	<u>59,271,175</u>
Business-type activities:										
Property taxes	109,907	138,053	135,889	131,174	116,393	363,067	315,580	320,358	319,865	609,886
Investment earnings	427,232	148,173	176,875	133,045	115,260	83,032	73,409	97,040	98,154	134,193
Miscellaneous	-	-	-	-	-	-	196,289	267,231	212,099	181,218
Loss on disposal/sale of capital assets	-	-	-	-	(11,036)	-	3,710	(152,432)	33,178	(21,234)
Special item	-	-	-	5,498,458	-	-	-	-	-	-
Transfers	1,713,400	2,297,456	1,436,268	677,943	900,461	600,000	1,180,187	1,430,895	1,457,168	1,818,270
<b>Total business-type activities</b>	<u>2,250,539</u>	<u>2,583,682</u>	<u>1,749,032</u>	<u>6,440,620</u>	<u>1,121,078</u>	<u>1,046,099</u>	<u>1,769,175</u>	<u>1,963,092</u>	<u>2,120,464</u>	<u>2,722,333</u>
<b>Total primary government</b>	<u>\$ 49,105,909</u>	<u>\$ 46,724,139</u>	<u>\$ 48,517,216</u>	<u>\$ 55,107,036</u>	<u>\$ 50,168,809</u>	<u>\$ 52,855,097</u>	<u>\$ 54,400,261</u>	<u>\$ 42,661,838</u>	<u>\$ 59,274,818</u>	<u>\$ 61,993,508</u>
<b>Change in Net Position</b>										
Governmental activities	\$ 3,981,215	\$ (258,546)	\$ 3,372,008	\$ 4,757,335	\$ 5,624,501	\$ 3,315,684	\$ 7,167,244	\$ (6,088,302)	\$ 7,065,915	\$ 7,629,987
Business-type activities	1,323,328	823,135	724,286	5,485,425	463,706	(109,335)	975,452	1,192,457	451,406	1,906,134
<b>Total primary government</b>	<u>\$ 5,304,543</u>	<u>\$ 564,589</u>	<u>\$ 4,096,294</u>	<u>\$ 10,242,760</u>	<u>\$ 6,088,207</u>	<u>\$ 3,206,349</u>	<u>\$ 8,142,696</u>	<u>\$ (4,895,845)</u>	<u>\$ 7,517,321</u>	<u>\$ 9,536,121</u>

**Schedule 3**

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

	Fiscal Year									
	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
<b>General Fund</b>										
Reserved	\$ 1,761,527	\$ 2,148,111	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unreserved	8,854,501	6,419,039	-	-	-	-	-	-	-	-
Nonspendable	-	-	982	832	1,257	809	2,067	925	936	855
Restricted	-	-	4,398,634	2,897,830	3,893,453	5,627,104	5,468,650	5,432,591	6,001,888	6,499,969
Committed	-	-	23,214,936	1,132,486	558,516	720,664	497,191	514,738	642,169	768,592
Assigned	-	-	3,794,562	3,526,932	3,457,216	3,078,429	2,802,212	3,031,018	2,762,123	2,762,123
Unassigned	-	-	1,859,873	2,470,171	2,184,656	1,657,309	4,601,431	6,900,115	8,783,320	10,871,843
<b>Total General Fund</b>	<b>\$ 10,616,028</b>	<b>\$ 8,567,150</b>	<b>\$ 33,268,987</b>	<b>\$ 10,028,251</b>	<b>\$ 10,095,098</b>	<b>\$ 11,084,315</b>	<b>\$ 13,371,551</b>	<b>\$ 15,879,387</b>	<b>\$ 18,190,436</b>	<b>\$ 20,903,382</b>
<b>All Other Governmental Funds</b>										
Reserved	\$ 715,021	\$ 941,130	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Designated										
Special revenue funds	10,006,848	9,768,088	-	-	-	-	-	-	-	-
Capital project funds	33,931,204	36,934,559	-	-	-	-	-	-	-	-
Nonspendable	-	-	-	-	-	-	11,685	11,685	36,947	36,947
Restricted	-	-	10,999,331	12,749,770	20,971,606	23,082,400	25,046,486	27,366,986	31,853,574	28,885,522
Committed	-	-	1,704,999	28,090,589	14,086,564	13,186,791	15,735,865	14,759,977	14,036,382	18,057,551
Assigned	-	-	1,894,695	279,105	1,137,613	1,069,114	1,827,078	1,266,377	401,602	5,975,108
Unassigned	-	-	5,445,286	33,140	-	-	-	-	-	-
<b>Total all other governmental funds</b>	<b>\$ 44,653,073</b>	<b>\$ 47,643,777</b>	<b>\$ 20,044,311</b>	<b>\$ 41,152,604</b>	<b>\$ 36,195,783</b>	<b>\$ 37,338,305</b>	<b>\$ 42,621,114</b>	<b>\$ 43,405,025</b>	<b>\$ 46,328,505</b>	<b>\$ 52,955,128</b>

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									
	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
<b>Revenues</b>										
Ad valorem taxes	\$ 26,163,466	\$ 27,292,183	\$ 27,107,432	\$ 27,766,186	\$ 27,989,041	\$ 29,361,207	\$ 29,470,592	\$ 29,977,477	\$ 30,838,508	\$ 31,581,467
Other taxes and licenses	19,766,673	19,128,767	20,290,383	21,327,091	22,027,710	22,918,114	23,945,444	24,970,332	26,438,323	28,020,220
Unrestricted										
intergovernmental	304,553	237,490	237,129	148,006	138,398	154,237	162,807	160,144	169,703	158,588
Restricted										
intergovernmental	3,855,575	3,804,759	4,496,639	4,052,379	4,398,369	3,512,640	4,778,513	5,031,852	5,229,354	3,740,980
Permits and fees	1,246,366	1,537,842	2,005,998	1,996,886	2,428,470	2,190,793	2,452,641	3,034,476	2,673,065	2,759,125
Sales and services	652,366	612,201	617,213	803,419	781,993	841,435	621,183	838,834	880,906	1,065,032
Investment earnings	2,158,155	678,816	806,637	537,109	327,131	357,310	386,404	450,673	526,677	609,114
Miscellaneous	934,262	661,855	346,796	558,250	639,866	560,334	576,849	609,635	814,106	848,095
Total revenues	<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>	<u>67,570,642</u>	<u>68,782,621</u>
<b>Expenditures</b>										
General government	5,291,527	5,893,190	5,806,881	5,633,808	5,962,439	5,716,927	5,742,412	6,002,913	6,225,463	6,856,320
Public safety	19,217,793	16,399,211	16,316,596	17,674,735	20,942,919	18,209,467	19,047,590	20,913,322	20,428,915	22,241,240
Transportation	4,081,199	624,425	2,236,988	958,277	1,040,638	522,626	570,173	1,468,532	1,274,958	1,188,260
Environmental protection	384,871	1,858,626	598,363	1,408,739	3,150,732	2,021,474	823,289	366,153	469,344	525,278
Economic and physical development	6,131,755	6,830,706	6,271,605	10,086,060	8,207,098	7,808,460	6,604,716	7,211,632	8,247,024	7,224,954
Human services	4,385,682	4,108,356	4,100,337	4,312,266	4,236,116	4,416,362	4,513,935	4,690,256	5,003,830	3,995,831
Cultural and recreation	3,387,383	3,462,977	8,552,159	10,573,236	3,393,603	3,744,138	2,749,701	6,916,868	6,326,634	2,560,105
Education	16,974,635	10,330,209	10,098,107	11,461,403	15,859,070	10,782,180	11,099,664	11,078,398	11,223,471	11,377,025
Debt service										
Principal	2,739,907	2,856,949	2,931,769	2,975,701	3,363,205	3,651,980	2,296,344	1,569,561	1,573,088	1,576,671
Interest	492,453	449,982	456,783	359,601	364,671	290,717	196,377	133,147	106,219	79,098
Total expenditures	<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>	<u>60,878,946</u>	<u>57,624,782</u>
Excess of revenues over (under) expenditures	(8,005,789)	1,139,282	(1,461,361)	(8,254,500)	(7,789,513)	2,731,739	8,750,232	4,722,641	6,691,696	11,157,839
<b>Other Financing Sources (Uses)</b>										
Transfers in	18,415,835	8,427,744	10,949,771	13,216,026	11,303,731	9,360,360	11,469,373	13,097,461	10,688,217	13,816,062
Transfers out	(20,129,235)	(10,725,200)	(12,386,039)	(13,893,969)	(12,204,192)	(9,960,360)	(12,649,560)	(14,528,356)	(12,145,384)	(15,634,332)
Installment purchase proceeds	3,271,375	2,100,000	-	6,800,000	3,800,000	-	-	-	-	-
Total other financing sources (uses)	<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>	<u>\$ (1,457,167)</u>	<u>\$ (1,818,270)</u>
Net change in fund balances	\$ (6,447,814)	\$ 941,826	\$ (2,897,629)	\$ (2,132,443)	\$ (4,889,974)	\$ 2,131,739	\$ 7,570,045	\$ 3,291,746	\$ 5,234,529	\$ 9,339,569
Debt service as a percent of noncapital expenditures	6.93%	6.88%	7.11%	5.98%	6.56%	8.31%	5.67%	3.36%	3.28%	3.46%

**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 <sup>1</sup> as a Percentage of Actual Value
	Residential Property	Other	Motor Vehicles	Other					
2008	\$ 5,752,757,371	\$ 1,742,428,352	\$ 237,046,250	\$ 167,481,922	\$ 13,614,832	\$ 7,886,099,063	0.320	\$ 10,699,869,829	73.83%
2009	5,840,230,099	1,773,215,441	220,186,251	168,836,102	14,565,509	\$ 7,987,902,384	0.320	9,373,864,230	85.37%
2010	5,902,568,741	1,793,244,633	199,934,713	175,941,576	17,655,061	\$ 8,054,034,602	0.320	8,348,872,221	96.68%
2011	5,972,323,154	1,765,141,892	196,550,493	175,340,287	19,135,253	\$ 8,090,220,573	0.320	7,919,292,799	102.40%
2012	6,105,171,914	1,676,677,997	203,493,600	172,347,136	19,235,248	\$ 8,138,455,399	0.320	6,794,112,307	120.07%
2013	6,228,742,953	1,803,908,007	215,634,113	173,676,116	17,785,438	\$ 8,188,541,638	0.320	6,762,527,463	121.35%
2014	5,124,668,989	177,970,988	131,595,145	146,457,691	15,067,910	\$ 5,565,624,903	0.485	5,787,299,402	96.43%
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%
2017	5,349,880,661	317,836,732	288,355,417	155,371,089	17,784,951	\$ 6,111,443,899	0.480	6,532,966,159	93.82%
2018	5,431,504,500	327,292,239	281,322,292	206,447,219	104,102,044	\$ 6,246,566,250	0.480	6,940,621,086	91.50%

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.

<sup>1</sup> Includes tax-exempt property.

**Schedule 6**

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

	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>
<b>County Direct Rates</b>										
General	0.320	0.320	0.320	0.320	0.320	0.485	0.480	0.480	0.480	0.480
<b><u>Overlapping Rates</u><sup>1</sup></b>										
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
Ocean Sands North and Crown Point Watershed Improvement District	-	-	-	-	-	-	-	-	0.050	0.060
Whalehead Watershed Improvement District	0.040	0.040	0.040	0.090	0.090	0.155	0.155	0.155	0.155	0.155
Whalehead Beach Solid Waste Collection & Disposal Service District	-	-	-	0.015	0.015	0.025	0.025	0.025	0.025	0.020
Ocean Sands Water and Sewer District	-	-	-	-	-	0.050	0.050	0.050	0.050	0.110
Moyock Commons Sewer District	0.245	0.245	0.245	0.245	0.200	0.100	-	-	-	-

Source: County of Currituck Budget Ordinance

<sup>1</sup> 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 2018			Fiscal Year 2009		
		Assessed Value	Rank	Percentage of Total County Taxable Assessed Value	Assessed Value	Rank	Percentage of Total County Taxable Assessed Value
Summit Farms Solar LLC	Solar Energy	\$ 116,184,119	1	1.86%			
Dominion Power	Utility	83,619,877	2	1.34%	\$ 50,832,933	2	0.62%
Coastland Properties 1, LLC	Land Development	22,087,200	3	0.35%	56,361,000	1	0.69%
Harrison Inn Corolla LLC	Hotel	20,142,875	4	0.32%			
Coastland Corporation	Land Development	15,913,800	5	0.25%	39,123,784	3	0.48%
Pine Island Properties LLC	Land Development	13,687,600	6	0.22%			
SunEnergy1 LLC	Solar Energy	12,267,001	7	0.20%			
SRA/OBX LLC	Land Development	8,090,100	8	0.13%			
Golasa Holdings LLC	Land Development	7,742,762	9	0.12%			
Monteray Plaza LLC	Commercial Land Holder	7,738,505	10	0.12%			
Turnpike Properties	Land Development				27,485,411	4	0.34%
Pine Island Holdings	Land Development				21,900,242	5	0.27%
Corolla Bay LLC	Land Development				16,800,500	6	0.21%
Richardson, Ernest	Real Estate Investor				15,117,123	7	0.18%
Carolina Telephone	Utility				11,747,994	8	0.14%
Johnson, James E, Jr.	Real Estate Investor				10,608,449	9	0.13%
Tudor, John B	Real Estate Investor				10,101,929	10	0.12%
Total		<u>\$ 307,473,839</u>		<u>4.91%</u>	<u>\$ 260,079,365</u>		<u>3.18%</u>

Source: Currituck County Tax Department

**Schedule 8**

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

Fiscal Year	Taxes Levied for the Fiscal Year (Original Levy)			Collected within the Fiscal Year of the Levy			Total Collections to Date		
	Amount	Adjustments	Total Adjusted Levy	Amount	Percentage of Original Levy	Collections in Subsequent Years	Amount	Percentage of Adjusted Levy	
2009	\$ 26,235,228	\$ (54,233)	\$ 26,180,995	\$ 25,209,211	96.09%	\$ 966,162	\$ 26,175,373	99.97%	
2010	26,378,742	(43,524)	26,335,218	25,734,946	97.56%	587,621	26,322,567	99.95%	
2011	26,474,753	(53,133)	26,421,620	25,941,806	97.99%	474,808	26,416,614	99.97%	
2012	26,651,481	(43,461)	26,608,020	26,145,212	98.10%	453,255	26,598,467	99.96%	
2013	26,855,308	(79,691)	26,775,617	26,371,383	98.19%	391,708	26,763,091	99.94%	
2014	28,242,743	(80,639)	28,162,104	27,778,323	98.31%	366,291	28,144,614	99.91%	
2015	28,211,974	(38,219)	28,173,755	27,838,533	98.67%	313,209	28,151,742	99.87%	
2016	28,824,998	(10,825)	28,814,173	28,468,794	98.76%	289,935	28,758,729	99.65%	
2017	29,422,162	(61,541)	29,360,621	29,068,844	98.80%	192,850	29,261,694	99.01%	
2018	30,051,742	(37,991)	30,013,751	29,737,939	98.96%	-	29,737,939	99.08%	

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 <sup>a</sup>	Percentage of Actual Value <sup>b</sup> of Taxable Property	Bonded Debt Per Capita <sup>a</sup>	Total Debt Per Capita <sup>a</sup>
	General Obligation Bonds	Installment Purchase Contracts	General Obligation Bonds	Revenue Bonds	Installment Purchase Contracts					
2009	5,020,000	8,284,043	2,670,000	18,500,000	4,830,977	39,305,020	4.69%	0.49%	1,122	1,684
2010	4,145,000	8,402,094	2,395,000	18,025,000	3,821,469	36,788,563	4.15%	0.46%	1,038	1,554
2011	3,280,000	6,342,471	2,110,000	17,525,000	2,776,422	32,033,893	3.42%	0.40%	959	1,340
2012	2,425,000	11,021,610	1,805,000	17,015,000	10,775,000	43,041,610	4.60%	0.53%	884	1,791
2013	1,575,000	12,308,528	1,490,000	16,475,000	9,745,000	41,593,528	4.18%	0.51%	805	1,714
2014	730,000	9,501,548	1,160,000	15,915,000	8,715,000	36,021,548	3.62%	0.65%	717	1,450
2015	-	7,935,456	815,000	15,330,000	7,685,000	31,765,456	3.00%	0.54%	642	1,264
2016	-	6,365,896	540,000	14,635,000	6,655,000	28,195,896	2.55%	0.47%	591	1,099
2017	-	4,792,807	270,000	13,900,000	5,625,000	24,587,807	2.22%	0.40%	538	934
2018	-	3,216,137	-	13,125,000	11,845,000	28,186,137	2.55%	0.41%	498	1,070

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

<sup>a</sup>See Schedule 12 for personal income and population data.

<sup>b</sup>See Schedule 5 for property values.

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

	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Assessed Value of Property	\$ 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	\$ 6,111,443,899	\$ 6,273,432,500
Debt Limit, 8% of Assessed Value (Statutory Limitation)	654,131,175	657,813,890	660,208,975	664,944,175	655,083,331	445,249,992	469,125,132	479,679,717	488,915,512	501,874,600
Amount of Debt Applicable to Limit										
General Obligation Bonds	7,690,000	6,540,000	5,390,000	4,230,000	3,065,000	1,890,000	815,000	540,000	270,000	-
Revenue Bonds	18,500,000	18,025,000	17,525,000	17,015,000	16,475,000	15,915,000	15,330,000	14,635,000	13,900,000	13,125,000
Installment Purchase Agreements	13,115,021	12,230,653	9,118,893	21,796,610	22,053,528	18,216,548	15,620,456	13,020,896	10,417,807	15,061,136
Less: General Obligation Bonds paid from Enterprise Funds	(2,670,000)	(2,395,000)	(2,110,000)	(1,805,000)	(1,490,000)	(1,160,000)	(815,000)	(540,000)	(270,000)	-
Revenue Bonds from Enterprise Funds	(18,500,000)	(18,025,000)	(17,525,000)	(17,015,000)	(16,475,000)	(15,915,000)	(15,330,000)	(14,635,000)	(13,900,000)	(13,125,000)
Total net debt applicable to limit	18,135,021	16,375,653	12,398,893	24,221,610	23,628,528	18,946,548	15,620,456	13,020,896	10,417,807	15,061,136
Legal Debt Margin	<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>	<u>\$ 478,497,705</u>	<u>\$ 486,813,464</u>
Total net debt applicable to the limit as a percentage of debt limit	0.22%	0.20%	0.15%	0.29%	0.29%	0.34%	0.27%	0.22%	0.17%	0.24%

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

	6/30/09	6/30/10	6/30/11	6/30/12	6/30/13	6/30/14	6/30/15	6/30/16	6/30/17	6/30/18
<b>REVENUES</b>										
Water Sales	\$ 2,724,425	\$ 2,617,547	\$ 2,624,282	\$ 2,583,481	\$ 2,783,856	\$ 2,740,701	\$ 2,911,883	\$ 2,934,164	\$ 2,874,696	\$ 3,094,533
Water Impact Fees	336,500	183,500	361,916	199,000	291,013	405,200	595,091	624,723	601,276	1,268,600
	<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>	<u>\$ 3,475,972</u>	<u>\$ 4,363,133</u>
Reconnection Fees	\$ 48,530	\$ 47,540	\$ 50,050	\$ 57,685	\$ 55,350	\$ 52,375	\$ 50,355	\$ 56,047	\$ 58,700	\$ 77,375
Penalties	72,596	76,446	79,052	86,945	75,114	85,169	81,887	79,102	73,802	72,928
Sale of materials	24,595	2,684	16,246	14,245	60,099	15,860	30,038	13,960	18,971	15,718
Other	-	-	-	-	-	-	100	84,835	1,000	35,500
Investment Earnings	26,209	5,302	12,253	8,366	7,690	9,756	11,738	18,550	33,051	48,397
	<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>	<u>\$ 185,524</u>	<u>\$ 249,918</u>
<b>TOTAL REVENUES</b>	<b>\$ 3,232,855</b>	<b>\$ 2,933,019</b>	<b>\$ 3,143,799</b>	<b>\$ 2,949,722</b>	<b>\$ 3,273,122</b>	<b>\$ 3,309,061</b>	<b>\$ 3,681,092</b>	<b>\$ 3,811,381</b>	<b>\$ 3,661,496</b>	<b>\$ 4,613,051</b>
<b>EXPENSES</b>										
Personnel	\$ 627,810	\$ 610,789	\$ 665,592	\$ 657,654	\$ 647,997	\$ 630,832	\$ 718,799	\$ 694,687	\$ 499,112	\$ 751,759
Operations	805,505	673,669	639,345	616,171	786,119	636,330	693,061	712,469	984,253	650,208
Capital Outlay	50,677	114,542	-	35,130	168,605	80,010	228,944	272,506	189,552	189,402
<b>TOTAL EXPENSES, EXCLUDING DEBT</b>	<b>\$ 1,483,992</b>	<b>\$ 1,399,000</b>	<b>\$ 1,304,937</b>	<b>\$ 1,308,955</b>	<b>\$ 1,602,721</b>	<b>\$ 1,347,172</b>	<b>\$ 1,640,804</b>	<b>\$ 1,679,662</b>	<b>\$ 1,672,917</b>	<b>\$ 1,591,369</b>
<b>REVENUES AVAILABLE FOR DEBT</b>	<b>\$ 1,748,863</b>	<b>\$ 1,534,019</b>	<b>\$ 1,838,863</b>	<b>\$ 1,640,767</b>	<b>\$ 1,670,401</b>	<b>\$ 1,961,889</b>	<b>\$ 2,040,288</b>	<b>\$ 2,131,719</b>	<b>\$ 1,988,579</b>	<b>\$ 3,021,682</b>
2008 Water Revenue Bonds	500,000	475,000	500,000	510,000	540,000	560,000	585,000	695,000	735,000	775,000
Interest: 2008 Revenue Bonds	736,035	756,650	737,223	716,773	695,914	673,828	599,609	440,150	419,996	399,093
<b>TOTAL SENIOR DEBT</b>	<b>\$ 1,236,035</b>	<b>\$ 1,231,650</b>	<b>\$ 1,237,223</b>	<b>\$ 1,226,773</b>	<b>\$ 1,235,914</b>	<b>\$ 1,233,828</b>	<b>\$ 1,184,609</b>	<b>\$ 1,135,150</b>	<b>\$ 1,154,996</b>	<b>\$ 1,174,093</b>
2004 General Obligation Bond Refunding	\$ 265,000	\$ 275,000	\$ 285,000	\$ 305,000	\$ 315,000	\$ 330,000	\$ 345,000	\$ 275,000	\$ 270,000	\$ 270,000
Interest: 2004 General Obligation Bond Refunding	123,985	116,035	105,035	90,785	75,535	59,785	46,585	29,335	19,710	9,990
<b>TOTAL SUBORDINATE DEBT</b>	<b>\$ 388,985</b>	<b>\$ 391,035</b>	<b>\$ 390,035</b>	<b>\$ 395,785</b>	<b>\$ 390,535</b>	<b>\$ 389,785</b>	<b>\$ 391,585</b>	<b>\$ 304,335</b>	<b>\$ 289,710</b>	<b>\$ 279,990</b>
<b>MINIMUM 1.15 SENIOR DEBT COVERAGE</b>	<b>\$ 1,421,440</b>	<b>\$ 1,416,398</b>	<b>\$ 1,422,806</b>	<b>\$ 1,410,789</b>	<b>\$ 1,421,301</b>	<b>\$ 1,418,902</b>	<b>\$ 1,362,300</b>	<b>\$ 1,305,423</b>	<b>\$ 1,328,245</b>	<b>\$ 1,350,207</b>
<b>MINIMUM 1.00 SUBORDINATE DEBT COVERAGE</b>	<b>\$ 388,985</b>	<b>\$ 391,035</b>	<b>\$ 390,035</b>	<b>\$ 395,785</b>	<b>\$ 390,535</b>	<b>\$ 389,785</b>	<b>\$ 391,585</b>	<b>\$ 304,335</b>	<b>\$ 289,710</b>	<b>\$ 279,990</b>
<b>SENIOR DEBT SERVICE COVERAGE</b>	<b>1.41</b>	<b>1.25</b>	<b>1.49</b>	<b>1.34</b>	<b>1.35</b>	<b>1.59</b>	<b>1.72</b>	<b>1.88</b>	<b>1.72</b>	<b>2.57</b>
<b>SUBORDINATE DEBT SERVICE COVERAGE</b>	<b>1.32</b>	<b>0.77</b>	<b>1.54</b>	<b>1.05</b>	<b>1.11</b>	<b>1.87</b>	<b>2.19</b>	<b>3.27</b>	<b>2.88</b>	<b>6.60</b>
<b>TOTAL DEBT SERVICE COVERAGE</b>	<b>1.08</b>	<b>0.95</b>	<b>1.13</b>	<b>1.01</b>	<b>1.03</b>	<b>1.21</b>	<b>1.29</b>	<b>1.48</b>	<b>1.38</b>	<b>2.08</b>

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 <sup>a</sup>	Personal Income (thousands of dollars) <sup>a</sup>	Per Capita Personal Income <sup>a</sup>	Public School Enrollment <sup>b</sup>	Unemployment Rate <sup>c</sup>
2009	23,335	813,234	34,850	3,961	6.20%
2010	23,674	838,094	35,401	3,913	4.90%
2011	23,904	886,144	37,071	4,175	5.60%
2012	24,034	936,653	38,972	3,923	4.70%
2013	24,268	941,681	38,803	4,014	5.80%
2014	24,839	995,070	40,061	3,871	5.60%
2015	25,135	1,057,748	42,083	3,923	5.70%
2016	25,664	1,105,139	43,101	3,966	4.80%
2017	26,331	1,162,499	44,149	3,980	4.00%
2018	27,109	*	*	4,012	3.70%

\* Information not yet available

Sources:

<sup>a</sup> Bureau of Economic Analysis

<sup>b</sup> Currituck County Board of Education

<sup>c</sup> Bureau of Labor Statistics

**Schedule 13**

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

Function	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
General government	58.00	58.00	59.00	59.00	62.00	62.00	72.00	71.00	72.00	73.00
Public safety	189.92	189.92	189.92	189.92	188.92	192.92	192.67	199.57	202.62	231.62
Transportation	2.00	2.00	2.00	2.00	2.00	2.00	1.40	1.40	1.40	2.40
Environmental protection	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00
Community development	25.42	24.00	24.00	24.00	22.00	22.00	23.00	22.00	22.00	24.00
Cultural & recreation	16.85	19.10	19.10	19.10	19.60	19.60	19.48	20.71	20.71	20.71
Human services	42.75	42.75	42.75	42.75	41.75	41.75	41.75	43.75	44.75	44.75
Proprietary operations	22.00	23.00	23.00	26.00	28.00	28.00	25.00	25.00	25.00	27.00
	358.94	360.77	361.77	364.77	366.27	370.27	377.30	385.43	390.48	425.48

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

Source: Currituck County Budget

**Schedule 14**

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

<u>Employer</u>	<u>2018</u>		<u>2009</u>	
	<u>Employees<sup>a</sup></u>	<u>Rank</u>	<u>Employees<sup>a</sup></u>	<u>Rank</u>
Currituck County Board of Education	500-999	1	500-999	1
County of Currituck	250-499	2	250-499	2
Academi Training Center LLC	250-499	3	----	
OBX Waterpark Adventure LLC	250-499	4	----	
Food Lion LLC	100-249	5	100-249	5
Twiddy & Co. of Duck Inc.	100-249	6	50-99	9
Coastal Staffing	100-249	7	----	
Sentara Internal Medicine Physician	100-249	8	----	
Resort Realty	100-249	9	----	
Brindley Beach Vacations & Sales	100-249	10	----	
NC Department of Transportation			250-499	3
Presidential Airways			100-249	4
Sentara Health Care Center			100-249	6
Southland Trade Corp			50-99	7
Corolla Classic Vacations			100-249	8
Hardee's			50-99	10
<b>Total</b>	<u>1,850-3,990</u>		<u>1,550-3,290</u>	

<sup>a</sup> 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	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
<b>Governmental Activities:</b>											
<b>Public Safety</b>											
Law Enforcement <sup>1</sup>											
Deputies	59	63	63	63	63	63	63	63	63	63	65
Emergency Medical Services <sup>2</sup>											
Emergency Medical Technicians	71	71	72	72	72	73	76	76	76	76	51
Fire Services											
Fire Fighters	-	-	-	-	-	-	-	-	-	-	51
<b>Human Services<sup>3</sup></b>											
Number of Physicians	6	*	9	9	10	8	*	*	*	10	*
Population/physician ratio	4,218	*	2,616	2,622	2,650	3,105	*	*	*	2,711	*
<b>Education<sup>4</sup></b>											
Schools	8	10	10	10	10	10	10	10	10	10	10
Teachers	315	295	264	264	260	238	248	245	245	252	258
Student Enrollment	4,070	3,961	3,913	4,175	4,175	4,014	3,871	3,923	3,966	3,980	4,012
SAT Scores <sup>7</sup>	1,465	1,459	1,414	1,471	1,440	1,434	1,445	1,504	1,469	1,072	1,097
<b>Enterprise Activities:</b>											
<b>Newtown Road Sewer<sup>5</sup></b>											
Treatment capacity (MGD)	0.025	0.025	0.025	0.025	0.115	0.115	-	-	-	-	-
Annual engineering maximum plant capacity (millions of gallons)	0.025	0.025	0.025	0.025	0.115	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	N/A	N/A
Residential sewer customers	28	28	27	27	27	27	27	27	27	27	27
Commercial sewer customers	1	1	1	1	1	1	1	N/A	N/A	N/A	N/A
<b>Maple Commerce Park Sewer<sup>5</sup></b>											
Treatment capacity (MGD)	*	*	*	*	*	0.040	0.040	0.040	0.040	0.040	0.040
Annual engineering maximum plant capacity (millions of gallons)	*	*	*	*	*	0.040	0.040	0.040	0.040	0.040	0.040
Amount treated annually (millions of gallons)	*	*	*	*	*	1.880	1.880	1.540	2.220	2.220	2.181
Unused capacity (millions of gallons)	*	*	*	*	*	0.750	0.750	0.075	0.074	0.074	0.034
Percentage of capacity utilized	*	*	*	*	*	6.00%	6.00%	5.20%	8.00%	8.00%	14.94%
Number of residential customers	*	*	*	*	*	-	-	-	-	-	-
Number of commercial customers	*	*	*	*	*	7	8	8	8	8	8

continued



Function	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
<b>Moyock Commons Sewer<sup>5</sup></b>											
Treatment capacity (MGD)	0.040	0.040	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)	0.040	0.040	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	N/A	N/A
Number of residential customers	-	-	-	-	-	-	-	-	-	-	-
Number of commercial customers	21	23	23	25	25	25	23	N/A	N/A	N/A	N/A
<b>Moyock Regional Sewer<sup>5</sup></b>											
Treatment capacity (MGD)	*	*	*	*	*	0	0.099	0.099	0.099	0.099	0.099
Annual engineering maximum											
plant capacity (millions of gallons)	*	*	*	*	*	0	0.099	0.099	0.099	0.099	0.099
Amount treated annually											
(millions of gallons)	*	*	*	*	*	*	4.790	4.267	8.460	8.460	12.939
Unused capacity (millions of gallons)	*	*	*	*	*	*	0.086	0.087	0.076	0.076	0.064
Percentage of capacity utilized	*	*	*	*	*	*	13.00%	12.00%	23.00%	23.00%	36.81%
Number of residential customers	*	*	*	*	*	*	-	25	27	27	27
Number of commercial customers	*	*	*	*	*	*	8	32	24	24	24
<b>Walnut Island Sewer<sup>5</sup></b>											
Treatment capacity (MGD)	*	*	*	*	0	0.120	0.120	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	0.120	0.120
Amount treated annually											
(millions of gallons)	*	*	*	*	6.49	4.94	4.84	2.73	4.56	4.56	5.82
Unused capacity (millions of gallons)	*	*	*	*	0	0.098	0.106	0.112	0.104	0.104	0.104
Percentage of capacity utilized	*	*	*	*	0	18.00%	11.00%	6.00%	11.00%	11.00%	13.29%
Number of residential customers	*	*	*	*	257	253	264	258	253	253	253
Number of commercial customers	*	*	*	*	-	-	-	-	-	-	-
<b>Southern Outer Banks Water<sup>5</sup></b>											
Average daily usage (in 1,000 gallons)	615	333	437	555	668	623	595	672	936	936	1,113
Water storage capacity (MGD)			2	1.500	4.200	4.200	4.200	4.200	4.200	4.200	3,696.000
Number of water pumping stations			1	1	5	5	5	5	5	5	2
Number of residential customers	1,179	1,179	1,183	1,217	3,764	2,905	2,758	2,805	2,825	2,825	3,084
Number of commercial customers	2	20	22	23	200	197	202	179	200	200	261
<b>Ocean Sands Water and Sewer<sup>5</sup></b>											
Average daily water usage (in 1,000 gallons)	180	171	190	189	166	166	161	153	162	162	148
Water storage capacity (MGD)	0.150	0.150	0.150	0.150	0.150	0.150	0.150	0.150	0.150	0.150	0.150
Sewer treatment capacity (MGD)	0.600	0.600	0.600	0.600	0.600	0.600	0.600	0.600	0.600	0.600	0.500
Annual engineering maximum											
sewer plant capacity (millions of gallons)	0.600	0.600	0.600	0.600	0.600	0.600	0.600	0.600	0.600	0.600	0.500
Amount sewer treated annually											
(millions of gallons)	*	*	57	59	61	61	59	63	68	68	53
Unused sewer capacity (millions of gallons)	*	*	0	0.100	0.433	0.433	0.438	0.428	0.413	0.413	0.355
Percentage of sewer capacity utilized	*	*	1	83.33%	27.85%	27.85%	27.00%	28.60%	31.00%	31.00%	70.96%
Number of residential water customers	954	955	954	957	959	975	978	994	993	993	1,014
Number of commercial water customers	-	8	8	8	8	8	8	8	8	8	8
Number of residential sewer customers	954	955	954	957	959	975	978	994	993	993	1,014
Number of commercial sewer customers	-	8	8	8	8	8	8	8	8	8	8

continued

Function	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
<b>Mainland Water<sup>5</sup></b>											
Water storage capacity (MGD)	*	*	4	3,600	3,600	3,600	3,600	3,600	3,600	3,600	3,600
Residential water customers	4,559	4,594	4,686	4,686	4,856	4,856	5,165	5,253	5,423	5,423	7,482
Commercial water customers	397	374	385	385	394	394	417	394	417	417	501
<b>Solid Waste<sup>6</sup></b>											
Total number of households served	14,176	14,192	14,192	14,362	14,469	14,516	14,624	14,814	15,221	15,455	15,640
Total tonnage disposed	26,300	26,977	24,602	22,536	22,531	24,576	20,013	22,231	21,478	22,752	25,494
Recycling Program:											
Households served by program	14,176	14,192	14,192	14,362	14,469	14,516	14,624	14,814	15,221	15,455	15,640
Tonnage recovered	1,713	1,725	1,849	2,186	2,869	2,540	3,368	2,778	2,914	3,014	2,782
Mulching/composting program											
Households served by program	10,462	10,477	10,477	14,362	14,469	14,516	14,624	14,814	15,221	15,455	15,640
Tonnage recovered	1,023	1,055	1,335	1,405	2,869	1,206	870	1,076	1,011	1,888	1,154
Total cost of solid waste program	\$ 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	\$ 4,187,336	\$ 4,672,364
Cost per household	\$ 337	\$ 344	\$ 378	\$ 261	\$ 270	\$ 274	\$ 259	\$ 256	\$ 245	\$ 271	\$ 299
Cost per ton - includes recycling & mulch/compost	\$ 121	\$ 121	\$ 143	\$ 143	\$ 138	\$ 140	\$ 156	\$ 149	\$ 174	\$ 164	\$ 147

Sources:

<sup>1</sup>Currituck County Sheriff's Department

<sup>2</sup>Currituck County Emergency Medical Services Department

<sup>3</sup>NC Department of Commerce

<sup>4</sup>Currituck County Schools

<sup>5</sup>Currituck County Utilities Department

<sup>6</sup>Currituck County Public Works Department

<sup>7</sup>The SAT test has been revised and is not comparable to prior years beginning June 30, 2017 reporting. Graduating seniors that did not take the new test are not reported.

\*Data not available

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

Function	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Governmental Activities:											
General Government											
Buildings <sup>3</sup>	57	58	61	61	61	61	65	65	65	66	66
Public Safety											
Law Enforcement <sup>1</sup>											
Stations	1	1	1	1	1	1	1	1	1	1	1
Satellite Stations	3	3	3	3	3	3	3	3	3	3	3
Emergency Medical Services <sup>2</sup>											
Stations	11	11	11	11	11	11	11	11	11	11	11
Cultural and Recreation											
Libraries	2	2	3	3	3	3	3	3	3	3	3
Parks	2	3	3	3	3	3	3	3	3	3	3
Community Recreation Facility	-	-	-	-	1	1	1	1	1	1	1
Enterprise Activities:											
Newtown Road Sewer <sup>4</sup>											
Miles of sewer lines	1	1	1	1	1	1	1	1	-	-	-
Number of treatment plants	1	1	1	1	1	1	1	1	-	-	-
Maple Commerce Park Sewer <sup>4</sup>											
Miles of sewer lines	*	*	*	*	1	1.4	1.4	1.4	1.4	1.4	1.4
Number of treatment plants	*	*	*	*	1	1	1	1	1	1	1
Moyock Commons Sewer <sup>4</sup>											
Miles of sewer lines	1	1	1	4	8	6.9	6.9	6.9	-	-	-
Number of treatment plants	1	1	1	1	1	1	1	1	1	-	-
Moyock Regional Sewer <sup>4</sup>											
Miles of sewer lines	*	*	*	*	*	1	1.2	1.2	5.9	5.9	5.9
Number of treatment plants	*	*	*	*	*	1	1	1	1	1	1

*continued*

Function	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Walnut Island Sewer <sup>4</sup>											
Miles of sewer lines	*	*	*	2	4	3.6	3.6	3.6	5.2	5.2	5.2
Number of treatment plants	*	*	*	2	1	1	1	1	1	1	1
Southern Outer Banks Water <sup>4</sup>											
Miles of water lines	27.07	27.07	27.57	41.75	75.00	75.00	75.00	75.00	75.00	75.00	75.00
Number of water wells	47	47	47	28	113	113	113	113	113	113	113
Ocean Sands Water and Sewer <sup>4</sup>											
Miles of water lines	11.09	11.09	11.09	11.09	11.09	11.09	11.09	11.09	11.09	11.09	11.09
Miles of sewer lines	12.40	12.40	12.40	12.40	12.40	12.40	12.40	12.40	12.40	12.40	12.40
Number of sewer treatment plants	1	1	1	1	1	1	1	1	1	1	1
Mainland Water <sup>4</sup>											
Miles of water lines	*	*	261	261	261	262	262	262	263	263	263
Number of water wells	*	*	31	31	31	31	31	31	31	31	31
Number of water pumping stations	*	*	7	7	7	7	7	7	7	7	7

Sources:

<sup>1</sup>Currituck County Sheriff's Department

<sup>2</sup>Currituck County Emergency Medical Services Department

<sup>3</sup>Currituck County Public Works Department

<sup>4</sup>Currituck County Utilities Department

\*Data not available



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**Independent Auditors' Report On Internal Control Over Financial Reporting And On Compliance and Other Matters Based On An Audit Of Financial Statements Performed In Accordance With *Government Auditing Standards***

To the Board of County Commissioners  
Currituck County, North Carolina

We have audited, 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 unit, 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, 2018, 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 January 31, 2019. Our report includes a reference to other auditors who audited the financial statements of the Currituck County ABC Board 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 was 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 the 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. We did identify certain

deficiencies in internal control, described in the accompanying schedule of Findings and Questioned costs that we consider to be significant deficiencies. [2018-001]

#### 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*.

#### Currituck County's Response to Findings

Currituck County's response to the findings identified in our audit are described in the accompanying schedule of findings and questioned costs. The County's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

#### 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.

*Carly Riggs & Ingram, L.L.C.*

New Bern, NC  
January 31, 2019



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## **Independent Auditors' 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**

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, 2018. The County of Currituck's major federal programs are identified in the summary of Auditors' results section of the accompanying schedule of findings and questioned costs.

### **Management's Responsibility**

Management is responsible for compliance with the Federal and State statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

### **Auditors' 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, 2018.

## **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.

*Carly Riggs & Ingram, L.L.C.*

New Bern, NC  
January 31, 2019





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## **Independent Auditors' 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**

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, 2018. The County of Currituck's major state programs are identified in the summary of Auditors' results section of the accompanying schedule of findings and questioned costs.

### **Management's Responsibility**

Management is responsible for compliance with State statutes, regulations, and the terms and conditions of its state awards applicable to its state programs.

### **Auditors' 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, 2018.

### **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.

*Carly Riggs & Ingram, L.L.C.*

New Bern, NC  
January 31, 2019

**CURRITUCK COUNTY, NORTH CAROLINA**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
For the Fiscal Year Ended June 30, 2018

**Section I                      Summary of Auditors' Results**

Financial Statements

Type of Auditors' 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 Auditors' 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 (Medicaid Cluster)
20.106	Airport Improvement Program
93.575	Child Care Development Fund Cluster
93.596	Child Care Development Fund Cluster

Dollar threshold used to distinguish between Type A and Type B Programs \$750,000

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 Auditors' 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

DOT-8 Parallel Taxiway

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**Section II                      Financial Statement Findings**

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Significant Deficiency

2018-001 Incorrect billing rates

Criteria – The County is authorized to bill revenues at a rate approved by the board.

Condition – The County used incorrect billing rates for three sewer billing codes during the fiscal year.

Effect – The County overbilled a small number of customers during the fiscal year.

Cause – County personnel did not timely update the billing rates when the sewer systems were merged into the Mainland Central Sewer System.

Recommendation – County personnel should review all utility billing rates to ensure proper rates are used for billing.

Views of responsible officials – The County agrees with this finding.

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**Section III                      Federal Award Findings and Questioned Costs**

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None Reported

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**Section IV                      State Award Findings and Questioned Costs**

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None Reported

**CURRITUCK COUNTY, NORTH CAROLINA  
CORRECTIVE ACTION PLAN**  
For the Fiscal Year Ended June 30, 2018

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**Section V                      Financial Statement Findings**

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*2018-001 Improper billing rates*

Name of contact person – Sandra Hill, Finance Director

Corrective Action – All billing rates will be reviewed to ensure proper rates are used. Adjustments for overcharges will be applied to customer accounts. Refunds will be issued to customers that have a credit balance resulting from this error upon request.

Proposed Completion Date – Immediately.

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**Section VI                      Federal Award Findings and Questioned Costs**

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None Reported

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**Section VII                      State Award Findings and Questioned Costs**

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None Reported

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**COUNTY OF CURRITUCK**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS**  
For the Fiscal Year Ending June 30, 2018

GRANTOR, PASS THROUGH GRANTOR PROGRAM TITLE	CFDA	AMOUNT EXPENDED		COUNTY
		FEDERAL	STATE	
<b>FEDERAL AWARDS -</b>				
<b>U.S. Department of Agriculture</b>				
North Carolina Department of Health Human Resources: Division of Social Services				
SNAP Cluster:				
State Administrative Matching Grants for the Supplemental Nutrition Assistance Program Cluster	10.561	\$ 188,749	\$ -	\$ -
<b>Total U.S. Department of Agriculture</b>		<u>188,749</u>	<u>-</u>	<u>-</u>
<b>U.S. Department of Transportation</b>				
Passed through NC Department of Transportation				
Airport Improvement Program	20.106	295,693	-	-
<b>Total U.S. Department of Transportation</b>		<u>295,693</u>	<u>-</u>	<u>-</u>
<b>U.S. Department of Health and Human Services</b>				
North Carolina Department of Health and Human Services				
Division of Social Services:				
Temporary Assistance for Needy Families Cluster:				
Temporary Assistance for Needy Families	93.558	3,297	-	-
Temporary Assistance for Needy Families Cluster	93.558	250,022	-	-
<b>Total TANF</b>		<u>253,319</u>	<u>-</u>	<u>-</u>
Low Income Home Energy Assistance				
Administration	93.568	113,303	-	-
<b>Total Low Income Home Energy Assistance</b>		<u>113,303</u>	<u>-</u>	<u>-</u>
Promoting Safe and Stable Families	93.556	17,202	-	-
Stephanie Tubbs Jones Child Welfare Services Program	93.645	13,461	-	-
Social Services Block Grant	93.667	66,247	-	-
John F. Chafee Foster Care Program for Successful Transition to Adulthood	93.674	3,834	959	-
Child Support Enforcement	93.563	133,717	-	-
Foster Care and Adoption				
Title IV-E Foster Care - Administration	93.658	121,556	17,829	-
Adoption Assistance - Administration	93.659	3,277	-	-
<b>Total Foster Care and Adoption Cluster</b>		<u>124,833</u>	<u>17,829</u>	<u>-</u>
Division of Child Development:				
<b>Child Care Development Fund Cluster:</b>				
Division of Social Services				
Child Care Development Fund - Administration	93.596	79,558	-	-
Division of Child Development:				
Child Care and Development Block Grant	93.575	30,716	-	-
Child Care Mandatory and Matching Funds of the Child Care and Development Fund	93.596	4,047	-	-
<b>Total Child Care Development Fund Cluster</b>		<u>114,321</u>	<u>-</u>	<u>-</u>
State Appropriations		-	5,571	-
Total Subsidized Child Care		<u>114,321</u>	<u>5,571</u>	<u>-</u>
Centers for Medicare and Medicaid Services:				
Passed-through NC Department of Health and Human Services, Division of Medical Assistance:				
Medicaid Cluster:				
Medical Assistance Program	93.778	608,286	900	-
Total Medicaid Cluster		<u>608,286</u>	<u>900</u>	<u>-</u>
State Childrens Health Insurance Program - NC Health Choice	93.767	20,932	7	-
<b>Total U.S. Department of Health and Human Services</b>		<u>1,469,455</u>	<u>25,266</u>	<u>-</u>

continued

GRANTOR, PASS THROUGH GRANTOR PROGRAM TITLE	CFDA	AMOUNT EXPENDED		COUNTY
		FEDERAL	STATE	
<b>U.S. Department of Homeland Security</b>				
Passed through NC Department of Public Safety				
Emergency Management	97.042	39,942	-	-
Homeland Security	97.067	91,637	-	-
Public Assistance	97.036	26,304	-	-
<b>Total U.S. Department of Homeland Security</b>		<u>157,883</u>	<u>-</u>	<u>-</u>
<b>TOTAL FEDERAL AWARDS</b>		<u>2,111,780</u>	<u>25,266</u>	<u>-</u>
<b>STATE AWARDS -</b>				
<b>North Carolina Department of Health and Human Services</b>				
Division of Social Services: State Child Welfare		-	9,918	-
<b>Total North Carolina Department of Health and Human Services</b>		<u>-</u>	<u>9,918</u>	<u>-</u>
<b>NC Department of Public Safety</b>				
Juvenile Crime Prevention Programs		-	81,555	
<b>Total North Carolina Department of Public Safety</b>		<u>-</u>	<u>81,555</u>	<u>-</u>
<b>North Carolina Department of Transportation</b>				
Public Transportation Division:  DOT-8 Parallel Taxiway		-	457,604	-
<b>Total North Carolina Department of Transportation</b>		<u>-</u>	<u>457,604</u>	<u>-</u>
<b>North Carolina Department of Environmental Quality</b>				
Lottery Fund		-	244,357	
		<u>-</u>	<u>244,357</u>	<u>-</u>
<b>TOTAL STATE AWARDS</b>		<u>-</u>	<u>793,434</u>	<u>-</u>
<b>TOTAL FEDERAL AND STATE AWARDS</b>		<u>\$ 2,111,780</u>	<u>\$ 818,700</u>	<u>\$ -</u>

The County did not provide federal funds to subrecipients for the fiscal year ended June 30, 2018.

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, 2018. 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.

Note 3: Cluster of Programs

Federal programs with different Catalog of Federal Domestic Assistance (CFDA) numbers that are closely related because they share common compliance requirements are defined as a cluster by the Uniform Guidance. The following clusters are separately identified in the SEFSA, Medicaid Cluster, Supplemental Nutrition Assistance Program (SNAP) Cluster, Temporary Assistance for Needy Families (TANF) Cluster, and Child Care Development Fund (CCDF) Cluster. 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.

continued



Note 4: Federal Pass-Through Funds

The County is also the sub-recipient of federal funds that have been subjected to testing and are reported as expenditures and listed as federal pass-through funds. Federal awards other than those indicated as pass-through are considered to be direct.

Note 5: Contingencies

Grant monies received and disbursed by the County are for specific purposes and are subject to review by the grantor agencies. Such audits may result in requests for reimbursement due to disallowed expenditures. Based upon experience, the County does not believe that such disallowance, if any, would have a material effect on the financial position of the County.

Note 6: Noncash Assistance

The County did not receive any federal noncash assistance for the fiscal year ended June 30, 2018.

Note 7: Indirect Cost Rate

The County has elected not to use the 10% de Minimis indirect cost rate.

Note 8: Loans and Loan Guarantees

The County did not have any loans or loan guarantee programs required to be reported on the SEFSA.

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