

COMPREHENSIVE ANNUAL FINANCIAL REPORT

For the Fiscal Year Ended June 30, 2012



County of Currituck, North Carolina

Prepared by the Currituck County Finance Department

County of Currituck, North Carolina
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BOARD OF COMMISSIONERS

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

COUNTY OF CURRITUCK

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

Daniel F. Scanlon II
County Manager
Donald Ike McRee
County Attorney
Gwen H. Keene, CMC
Clerk to the Board

December 7, 2012

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, 2012. The financial statements and supplemental schedules contained herein have been audited by the independent, certified public accounting firm of Pittard, Perry, and Crone Inc., and that firm's unqualified opinion is included in the Financial Section of this report. The report itself, however, is presented by the County, which is responsible for the accuracy of the data and for the completeness and fairness of its presentation including all disclosures. We believe the data presented is accurate in all material respects; that it is presented in a manner designed to set forth fairly the financial position and results of operations of the County as measured by the financial activity of its various funds; and that all disclosures necessary to enable the reader to gain the maximum understanding of the County's financial affairs have been included.

This report consists of management's representations concerning the finances of Currituck County. To provide a reasonable basis for making these representations, management of Currituck County has established a comprehensive internal control framework that is designed both to protect the government's assets from loss, theft, or misuse and to compile sufficient reliable information for the preparation of Currituck County's financial statements in conformity with GAAP. Because the cost of internal controls should not outweigh their benefits, Currituck County's comprehensive framework of internal controls has been designed to provide reasonable rather than absolute assurance that the financial statements will be free from material misstatement. As management, we assert that, to the best of our knowledge and belief, this financial report is complete and reliable in all material respects.

Generally accepted accounting principles (GAAP) require that management provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of Management's Discussion and Analysis (MD&A). This letter of transmittal is designed to complement the MD&A and should be read in conjunction with it. The County of Currituck's MD&A can be found immediately following the report of the independent auditors.

DESCRIPTION OF THE COUNTY

Founded in 1668, Currituck (Indian for “land of the wild goose”) is the most northeastern county in North Carolina. Currituck County is one of the state’s four original. In addition to the more than 22 miles of beaches along the Atlantic Ocean, the County has numerous sounds, rivers, and creeks that provide some of the most memorable game fishing, waterfowl hunting, and other recreational activities that can be experienced. The County has a permanent population of approximately 23,644; although, the strong tourism industry produces a large seasonal population that results in an average daily population from mid-April through September estimated to be approximately 45,000 to 55,000. There are no incorporated areas located within Currituck County.

The County has a Commissioner-Manager form of government. The Board of Commissioners consists of seven members that serve staggered four-year terms. Members are elected County-wide on a partisan basis in even numbered years. The Commissioners hold policy-making and legislative authority. They also annually adopt a balanced budget and establish a tax rate for the support of County operations. The Commissioners appoint the county manager whose responsibility it is to implement policies, manage daily operations, and appoint department heads.

The County provides its citizens with a wide range of services that include public safety, transportation, environmental protection, economic and physical development, human services, cultural and recreational services, and others. This report includes all the County’s activities in maintaining these services. The County also extends financial support to certain boards, agencies, and commissions to assist their efforts in serving citizens. Among these are the Currituck County Board of Education, Albemarle Regional Health Services, Albemarle Commission, Albemarle Regional Solid Waste Authority, East Albemarle Regional Library and others.

ECONOMIC CONDITIONS AND OUTLOOK

Currituck County’s leading “industry” is travel and tourism and related services. The Currituck Outer Banks is a major destination for tourists and more vacationers are visiting the Outer Banks during the non-peak months of March through May and September through November. The longer tourist season is stabilizing rental income and other economic benefits to local businesses. Although construction has slowed significantly, development continues throughout the County.

Currituck County is in the Hampton Roads Metropolitan Statistical Area (MSA). Currituck, located within sixteen miles of Interstate 64 and the Chesapeake Expressway, makes the county convenient to the Norfolk International Airport and to the deepwater ports in Hampton Roads. This favorable location continues to attract residents and the population has increased 20.30 percent from 2003 to 2012.

Not surprisingly, the largest industries in Currituck County are intimately related to Travel and Tourism: Retail trade, construction, real estate and accommodation/services. The largest employers in Currituck County are Currituck County Board of Education and Currituck County Government, followed by air transport, grocery store, health care service, several real estate brokerage firms, a bank and a restaurant.

During the past year, the ad valorem tax base grew from \$8,252,612,186 to \$8,311,802,189 an average increase of 0.72 percent. The octennial revaluation as required by the North Carolina General Statutes became effective on January 1, 2006. Market values of both commercial and residential property throughout the county increased in values. The county-wide tax rate for the fiscal year ending June 30, 2012 was \$0.32 per \$100, which is favorable for new residents and businesses.

Currituck County continues its commitment to expand the Parks and Recreation facilities within the County. Construction is in process on a multi-use path in Corolla and athletic fields at the Maple Commerce Park.

To summarize, the County's very favorable tax rate, mild climate, location, improving regional transportation systems and overall quality of life ensure that its economic outlook is bright.

MAJOR INITIATIVES

During the year the County was involved in a number of major projects, some of which will not be completed until future years. Highlights of these projects are discussed in the following paragraphs.

The Board of Commissioners and the Currituck County Board of Education continue their joint commitment of providing adequate school facilities. Both of the above boards are working together to meet the needs to maintain quality education for the children of our County. Although there are no major public school capital projects at this time, the County continues to contribute to reserve funding for future education capital needs as well as maintain the existing schools. The primary focus has been on maintenance to the existing facilities, which included replacing the HVAC systems and adding bus canopies to several facilities. Redesigning the entrance and road connections to Central Elementary School and upgrades to the tennis courts at the High School are also in progress for the upcoming year. (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. The multi-use path along Highway 12 in Corolla is near completion; continued renovations continue at the Rural Life Center on Spot Road; Phase III of a stormwater drainage project is in the design phase for the Whalehead subdivision; the YMCA/Community building in Maple has been completed and design and construction of athletic fields is in the upcoming budget; roads and infrastructure are in process for the Maple Commerce Park; construction is in process for a central sewer system in Moyock; design is in process for an animal shelter and an aviation training and technical center which will be a part of the College of the Albemarle is under construction and classes are expected to begin in the fall of 2013.

Factors Affecting Financial Condition

In government, much more than in business, the budget is an integral part of a unit's accounting system and daily operations. An annual or projected budget ordinance, as amended by the governing body, creates a legal limit on spending authorizations. For Currituck County, annual budgets are adopted for the General, Special Revenue (except the Multi-Year Grant Fund), Tourism Development Authority Fund, Capital Projects (except the County Governmental Facilities Fund and the School Facilities Fund) and Enterprise Operating Funds. Multi-year project budgets are adopted for the Multi-Year Grant Fund, the County Governmental Facilities Fund, the School Facilities Fund, the Southern Outer Banks Water Construction Fund, and the Moyock Central Sewer Construction Fund. Appropriations in the General Fund and the Special Revenue Funds are made at the departmental level; Capital Projects appropriations are made at the project level; and Enterprise Fund appropriations are made at the function level. However, for internal accounting purposes, budgetary control is generally maintained by object class (line item account). Purchase orders that would create an over encumbrance at that level are not written until appropriations are made available either through budget amendments or intradepartmental transfers approved by the county manager. The county manager may transfer amounts within a department up to \$10,000 or between departments within the same fund up to \$1,000 providing an official report on such transfers at the next regular meeting of the Board of Commissioners, or make interfund loans for a period of not more than sixty days. However, the county manager may not transfer any amounts between funds or from any contingency line items within any funds.

In accordance with State law, the County's budget is prepared on the modified accrual basis, and its accounting records also are maintained on that basis. Under modified accrual accounting, revenues are recorded when they are both measurable and available. Expenditures are recorded when a fund liability is incurred, except for unmatured principal and interest on long-term debt and certain compensated absences. Governmental Fund types, such as the County's General Fund, Special Revenue Funds, Capital Projects Fund, and Agency Funds are reported on the modified accrual basis in the financial statements. The County's Enterprise and the Pension

Trust Fund are reported on the full accrual basis in the financial statements, under which revenues are recorded when earned and expenses are recorded when incurred.

County management is responsible for the accounting system and for establishing and maintaining an internal control structure. The internal control structure is designed to provide reasonable, but not absolute, assurance regarding (1) the safeguarding of assets against loss from unauthorized use or disposition; (2) the reliability of financial records for preparing financial statements in conformity with generally accepted accounting principles and maintaining accountability for assets; and (3) compliance with applicable laws and regulations related to federal and State financial assistance programs. The concept of reasonable assurance recognizes that (1) the cost of a control should not exceed the benefits likely to be derived and (2) the evaluation of costs and benefits require estimates and judgments by management.

All internal control evaluations occur within the above framework. We believe that the County's internal accounting controls adequately protect assets and provide reasonable assurance of the proper recording of financial transactions. As part of the County's single audit (discussed in more detail in a later paragraph), the independent auditor performed a review of the County's internal control structure. This review was not an audit and no opinion was issued on the County's internal control structure; however, the procedures performed by the independent auditor did not indicate any material internal control weaknesses or reportable conditions.

Local Economy. Currituck County enjoys a favorable economic environment due the tourism industry. The County recognizes the importance of tourism to our economy and in an effort to assist potential visitors to have more access to information on the area, the County established a Visitor's Center in Corolla and a Welcome Center, located on the North Carolina and Virginia state lines. In addition to tourism, the County is also focusing on Economic Development with the addition of a central sewer in Moyock and a commerce park and aviation and technical training center in Maple.

Long-term Financial Planning. The governing board has developed a long-term construction plan for both County governmental facilities and education facilities, which are funded by the County even though they are assets of the school. The County has committed to construct an Aviation Technical and Training Facility in cooperation with the College of the Albemarle. The County is also expanding the sewer capacity in the Moyock area and infrastructure at the airport. In addition, within the next ten years, the County anticipates continued demands for additional recreational, emergency response facilities, utility expansion and schools.

Cash management policies and practices. Cash temporarily idle during the year was invested in certificates of deposit, obligations of the U. S. Treasury, commercial paper and the North Carolina Cash Management Trust. The maturities range from 1 month to 3.83 years, with an average maturity of 1,216 days for U. S. Treasury obligations and 135 days for commercial paper. The average yield on investments was 1.00% for federal agency funds, 1.10% for certificates of deposit and 0.938% for commercial paper.

Risk management. The County participates in the North Carolina Association of County Commissioners (NCACC) property and general liability, worker's compensation. The pools provide coverage for property, general liability, vehicle, crime, professional liability, environmental impairment, and worker's compensation benefits. The County contracts with CIGNA to provide health insurance benefits to full-time employees. The County also maintains flood insurance on structures located in flood prone areas. As of June 30, 2012 the Whalehead Club, the Moyock Library and the Shawboro Elementary School were covered by flood insurance.

OTHER INFORMATION

Currituck County is required by State law (G.S. 159-34) to have an annual independent financial audit. A compliance audit on federal and State financial assistance programs is also required under the federal Single Audit Act of 1984 and the State Single Audit Implementation Act. The County's auditors, Pittard, Perry and Crone Inc., were selected through a formal request for proposals process. The auditor's report on the General Purpose Financial Statements is included in the Financial Section of this report. The auditors' reports required as a part of the single audit are found in the Compliance Section of this report. The findings and questioned

costs reported in the Compliance Section are subject to a subsequent review by the appropriate grantor agencies. This review could result in reimbursements to grantor agencies if some expenditures are deemed inappropriate. However, every effort has been made to insure that all disbursements are made in compliance with the applicable financial assistance program provisions. Required refunds, if any, should be immaterial.

This is the twelfth Comprehensive Annual Financial Report prepared by Currituck County. It is the County's intention to submit this year's report to the Government Finance Officers Association (GFOA) for its Certificate of Achievement for Excellence in Financial Reporting Program. This program recognizes governmental units that publish easily read and efficiently organized Comprehensive Annual Financial Reports that confirm to program standards. A Certificate of Achievement is the highest form of recognition awarded in the field of governmental financial reporting.

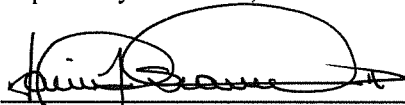
AWARDS AND ACKNOWLEDGEMENTS

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the County of Currituck for its comprehensive annual financial report for the fiscal year ended June 30, 2012. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized comprehensive annual financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

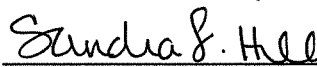
A Certificate of Achievement is valid for a period of one year only. We believe that our current comprehensive annual financial report continues to meet the Certificate of Achievement Program's requirements and we are submitting it to the GFOA to determine its eligibility for another certificate.

Preparation of this report would not have been possible without the dedicated efforts of the entire staff of the Finance Department and support from the Administrative, Human Resources and Tax Departments. Credit must also be given to the governing board for their support for maintaining the highest standards of professionalism in the management of the Currituck County finances.

Respectfully submitted,



Daniel F. Scanlon II
County Manager



Sandra L. Hill
Finance Director

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, 2011

A Certificate of Achievement for Excellence in Financial Reporting is presented by the Government Finance Officers Association of the United States and Canada to government units and public employee retirement systems whose comprehensive annual financial reports (CAFRs) achieve the highest standards in government accounting and financial reporting.

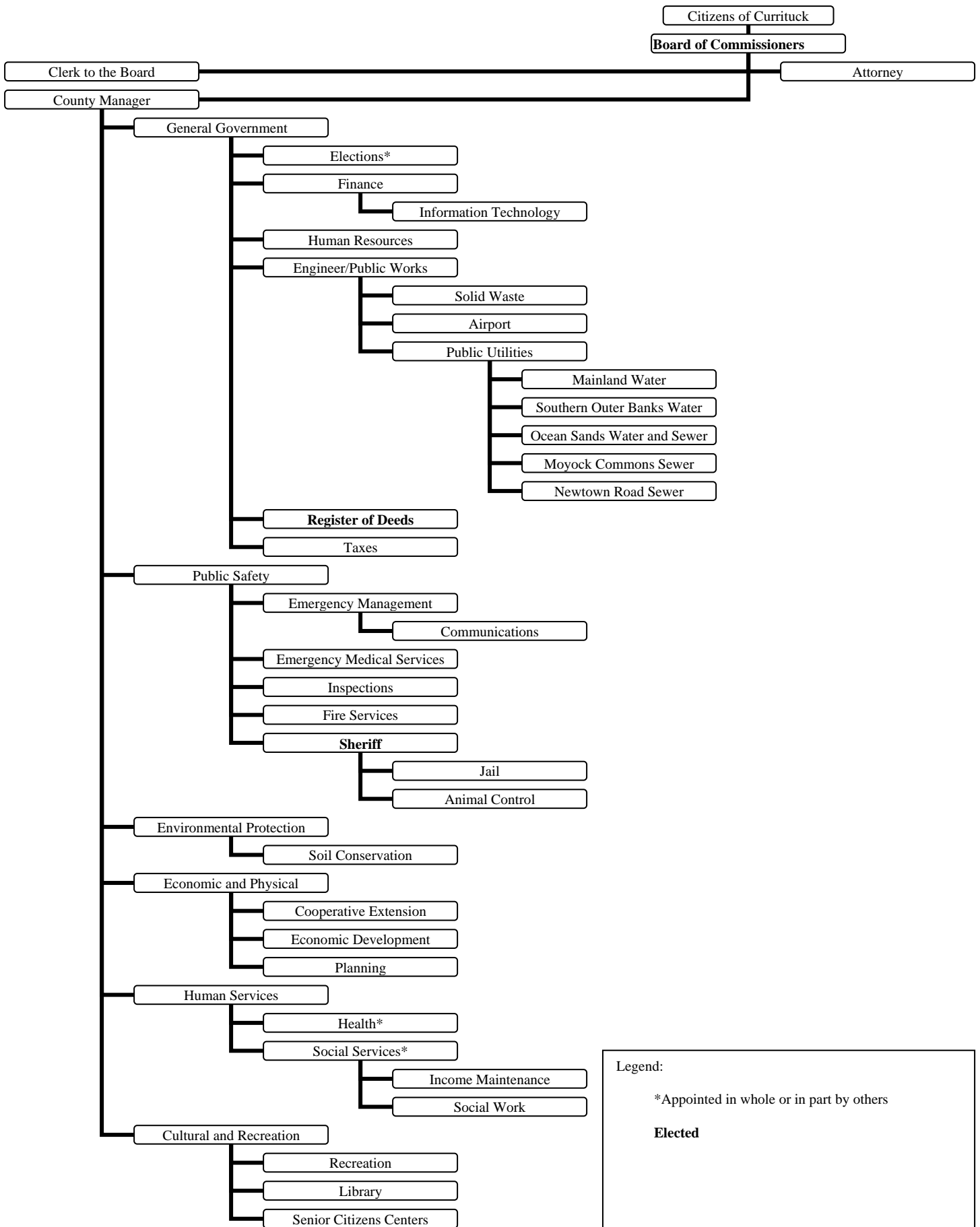


Linda C. Danison

President

Jeffrey R. Emer

Executive Director



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

CURRITUCK, NORTH CAROLINA

John D. Rorer, Chairman

Marion Gilbert, Vice-Chairman

O. Vance Aydlett, Jr.

James Owen Etheridge

Paul Martin

S. Paul O’Neal

H.M. “Butch” Petrey

OFFICIALS

County Manager	Daniel F. Scanlon, II
County Attorney	Donald “Ike” McRee
Clerk to the Board	Gwen H. Keene
Board of Elections	Mary Etheridge
Sheriff	Susan Johnson
Register of Deeds	Charlene Y. Dowdy
Airport.....	James Elliott
Cooperative Extension.....	Cameron Lowe
Economic Development	Peter Bishop
Emergency Management	Mary Beth Newns
Emergency Medical Services, Interim.....	Robert Glover
Finance Director	Sandra L. Hill
Human Resources Director.....	Derinda Leary
Information Technology.....	Tina I. Scanlon
Library	Vickie Hagemeister
Planning & Inspections	Ben Woody
Public Utilities.....	Patrick Irwin
Public Works	Eric Weatherly
Recreation	Jason Weeks
Social Services	Kathlyn S. Romm
Soil Conservation	James M. Doxey
Tax Administrator	Tracy Sample



Independent Auditor's Report

To the Board of County Commissioners
Currituck County, North Carolina

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Currituck County, North Carolina, as of and for the year ended June 30, 2012, which collectively comprise the County's basic financial statements as listed in the table of contents. These financial statements are the responsibility of Currituck County's management. Our responsibility is to express an opinion on these basic financial statements based on our audit. We did not audit the financial statements of the Currituck County ABC Board or the Whalehead Preservation Trust and Currituck Wildlife Museum. Those financial statements were audited by other auditors whose reports thereon have been furnished to us; and our opinion, insofar as it relates to the amounts included for the Currituck County ABC Board and the Whalehead Preservation Trust and Currituck Wildlife Museum, is based on the reports of the other auditors.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. The financial statements of the Currituck County ABC Board were not audited in accordance with *Government Auditing Standards*. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the basic financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit and the report of the other auditors provide a reasonable basis for our 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, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Currituck County, North Carolina as of June 30, 2012, and the respective changes in financial position and cash flows, where appropriate, thereof and the respective budgetary comparison for the General Fund and the Tourism Development Authority Fund for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated December 7, 2012 on our consideration of Currituck County's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, and grants. 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 the internal control over financial reporting or on compliance. That report is

an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

Accounting principles and generally accepted in the United States of America require that Management's Discussion and Analysis and the Law Enforcement Officers' Special Separation Allowances' and the Other Postemployment Benefits' Schedules of Funding Progress and Employer Contributions on pages 85 through 86 and 87 through 88, respectively, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an operational, economic, or historical context. We and the 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.

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 nonmajor fund statements, budgetary schedules, and other schedules, as well as the accompanying schedule of expenditures of federal and State awards as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations* and the State Single Audit Implementation Act are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The combining and individual nonmajor fund financial statements, budgetary schedules, other schedules and the schedule of expenditures of federal and State awards have been subjected to the auditing procedures applied by us and the other auditors 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 financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual nonmajor 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 taken as a whole.

Pittard Perry + Crane, Inc.

December 7, 2012

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, 2012. We encourage readers to read the information presented here in conjunction with additional information that we have furnished in the County's financial statements which follow this narrative.

Financial Highlights

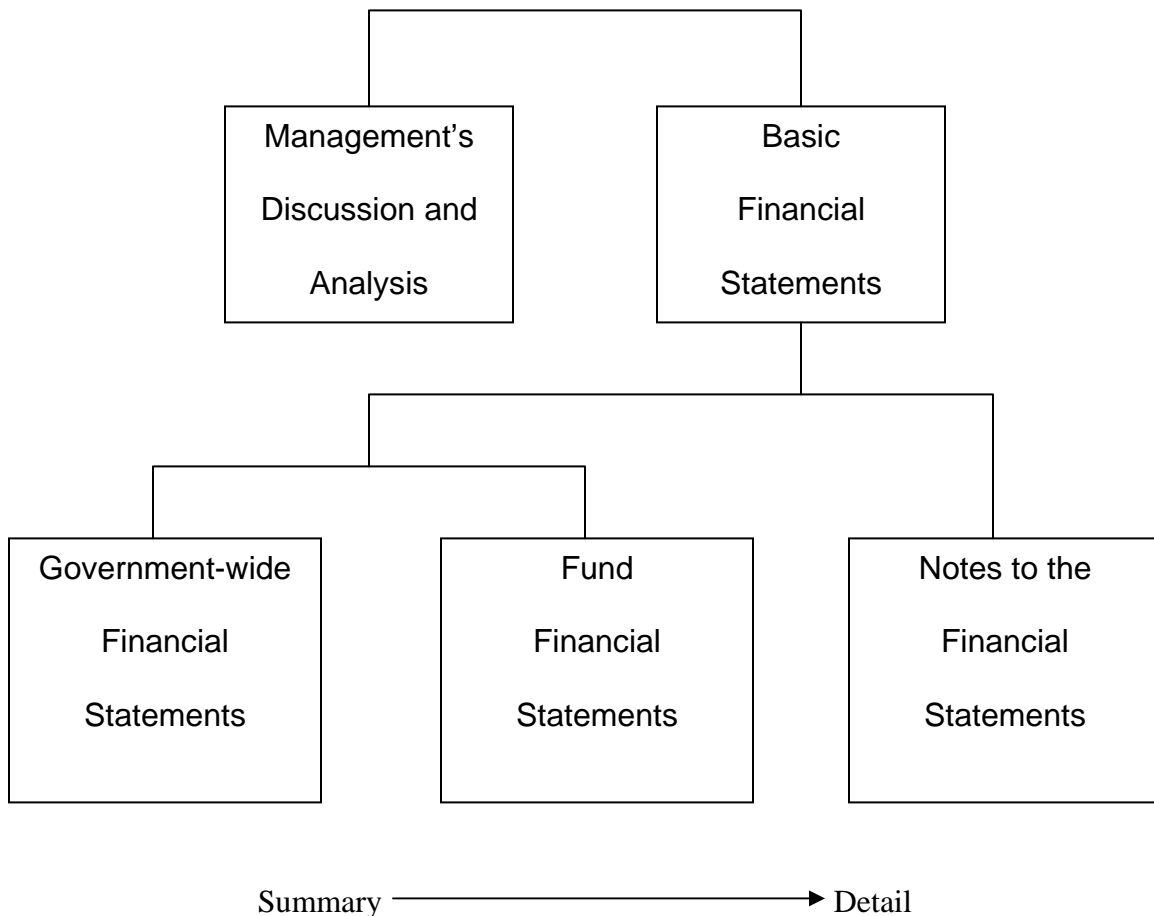
- The assets of Currituck County exceeded its liabilities at the close of the fiscal year by \$172,859,415.
- The government's total net assets increased by \$10,242,760; an increase of \$5,485,425 in the business-type activities and an increase of \$4,757,335 in the governmental activities.
- As of the close of the current fiscal year, Currituck County's governmental funds reported combined ending fund balances of \$51,180,855, a decrease of \$2,132,443 in comparison with the prior year. Approximately 30.57% of this total amount, or \$15,648,432, is restricted or nonspendable.
- At the end of the current fiscal year, unassigned fund balance for the General Fund was \$2,470,171 or 5.59% of total general fund expenditures for the fiscal year.
- Currituck County's total debt increased by \$11,843,980 or 41.01% during the current fiscal year. This key factors for this increase was additional debt incurred for the Southern Outer Banks Water System, the College of the Albemarle Technical and Training Facility and the Moyock Central Sewer System.

Overview of the Financial Statements

This discussion and analysis are intended to serve as an introduction to Currituck County's basic financial statements. The County's basic financial statements consist of three components; 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements (see Figure 1). The basic financial statements present two different views of the County through the use of government-wide statements and fund financial statements. In addition to the basic financial statements, this report contains other supplemental information that will enhance the reader's understanding of the financial condition of Currituck County.

Required Components of Annual Financial Report

Figure 1



Basic Financial Statements

The first two statements (Exhibits 1 and 2) in the basic financial statements are the **Government-wide Financial Statements**. They provide both short and long-term information about the County's financial status.

The next statements (Exhibits 3 through 10) are **Fund Financial Statements**. These statements focus on the activities of the individual parts of the County's government. These statements provide more detail than the government-wide statements. There are four parts to the Fund Financial Statements: 1) the governmental funds statements; 2) the budgetary comparison statements; 3) the proprietary fund statements; and 4) the fiduciaryfund 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 assets and how they have changed. Net assets are the difference between the County's total assets and total liabilities. Measuring net assets is one way to gage the County's financial condition.

The government-wide statements are divided into three categories: 1) governmental activities; 2) business-type activities; and 3) component units. The governmental activities include most of the County's basic services such as public safety, parks and recreation, and general administration. Property taxes and State and federal grant funds finance most of these activities. The business-type activities are those that the County charges customers to provide. These include the water and sewer and landfill services offered by Currituck County. The final category is the component units. The Whalehead Preservation Trust and Currituck Wildlife Museum is a governmental non-profit organization; that is also a component unit of the County because a controlling majority of the Board of Directors is appointed by the Currituck County Governing Board. Although legally separate from the County, the ABC Board is important to the County because the County is financially accountable for the Board by appointing its members and because the Board is required to distribute its profits to the County.

The government-wide financial statements are on Exhibits 1 and 2 of this report.

Fund Financial Statements

The fund financial statements provide a more detailed look at the County's most significant activities. A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. Currituck County, like all other governmental entities in North Carolina, uses fund accounting to ensure and reflect compliance (or non-compliance) with finance-related legal requirements, such as the General Statutes or the County's budget ordinance. All of the funds of Currituck County can be divided into two categories: governmental funds and proprietary funds.

Governmental Funds – Governmental funds are used to account for those functions reported as governmental activities in the government-wide financial statements. Most of the County's basic services are accounted for in governmental funds. These funds focus

on how assets can readily be converted into cash flow in and out, and what monies are left at year-end that will be available for spending in the next year. Governmental funds are reported using an accounting method called *modified accrual accounting*. This method also has a current financial resources focus. As a result, the governmental fund financial statements give the reader a detailed short-term view that helps him or her determine if there are more or fewer financial resources available to finance the County's programs. The relationship between government activities (reported in the Statement of Net Assets 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 Assets and the Statement of Activities.

Fiduciary Funds – Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Currituck County has three fiduciary funds, one of which is a post-employment retiree benefits fund and the other two are agency funds to account for fines and forfeitures and the social services trust fund.

Notes to the Financial Statements – The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements.

Other Information – In addition to the basic financial statements and accompanying notes, this report includes certain required supplementary information concerning Currituck County's progress in funding its obligation to provide pension benefits to its employees. Required supplementary information can be found beginning on page 84 of this report.

Government-Wide Financial Analysis

As noted earlier, net assets may serve over time as one useful indicator of a government's financial condition. The assets of Currituck County exceeded liabilities by \$172,859,415 as of June 30, 2012. The County's net assets increased by \$10,242,760 for the fiscal year ended June 30, 2012. One of the largest portions (72.35%) reflects the County's investment in capital assets (e.g. land, buildings, machinery, and equipment), less any related debt still outstanding that was issued to acquire those items. As of June 30, 2012, long-term debt in governmental activities was for the Currituck County High School, the Shawboro Elementary School, five ambulances, the College of the Albemarle Technical and Training Facility and stormwater drainage for the Whalehead subdivision. The Currituck County High School is not a capital asset for the County and therefore is not included in the capital assets. However, the County holds title to the Shawboro Elementary School as a part of the financing agreement and therefore this school is recorded as a County capital asset, net of the associated debt. Currituck County uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although Currituck County's investment in its capital assets is reported net of the outstanding related debt, the resources needed to repay that debt must be provided by other sources, since the capital assets cannot be used to liquidate these liabilities. An additional portion of Currituck County's net assets \$12,362,081 (7.15%) represents resources that are subject to external restrictions on how they may be used. The remaining balance of \$35,428,907 (20.50%) is unrestricted.

Currituck County's Net Assets

Figure 2

CURRITUCK COUNTY'S NET ASSETS

	Governmental Activities		Business-type Activities		Total	
	2012	2011	2012	2011	2012	2011
Current and other assets	\$ 56,234,184	\$ 57,601,850	\$ 18,087,011	\$ 14,096,533	\$ 74,321,195	\$ 71,698,383
Capital assets	100,480,574	87,432,905	55,810,856	46,059,914	156,291,430	133,492,819
Total assets	\$ 156,714,758	\$ 145,034,755	\$ 73,897,867	\$ 60,156,447	\$ 230,612,625	\$ 205,191,202
Long-term liabilities outstanding	\$ 22,355,804	\$ 16,295,335	\$ 29,595,000	\$ 22,792,847	\$ 51,950,804	\$ 39,088,182
Other liabilities	3,937,986	3,075,787	1,864,420	410,578	5,802,406	3,486,365
Total liabilities	26,293,790	19,371,122	31,459,420	23,203,425	57,753,210	42,574,547
Net assets:						
Invested in capital assets, net of related debt	96,265,950	81,090,434	28,802,477	23,516,216	125,068,427	104,606,650
Restricted	12,362,081	15,397,965	-	-	12,362,081	15,397,965
Unrestricted	21,792,937	29,175,234	13,635,970	13,436,806	35,428,907	42,612,040
Total net assets	\$ 130,420,968	\$ 125,663,633	\$ 42,438,447	\$ 36,953,022	\$ 172,859,415	\$ 162,616,655

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

- Ad valorem tax revenue collected in the County's Governmental Funds increased by \$653,799.
- Other taxes increased by \$1,410,226 in the County's Governmental funds; this is primarily due to increases of \$551,223 in Occupancy tax and \$460,201 in local option sales taxes.
- Charges for services increased by \$316,109 primarily due to increased usage of public facilities and aviation fuel.
- Operating grants and contributions increased in the governmental funds by \$446,132 due to FEMA reimbursements for Hurricane Irene.
- Capital grants decreased by \$662,716 during this year due to funding for capital projects relating to the Airport in the prior year.
- Investment earnings continued to decline by \$269,528 due to long term investment maturities in prior year.
- Continued low cost of debt due to the County's Aa3 and AA- bond ratings from Moody's Investors Service and Standard and Poor's, respectively
- General government expenses decreased by 2.98% over the prior year.
- Public safety expenses increased by 8.32%, which is primarily due to the construction of an evidence vault for the Sheriff's Department.
- Transportation expenses decreased by 57.16%, due to completion of some airport projects in the prior year.
- Environmental protection increased by \$810,376 due to the Whalehead Stormwater drainage project and other smaller drainage projects in the other watershed service districts in the prior year.
- Economic and physical development expenses increased by 60.82% due to increased expenses in the Tourism Development Authority and construction of a sewer plant at the Maple Commerce Park
- Human Services increased by 5.17% due to increases in Social Services.
- Cultural and recreation expenses increased by \$2,021,077 due to completion of the YMCA/Community facility in Maple and continued construction of the Corolla Multi-use greenway project.
- Currituck County's funding for education increased by \$1,363,296 over the prior year. The County funds the Currituck County School system's current expense on a funding formula based on average daily membership and capital projects based on requests. The County began construction of the College of the Albemarle Aviation and Technical Training Facility in Maple.
- The general fund expenses for interest on debt were decreased by \$97,182 for scheduled debt payments.

Currituck County Changes in Net Assets

Figure 3

	Governmental Activities		Business-type Activities		Total	
	2012	2011	2012	2011	2012	2011
Revenues:						
Program revenues:						
Charges for services	\$ 3,382,475	\$ 2,958,035	\$ 10,689,055	\$ 9,079,169	\$ 14,071,530	\$ 12,037,204
Operating grants and contributions	3,512,498	3,066,366	75,477	68,656	3,587,975	3,135,022
Capital grants and contributions	872,912	1,535,628	-	540,000	872,912	2,075,628
General revenues:						
Property taxes	26,716,751	26,690,853	131,174	135,889	26,847,925	26,826,742
Other taxes	22,090,499	20,706,962	-	-	22,090,499	20,706,962
Investment earnings, unrestricted	537,109	806,637	133,045	176,875	670,154	983,512
Total revenues	57,112,244	55,764,481	11,028,751	10,000,589	68,140,995	65,765,070
Expenses:						
General government	6,351,749	8,369,991	-	-	6,351,749	8,369,991
Public safety	18,160,689	17,159,996	-	-	18,160,689	17,159,996
Transportation	1,222,468	1,726,573	-	-	1,222,468	1,726,573
Economic and physical development	9,094,719	6,469,555	-	-	9,094,719	6,469,555
Environmental protection	385,902	424,447	-	-	385,902	424,447
Human services	4,351,492	4,156,265	-	-	4,351,492	4,156,265
Cultural and recreation	1,939,442	2,094,488	-	-	1,939,442	2,094,488
Education	9,810,904	10,098,107	-	-	9,810,904	10,098,107
Interest on long-term debt	359,601	456,783	-	-	359,601	456,783
Solid Waste	-	-	4,252,922	4,193,309	4,252,922	4,193,309
Water and sewer	-	-	7,466,805	6,519,262	7,466,805	6,519,262
Total expenses	51,676,966	50,956,205	11,719,727	10,712,571	63,396,693	61,668,776
Increase in net assets before transfers and capital contributions	5,435,278	4,808,276	(690,976)	(711,982)	4,744,302	4,096,294
Capital contributions	-	-	5,498,458	-	5,498,458	-
Transfers	(677,943)	(1,436,268)	677,943	1,436,268	-	-
Increase in net assets	4,757,335	3,372,008	5,485,425	724,286	10,242,760	4,096,294
Net assets, July 1	125,663,633	122,291,625	36,953,022	36,228,736	162,616,655	158,520,361
Net assets, June 30	\$ 130,420,968	\$ 125,663,633	\$ 42,438,447	\$ 36,953,022	\$ 172,859,415	\$ 162,616,655

Governmental activities. Governmental activities increased the County's net assets by \$4,757,335. Key elements of this increase are as follows:

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

Business-type activities: Business-type activities increased Currituck County's net assets by \$5,485,425, accounting for 53.55% of the total growth in the government's net assets. Key elements of this increase are as follows:

- Increase in capital assets associated with purchasing existing water systems in the Southern Outer Banks Water System
- Acquisition of the Walnut Island Sanitary Sewer District

- Assets associated with the Maple Commerce Park that were originally constructed through Governmental Activities and then assets were transferred to the Business-type activities.

Financial Analysis of the County's Funds

As noted earlier, Currituck County uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental Funds. The focus of Currituck County's governmental funds is to provide information on near-term inflows, outflows, and balances of usable resources. Such information is useful in assessing Currituck County's financing requirements. Specifically, fund balance available for appropriation can be a useful measure of a government's net resources available for spending at the end of the fiscal year.

The General Fund is the chief operating fund of Currituck County. At the end of the current fiscal year, Currituck County's fund balance available in the General Fund was \$7,129,589, while total fund balance reached \$10,028,251. The County currently has an available fund balance of 16.15% of general fund expenditures, while total fund balance represents 22.71% of that same amount.

Figure 4 below illustrates the changes in fund balances for the County's governmental funds as compared to the prior year. This is the second year of GASB 54 implementation. The County Governmental Facilities Fund and the School Facilities Fund have been reclassified as major funds and are no longer combined with the General Fund as presented in the prior year.

Figure 4
Changes in Fund Balances for Governmental Funds

	2012 Total	2011 Total	Change in Fund Balances
General	\$ 10,028,251	\$ 33,268,987	\$ (23,240,736)
County Governmental Facilities	10,905,119	-	10,905,119
School Facilities	11,396,470	-	11,396,470
Tourism Development Authority	8,612,445	7,625,052	987,393
Other Governmental	10,238,570	12,419,259	(2,180,689)
	<u>\$ 51,180,855</u>	<u>\$ 53,313,298</u>	<u>\$ (2,132,443)</u>

Fund balances in the Tourism Development Authority Fund are for tourism promotion and tourism related expenditures. The total fund balance for the Tourism Development reflects a \$987,393 increase over the prior year due to increase in Occupancy Tax revenue receipts.

At June 30, 2012, the governmental funds of Currituck County reported a combined fund balance of \$51,180,855, a 4.00% decrease over last year. This decrease is primarily due to construction of the YMCA/Community Center in Maple, the College of the Albemarle

Training and Technical Facility, and the sewer plant to serve the Maple Commerce Park complex.

General Fund Budgetary Highlights: During the fiscal year, the County revised the budget on several occasions. Generally, budget amendments fall into one of three categories: 1) amendments made to adjust the estimates that are used to prepare the original budget ordinance once exact information is available; 2) amendments made to recognize new funding amounts from external sources, such as Federal and State grants; and 3) increases in appropriations that become necessary to maintain services. Highlights of the budgetary variances for the General Fund are shown in Figure 5 below.

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

	Revised Budget	Actual	Variance
Revenues:			
Ad valorem taxes	\$ 25,646,151	26,721,706	1,075,555
Other taxes and licenses	5,058,641	5,510,829	452,188
Restricted intergovernmental	304,500	148,006	(156,494)
Unrestricted intergovernmental	3,346,656	3,189,828	(156,828)
Permits and fees	1,816,279	1,996,886	180,607
Sales and services	777,243	801,858	24,615
Investment earnings	150,000	98,247	(51,753)
Miscellaneous	373,696	544,870	171,174
Total revenues	<u>37,473,166</u>	<u>39,012,230</u>	<u>1,539,064</u>
Expenditures:			
General government	5,740,170	5,312,730	427,440
Public safety	17,019,315	16,523,590	495,725
Transportation	662,581	594,355	68,226
Environmental protection	210,178	192,387	17,791
Economic and physical development	1,451,464	1,377,286	74,178
Human services	4,661,666	4,312,266	349,400
Cultural and recreational	2,593,549	2,087,155	506,394
Education	9,810,904	9,810,904	-
Debt service	3,335,418	3,335,302	116
Total expenditures	<u>45,485,245</u>	<u>43,545,975</u>	<u>1,939,270</u>
Revenues over (under) expenditures	(8,012,079)	(4,533,745)	3,478,334
Other financing sources (uses):			
Transfers to other funds	(1,297,833)	(1,291,893)	5,940
Transfers from other funds	6,187,227	5,565,527	(621,700)
Total other financing sources (uses)	<u>4,889,394</u>	<u>4,273,634</u>	<u>(615,760)</u>
Revenues and other financing sources over expenditures and other financing uses	(3,122,685)	(260,111)	2,862,574
Appropriated fund balance	<u>3,122,685</u>	<u>-</u>	<u>(3,122,685)</u>
Revenues, appropriated fund balance, and other financing sources over expenditures and other financing uses	<u>\$ -</u>	<u>\$ (260,111)</u>	<u>\$ (260,111)</u>

Total amendments to the General Fund increased revenues by \$1,001,519. Property taxes, other taxes and licenses, permits and fees, and sales and services collected revenues exceeding their budgets; however, both restricted and unrestricted governmental revenues due to reductions in payment in lieu of taxes, outstanding Public Assistance through FEMA and reduction of various Human Services grant funds. The overall actual General fund revenues were \$1,539,064 greater than budget. The final budget for expenditures was \$45,485,245, which was a \$1,268,872 increase over the original budget.

The increase from the original budget is primarily due to the carry-forward of funds from the prior year for projects that were not completed by year end.

Proprietary Funds. Currituck County’s proprietary funds provide the same type of information found in the government-wide statements but in more detail. Unrestricted net assets of the Solid Waste Fund at the end of the fiscal year amounted to \$5,679,803, and those for the Water and Sewer Districts totaled \$36,758,644. In the non-major proprietary funds, Maple Commerce Park and Walnut Island Sewer Funds were added since last year. The total growth in net assets for the proprietary funds is shown in Figure 6, below.

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

	June 30 2012	June 30 2011	Change in Net Assets
Solid Waste	\$ 5,679,803	\$ 5,922,701	\$ (242,898)
Ocean Sands Water and Sewer	7,161,675	7,164,235	(2,560)
Mainland Water	9,636,046	10,736,186	(1,100,140)
Southern Outer Banks Water	10,830,638	9,499,593	1,331,045
Moyock Central Sewer	2,743,045	2,701,166	41,879
Non-Major Proprietary Funds			
Newtown Road Sewer	332,881	351,688	(18,807)
Maple Commerce Park Sewer	1,923,869	-	1,923,869
Moyock Commons Sewer	556,894	577,453	(20,559)
Walnut Island Sewer	3,573,596	-	3,573,596
Total	<u>\$ 42,438,447</u>	<u>\$ 36,953,022</u>	<u>\$ 5,485,425</u>

Capital Asset and Debt Administration

Capital assets. Currituck County’s capital assets for its governmental and business – type activities as of June 30, 2012, totals \$156,291,430, 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:

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

Figure 7

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

	Governmental		Business-type		Total	
	Activities		Activities		Total	
	2012		2012		2011	
Land	\$	19,137,480	\$	1,970,953	\$	20,716,771
Buildings and system		57,928,731		36,589,266		77,847,408
Computer Equipment		964,858		7,078		2,358,322
Furniture & Fixtures		8,831,450		12,685,265		6,431,309
Equipment		3,956,690		243,802		17,129,597
Vehicles and motorized equipment		1,919,079		56,289		2,034,393
Construction in progress		7,742,286		4,258,203		6,975,019
Total	\$	100,480,574	\$	55,810,856	\$	133,492,819

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

Long-term Debt. As of June 30, 2012, Currituck County had total bonded debt outstanding of \$21,483,682, including \$238,682 of unamortized premium on General Obligation debt. Of that amount, \$4,468,682 is debt backed by the full faith and credit of the County while the remaining \$17,015,000 is backed by certain revenues of the Mainland Water System. The County also had installment purchase agreements for the construction of the Shawboro Elementary School, purchase of five ambulances, for stormwater improvements in the Whalehead Subdivision Watershed Service District, College of the Albemarle Technical and Training Facility, Moyock Sewer System and for Southern Outer Banks Water System, with outstanding balances of \$2,446,124, \$149,392, \$1,619,108, \$6,800,000, \$2,700,000 and \$8,075,000, respectively. These debt instruments are backed by their respective assets.

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

	Governmental		Business-type		Total	
	Activities		Activities		Total	
	2012	2011	2012	2011	2012	2011
Installment Purchase	\$ 11,014,624	\$ 6,342,471	\$ 10,775,000	\$ 2,776,422	\$ 21,789,624	\$ 9,118,893
Revenue bonds	-	-	17,015,000	17,525,000	17,015,000	17,525,000
General obligation bonds	2,550,303	3,280,000	1,918,379	2,110,000	4,468,682	5,390,000
Total debt	\$ 13,564,927	\$ 9,622,471	\$ 29,708,379	\$ 22,411,422	\$ 43,273,306	\$ 32,033,893

Figure 8

Currituck County's total debt increased by \$11,239,413 (35.07%) during the past fiscal year. This reduction is due to scheduled payments.

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

The State of North Carolina limits the amount of general obligation debt that a unit of government can issue to 8 percent of the total assessed value of taxable property located within that government's boundaries. The legal debt margin for Currituck County is \$640,722,565. The County has no bonds authorized but un-issued at June 30, 2012.

Additional information regarding Currituck County's long-term debt can be found in note III.B.7. beginning on page 74 of this audited financial report.

Economic Factors and Next Year's Budgets and Rates

The following key economic indicators reflect the economy of the County.

- As of June 30, 2012, Currituck County had the lowest unemployment rate in the State with a rate of 4.7%.
- Property values held constant with a 0.59% increase over the prior year

Budget Highlights for the Fiscal Year Ending June 30, 2013

Governmental Activities: Currituck County's octennial revaluation became effective for the 2006 fiscal year. Governmental fund revenues are budgeted conservatively with a 6.30% reduction from the actual revenues received for the year ended June 30, 2012, while the business fund revenues are projected to increase by 14.49% over the prior year to account for a full year of operations with a larger customer base.

Budgeted expenditures in the General Fund are anticipated to be \$45,685,957 before transfers to other funds, approximately 0.44% increase over the prior year.

Business – type Activities: For the upcoming fiscal year, the County will evaluate the operations of all business-type activities. In the prior year, the customer base for the Southern Outer Banks water system doubled with the purchase of the existing private water systems in that area. Expansion of both the conventional and reverse osmosis treatment systems is underway. Construction of the Maple Commerce Park sewer and the Moyock Central sewer are in process and both of these systems will be fully operational within the next year. The transition of the sewer system from the Walnut Island Sanitary District and Waterside Villages to the County has also been completed, adding another sewer system to the business-type activities. This system was newly renovated with grants from the NC Clean Water Management Trust and the NC Rural Center. The County is still in the process of completely closing out those grants and will then do some maintenance to the roads in that area. Once all of these systems are fully operational, the fee schedules for all of these systems will be re-evaluated. The budgets for all business-type activities have remained level for operations for the upcoming year.

Requests for Information

This report is designed to provide an overview of the County's finances for those with an interest in this area. This document is also available online at www.currituckgovernment.com under the Finance Department. Questions concerning any of the information found in this report or requests for additional information should be directed to the Currituck County Finance Director, Currituck County Finance Department, 153 Courthouse Road, Suite 103, Currituck, North Carolina 27929 or e-mail Sandra.Hill@CurrituckCountyNC.gov.

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County of Currituck, North Carolina
Statement of Net Assets
June 30, 2012

	Primary Government			Component Units	
	Governmental Activities	Business-type Activities	Total	Whalehead Preservation Trust and Wildlife Museum	Currituck County ABC Board
ASSETS					
Cash and cash equivalents	\$ 44,531,199	\$ 14,457,113	\$ 58,988,312	\$ 790,566	\$ 1,107,578
Restricted Cash	7,167,196	2,700,133	9,867,329	-	-
Receivables (net)	963,215	812,860	1,776,075	22,641	-
Due from other governments	3,161,980	-	3,161,980	-	-
Due from component unit	126,524	-	126,524	-	-
Inventories	832	-	832	71,644	404,764
Prepaid items	-	-	-	50,277	34,155
Deferred charges - issuance costs	19,779	20,051	39,830	-	-
Deferred charges - refunding	105,524	96,854	202,378	-	-
Prepaid pension costs	157,935	-	157,935	-	-
Endowment fund	-	-	-	14,844	-
Capital assets:					
Land, improvements, non- depreciable collections and construction in progress	26,879,766	6,229,156	33,108,922	876,556	425,900
Other capital assets, net of depreciation	73,600,808	49,581,700	123,182,508	128,028	1,457,234
Total capital assets	100,480,574	55,810,856	156,291,430	1,004,584	1,883,134
Total assets	156,714,758	73,897,867	230,612,625	1,954,556	3,429,631
LIABILITIES					
Accounts payable and accrued expenses	3,913,366	1,813,598	5,726,964	56,260	590,853
Unearned revenue	24,620	-	24,620	-	-
Customer deposits	-	50,822	50,822	-	-
Due to primary government	-	-	-	-	126,524
Long-term liabilities:					
Due within one year	3,898,980	1,885,000	5,783,980	6,267	-
Due in more than one year	18,456,824	27,710,000	46,166,824	4,206	-
Total long-term liabilities	22,355,804	29,595,000	51,950,804	10,473	-
Total liabilities	26,293,790	31,459,420	57,753,210	66,733	717,377
NET ASSETS					
Invested in capital assets, net of related debt	96,265,950	28,802,477	125,068,427	990,914	1,883,134
Restricted for:					
Stabilization by State Statute	4,286,594	-	4,286,594	-	-
Public Safety	359,212	-	359,212	-	-
Education	1,724,261	-	1,724,261	-	-
Working capital	-	-	-	-	145,565
Capital assets	5,992,014	-	5,992,014	456,743	-
Unrestricted (deficit)	21,792,937	13,635,970	35,428,907	440,166	683,555
Total net assets	\$ 130,420,968	\$ 42,438,447	\$ 172,859,415	\$ 1,887,823	\$ 2,712,254

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, 2012

Program Revenues

Functions/Programs	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Primary government:				
Governmental Activities:				
General government	\$ 6,351,749	\$ 1,406,215	\$ 316,482	\$ -
Public safety	18,160,689	1,417,775	810,366	27,636
Transportation	1,222,468	444,744	-	682,120
Economic and physical development	9,094,719	37,641	16,020	5,000
Environmental protection	385,902	9,400	32,282	-
Human services	4,351,492	-	2,314,370	-
Cultural and recreation	1,939,442	66,700	22,978	158,156
Education	9,810,904	-	-	-
Interest on long-term debt	359,601	-	-	-
Total governmental activities	<u>51,676,966</u>	<u>3,382,475</u>	<u>3,512,498</u>	<u>872,912</u>
Business-type activities:				
Solid Waste	4,252,922	2,956,155	75,477	-
Water and Sewer	7,466,805	7,732,900	-	-
Total business-type activities	<u>11,719,727</u>	<u>10,689,055</u>	<u>75,477</u>	<u>-</u>
	<u>\$ 63,396,693</u>	<u>\$ 14,071,530</u>	<u>\$ 3,587,975</u>	<u>\$ 872,912</u>
Component units:				
Whalehead Preservation Trust	\$ 1,192,598	\$ 431,223	\$ 800,000	\$ -
ABC Board	3,338,560	3,390,210	-	-
Total component units	<u>\$ 4,531,158</u>	<u>\$ 3,821,433</u>	<u>\$ 800,000</u>	<u>\$ -</u>

General revenues:

Taxes:

Property taxes, levied for general purpose
Property taxes, levied for sewer district
Property taxes, levied for watershed improvement
Local option sales taxes
Land transfer taxes
Occupancy taxes
Animal taxes
Deed stamp excise tax
Franchise taxes
Investment earnings, unrestricted
Gain (loss) on sale of capital assets
Capital Contribution

Transfers

Total general revenues and transfers

Change in net assets

Net assets-beginning

Net assets-ending

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

Exhibit 2

Net (Expense) Revenue and Changes in Net Assets				
Primary Government			Component Units	
Governmental Activities	Business-type Activities	Total	Whalehead Preservation Trust and Wildlife Museum	Currituck County ABC Board
\$ (4,629,052)		\$ (4,629,052)		
(15,904,912)		(15,904,912)		
(95,604)		(95,604)		
(9,036,058)		(9,036,058)		
(344,220)		(344,220)		
(2,037,122)		(2,037,122)		
(1,691,608)		(1,691,608)		
(9,810,904)		(9,810,904)		
(359,601)		(359,601)		
<u>(43,909,081)</u>	<u>-</u>	<u>(43,909,081)</u>		
-	(1,221,290)	(1,221,290)		
-	266,095	266,095		
-	<u>(955,195)</u>	<u>(955,195)</u>		
<u>(43,909,081)</u>	<u>(955,195)</u>	<u>(44,864,276)</u>		
			\$ 38,625	\$ -
			-	51,650
			<u>38,625</u>	<u>51,650</u>
26,716,751	-	26,716,751	-	-
-	131,174	131,174	-	-
1,044,480	-	1,044,480	-	-
7,871,936	-	7,871,936	-	-
2,348,650	-	2,348,650	-	-
9,993,225	-	9,993,225	-	-
12,487	-	12,487	-	-
522,079	-	522,079	-	-
297,642	-	297,642	-	-
537,109	133,045	670,154	4,588	3,482
-	-	-	(79)	-
-	5,498,458	5,498,458	-	-
<u>(677,943)</u>	<u>677,943</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>48,666,416</u>	<u>6,440,620</u>	<u>55,107,036</u>	<u>4,509</u>	<u>3,482</u>
4,757,335	5,485,425	10,242,760	43,134	55,132
125,663,633	36,953,022	162,616,655	1,844,689	2,657,122
<u>\$ 130,420,968</u>	<u>\$ 42,438,447</u>	<u>\$ 172,859,415</u>	<u>\$ 1,887,823</u>	<u>\$ 2,712,254</u>

County of Currituck, North Carolina
Balance Sheet
Governmental Funds
June 30, 2012

	<u>Major</u>				<u>Nonmajor</u>	
	<u>General</u>	<u>County Governmental Facilities Fund</u>	<u>School Facilities Fund</u>	<u>Tourism Development Authority Fund</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
ASSETS						
Cash and cash equivalents	\$ 10,062,644	\$ 11,197,099	\$ 5,075,679	\$ 8,742,576	\$ 9,453,201	\$ 44,531,199
Restricted Cash	367,047	-	6,800,149	-	-	7,167,196
Taxes receivable, net	829,050	-	-	-	3,055	832,105
Other receivables, net	130,715	-	-	395	-	131,110
Due from other governments	1,777,148	351,980	10,390	14,072	1,008,390	3,161,980
Due from component unit	126,524	-	-	-	-	126,524
Due from other funds	-	-	-	-	-	-
Inventories	832	-	-	-	-	832
Total assets	\$ 13,293,960	\$ 11,549,079	\$ 11,886,218	\$ 8,757,043	\$ 10,464,646	\$ 55,950,946
LIABILITIES AND FUND BALANCES						
Liabilities:						
Accounts payable and accrued liabilities	\$ 2,412,039	\$ 643,960	\$ 489,748	\$ 144,598	\$ 223,021	\$ 3,913,366
Deferred revenue	853,670	-	-	-	3,055	856,725
Total liabilities	3,265,709	643,960	489,748	144,598	226,076	4,770,091
Fund balances:						
Nonspendable:						
Inventories	832	-	-	-	-	832
Restricted:						
Stabilization by State Statute	2,897,830	351,980	10,390	14,949	1,011,445	4,286,594
Fire Protection	-	-	-	-	-	-
Emergency Telephone System	-	-	-	-	359,212	359,212
County Governmental Assets	-	-	-	-	5,992,014	5,992,014
School Capital Assets	-	-	-	-	1,443,437	1,443,437
Tourism	-	-	-	2,643,253	-	2,643,253
Watershed Improvements	-	-	-	-	867,618	867,618
Whalehead Beach Solid Waste	-	-	-	-	55,472	55,472
Committed:						
Carova Beach Service District	-	-	-	133,518	-	133,518
Fire Protection	802,110	-	-	-	-	802,110
Fire Equipment Replacement	-	-	-	-	317,852	317,852
County Governmental Assets	-	10,553,139	-	-	-	10,553,139
School Capital Assets	-	-	11,386,080	-	-	11,386,080
Enterprise Internal Loan	-	-	-	5,700,000	-	5,700,000
Tax Revaluation	330,376	-	-	-	-	330,376
Assigned:						
Subsequent year's expenditures	3,526,932	-	-	120,725	158,380	3,806,037
CDBG project	-	-	-	-	33,140	33,140
Unassigned:	2,470,171	-	-	-	-	2,470,171
Total fund balances	10,028,251	10,905,119	11,396,470	8,612,445	10,238,570	51,180,855
Total liabilities and fund balances	\$ 13,293,960	\$ 11,549,079	\$ 11,886,218	\$ 8,757,043	\$ 10,464,646	

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

Prepaid pension costs related to Law Enforcement Officer's Separation Allowance	157,935
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.	100,480,574
Liabilities for earned but deferred revenues in fund statements.	832,105
Some liabilities, including bonds payable and other postemployment benefits, are not due and payable in the current period and therefore are not reported in the funds (Note 7).	<u>(22,230,501)</u>
Net assets of governmental activities	<u>\$ 130,420,968</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, 2012

	Major				Nonmajor	
	General Fund	County	School	Tourism	Other	Total
		Governmental	Facilities Fund	Development		
				Authority	Funds	Funds
REVENUES						
Ad valorem taxes	\$ 26,721,706	\$ -	\$ -	\$ -	\$ 1,044,480	\$ 27,766,186
Other taxes and licenses	5,510,829	-	-	9,991,095	5,825,167	21,327,091
Unrestricted intergovernmental	148,006	-	-	-	-	148,006
Restricted intergovernmental	3,189,828	840,276	-	-	22,275	4,052,379
Permits and fees	1,996,886	-	-	-	-	1,996,886
Sales and services	801,858	-	-	1,561	-	803,419
Investment earnings	125,330	140,408	49,407	104,738	117,226	537,109
Miscellaneous	544,870	-	-	13,380	-	558,250
Total revenues	39,039,313	980,684	49,407	10,110,774	7,009,148	57,189,326
EXPENDITURES						
Current:						
General government	5,544,936	-	-	-	88,872	5,633,808
Public safety	16,562,316	538,403	-	-	574,016	17,674,735
Transportation	594,355	363,922	-	-	-	958,277
Environmental protection	192,387	-	-	-	1,216,352	1,408,739
Economic and physical development	1,377,286	3,589,709	-	5,118,561	504	10,086,060
Human services	4,312,266	-	-	-	-	4,312,266
Cultural and recreational	2,424,408	8,148,828	-	-	-	10,573,236
Intergovernmental:						
Education	9,810,904	-	1,650,499	-	-	11,461,403
Debt service:						
Principal	2,975,701	-	-	-	-	2,975,701
Interest	359,601	-	-	-	-	359,601
Total expenditures	44,154,160	12,640,862	1,650,499	5,118,561	1,879,744	65,443,826
Excess (deficiency) of revenues over expenditures	(5,114,847)	(11,660,178)	(1,601,092)	4,992,213	5,129,404	(8,254,500)
OTHER FINANCING SOURCES (USES)						
Issuance of debt	-	-	6,800,000	-	-	6,800,000
Transfers from other funds	5,986,527	5,842,164	998,179	122,156	267,000	13,216,026
Transfers to other funds	(1,921,893)	-	(8,618)	(4,126,976)	(7,836,482)	(13,893,969)
Total other financing sources and uses	4,064,634	5,842,164	7,789,561	(4,004,820)	(7,569,482)	6,122,057
Net change in fund balance	(1,050,213)	(5,818,014)	6,188,469	987,393	(2,440,078)	(2,132,443)
Fund balances-beginning	33,268,987	-	-	7,625,052	12,419,259	53,313,298
Prior period adjustment	(22,190,523)	16,723,133	5,208,001	-	259,389	-
Fund balances-ending	\$ 10,028,251	\$ 10,905,119	\$ 11,396,470	\$ 8,612,445	\$ 10,238,570	\$ 51,180,855

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, 2012

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

Net changes in fund balances - total governmental funds	\$ (2,132,443)
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Governmental funds report capital outlays as expenditures. However, in the Statement of Activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the current period	13,119,796
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Cost of capital asset disposed of during the year, not recognized on modified accrual basis	(72,127)
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Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds	(4,955)
---	---------

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 assets. Also, governmental funds report the effect of issuance costs, premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. This amount is the net effect of these differences in the treatment of long-term debt and related items.	(3,824,299)
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Actuarial decrease in prepaid pension costs that do not use current financial resources and are not reported as revenues in the funds	(29,814)
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Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.	<u>(2,298,823)</u>
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Total changes in net assets of governmental activities	<u><u>\$4,757,335</u></u>
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The notes to the financial statements are an integral part of this statement.

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County of Currituck, North Carolina
General Fund and Annually Budgeted Major Special Revenue Fund
Statement of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
For the Fiscal Year Ended June 30, 2012

	General Fund					
	2012			Variance With Final Positive (Negative)		2011
	Original Budget	Final Budget	Actual			Actual
Revenues:						
Ad valorem taxes	\$ 25,526,305	\$ 25,646,151	\$ 26,721,706	\$ 1,075,555	\$ 26,690,853	
Other taxes and licenses	5,004,569	5,058,641	5,510,829	452,188	5,189,957	
Unrestricted intergovernmental	304,500	304,500	148,006	(156,494)	237,129	
Restricted intergovernmental	2,699,501	3,346,656	3,189,828	(156,828)	2,960,531	
Permits and fees	1,816,279	1,816,279	1,996,886	180,607	2,005,998	
Sales and services	677,993	777,243	801,858	24,615	617,213	
Investment earnings	150,000	150,000	98,247	(51,753)	120,120	
Miscellaneous	292,500	373,696	544,870	171,174	319,998	
Total revenues	<u>36,471,647</u>	<u>37,473,166</u>	<u>39,012,230</u>	<u>1,539,064</u>	<u>38,141,799</u>	
Expenditures						
Current:						
General government	5,618,657	5,740,170	5,312,730	427,440	5,717,101	
Public safety	16,234,854	17,019,315	16,523,590	495,725	15,606,636	
Transportation	691,224	662,581	594,355	68,226	589,091	
Environmental protection	210,292	210,178	192,387	17,791	203,123	
Economic and physical development	1,295,167	1,451,464	1,377,286	74,178	1,319,744	
Human services	4,444,175	4,661,666	4,312,266	349,400	4,100,337	
Cultural and recreational	2,575,797	2,593,549	2,087,155	506,394	2,199,678	
Intergovernmental:						
Education	9,810,904	9,810,904	9,810,904	-	9,785,781	
Debt service	3,335,303	3,335,418	3,335,302	116	3,388,552	
Total expenditures	<u>44,216,373</u>	<u>45,485,245</u>	<u>43,545,975</u>	<u>1,939,270</u>	<u>42,910,043</u>	
Revenues over (under) expenditures	<u>(7,744,726)</u>	<u>(8,012,079)</u>	<u>(4,533,745)</u>	<u>3,478,334</u>	<u>(4,768,244)</u>	
Other financing sources (uses):						
Transfers to other funds	(1,281,893)	(1,297,833)	(1,291,893)	-	(1,310,625)	
Transfers from other funds	6,148,768	6,187,227	5,565,527	-	5,577,965	
Total other financing sources (uses)	<u>4,866,875</u>	<u>4,889,394</u>	<u>4,273,634</u>	<u>(615,760)</u>	<u>4,267,340</u>	
Revenues and other financing sources over expenditures and other financing uses	<u>(2,877,851)</u>	<u>(3,122,685)</u>	<u>(260,111)</u>	<u>2,862,574</u>	<u>(500,904)</u>	
Appropriated fund balance	<u>2,877,851</u>	<u>3,122,685</u>	<u>-</u>	<u>(3,122,685)</u>	<u>-</u>	
Revenues, appropriated fund balance, and other financing sources over expenditures and other financing uses	<u>\$ -</u>	<u>\$ -</u>	<u>(260,111)</u>	<u>\$ (260,111)</u>	<u>(500,904)</u>	
Fund balances:						
Beginning of year, July 1			8,066,246		8,567,150	
End of year, June 30			<u>\$ 7,806,135</u>		<u>\$ 8,066,246</u>	

Tourism Development Authority				
2012				2011
Original Budget	Final Budget	Actual	Variance With Final Positive (Negative)	Actual
\$ -	\$ -	\$ -	\$ -	\$ -
8,900,000	9,580,536	9,993,225	412,689	9,446,800
-	-	-	-	-
-	-	-	-	-
26,000	26,000	12,811	(13,189)	22,000
90,000	90,000	102,183	12,183	129,326
-	-	-	-	-
<u>9,016,000</u>	<u>9,696,536</u>	<u>10,108,219</u>	<u>411,683</u>	<u>9,598,126</u>
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
6,656,983	6,913,412	4,982,005	1,931,407	4,748,241
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
<u>6,656,983</u>	<u>6,913,412</u>	<u>4,982,005</u>	<u>1,931,407</u>	<u>4,748,241</u>
<u>2,359,017</u>	<u>2,783,124</u>	<u>5,126,214</u>	<u>2,343,090</u>	<u>4,849,885</u>
(4,126,868)	(4,165,327)	(4,126,976)	38,351	(3,746,455)
122,156	122,156	122,156	-	-
<u>(4,004,712)</u>	<u>(4,043,171)</u>	<u>(4,004,820)</u>	<u>38,351</u>	<u>(3,746,455)</u>
(1,645,695)	(1,260,047)	1,121,394	2,381,441	1,103,430
<u>1,645,695</u>	<u>1,260,047</u>	<u>-</u>	<u>(1,260,047)</u>	<u>-</u>
<u>\$ -</u>	<u>\$ -</u>	1,121,394	<u>\$ 1,121,394</u>	1,103,430
		7,357,533		6,254,103
		<u>\$8,478,927</u>		<u>\$ 7,357,533</u>

continued on next page

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

	General Fund			Variance With Final Positive (Negative)	2011 Actual
	Original Budget	Final Budget	2012 Actual		
General Fund ending fund balance, June 30			\$ 7,806,135		\$ 8,066,246
Revaluation Fund					
Investment earnings			4,550		5,430
Transfer-in from General Fund			121,000		121,000
Expenditures			(232,206)		(89,780)
Beginning Fund Balance, Revaluation			437,032		400,382
Fire District Fund					
Investment earnings			251		617
Transfer-out to General Fund			-		(10,336)
Expenditures			(38,726)		-
Beginning Fund Balance, Fire District			38,475		48,194
Fire Equipment Replacement Fund					
Investment earnings			-		2,511
Transfer-in from General Fund			-		267,000
Expenditures			-		(582,104)
Beginning Fund Balance, Fire District			-		493,109
Multi-year Grants Fund					
Investment earnings			-		1,086
Expenditures			-		-
Beginning Fund Balance, Fire District			-		77,787
Land Banking Fund					
Investment earnings			22,282		37,567
Transfer-out to General Fund			(630,000)		(630,000)
Transfer-out to Moyock Central Sewer Fund			-		(691,591)
Transfer-in from Transfer Tax Capital Fund			300,000		300,000
Expenditures			(337,253)		-
Beginning Fund Balance, Land Banking Fund			2,536,711		3,520,735
County Governmental Construction Fund					
Investment earnings			-		260,237
Restricted Intergovernmental Revenues			-		1,315,666
Expenditures			-		(8,215,233)
Transfer-in from General Fund			-		143,350
Transfer-in from Tourism Development Authority			-		690,974
Transfer-in from Capital improvements Fund			-		651,969
Transfer-in from Transfer tax capital fund			-		2,197,513
Beginning Fund Balance, County Governmental Construction Fund			-		19,678,657
School Capital Construction Fund					
Investment earnings			-		71,038
Restricted Intergovernmental Revenues			-		219,962
Expenditures			-		(312,326)
Transfer-in from Transfer tax capital fund			-		1,000,000
Beginning Fund Balance, School Capital Construction Fund			-		4,229,327
Carova Beach Service District Fund					
Investment earnings			-		-
Expenditures			-		-
Beginning Fund Balance, School Capital Construction Fund			-		-
Ending Fund Balance, June 30 (Exhibit 4)			<u>\$ 10,028,251</u>		<u>\$ 33,268,987</u>

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

Tourism Development Authority					
2012				2011	
Original Budget	Final Budget	Actual	Variance With Final Positive (Negative)		Actual
		\$8,478,927		\$	7,357,533
		-			-
		-			-
		-			-
		-			-
		-			-
		-			-
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		-			-
		-			-
		-			-
		-			-
		-			-
		2,555			3,777
		(136,556)			(17,658)
		267,519			281,400
		<u>\$8,612,445</u>		\$	<u>7,625,052</u>

County of Currituck, North Carolina
Statement of Net Assets
Proprietary Funds
June 30, 2012

	Enterprise Funds						Totals	
	Solid Waste Fund	Ocean Sands Water and Sewer District Fund	Mainland Water Fund	Southern Outer Banks Water System Fund	Moyock Central Sewer Construction Fund	Non-Major Proprietary Funds	June 30, 2012	June 30, 2011
	ASSETS							
Current assets:								
Cash and cash equivalents	\$ 5,303,810	\$ 5,231,802	\$ 2,368,948	\$ 1,178,308	\$ 48,100	\$ 326,145	\$ 14,457,113	\$ 13,293,058
Restricted cash	-	-	-	-	2,700,133	-	2,700,133	-
Taxes receivable, net	3,432	34	-	-	-	5,799	9,265	14,609
Receivables, net	126,152	104,039	224,132	286,317	3,461	59,494	803,595	810,080
Deferred charges - bond issuance	-	-	20,051	-	-	-	20,051	23,394
Deferred charges - refunding	-	-	96,854	-	-	-	96,854	112,996
Total current assets	5,433,394	5,335,875	2,709,985	1,464,625	2,751,694	391,438	18,087,011	14,254,137
Noncurrent assets:								
Capital assets:								
Land, improvements, and construction in progress	62,962	963,012	5,150	42,600	3,024,478	2,130,954	6,229,156	3,671,609
Other capital assets, net of depreciation	476,410	1,036,026	26,180,479	18,003,128	-	3,885,657	49,581,700	42,388,305
Total capital assets	539,372	1,999,038	26,185,629	18,045,728	3,024,478	6,016,611	55,810,856	46,059,914
Total noncurrent assets	539,372	1,999,038	26,185,629	18,045,728	3,024,478	6,016,611	55,810,856	46,059,914
Total assets	5,972,766	7,334,913	28,895,614	19,510,353	5,776,172	6,408,049	73,897,867	60,314,051
LIABILITIES								
Current liabilities:								
Accounts payable	292,963	173,138	23,718	433,094	333,127	20,309	1,276,349	332,560
Due to operating fund	-	-	-	-	-	-	-	157,604
Customer deposits	-	100	47,090	3,132	-	500	50,822	47,500
Accrued salaries	-	-	21,515	24,511	-	-	46,026	30,518
General obligation bonds payable	-	-	315,000	-	-	-	315,000	285,000
Revenue bonds payable	-	-	540,000	-	-	-	540,000	500,000
Notes payable	-	-	-	850,000	180,000	-	1,030,000	1,081,838
Premium on debt issued	-	-	113,379	-	-	-	113,379	132,276
Total current liabilities	292,963	173,238	1,060,702	1,310,737	513,127	20,809	3,371,576	2,567,296
Noncurrent liabilities:								
Liabilities payable from restricted assets:								
Accrued vacation	-	-	31,138	26,189	-	-	57,327	42,177
General obligation bonds payable	-	-	1,490,000	-	-	-	1,490,000	1,325,000
Revenue bonds payable	-	-	16,475,000	-	-	-	16,475,000	17,525,000
Notes payable	-	-	-	7,225,000	2,520,000	-	9,745,000	1,694,584
Other postemployment benefits	-	-	202,728	117,789	-	-	320,517	206,972
Total noncurrent liabilities	-	-	18,198,866	7,368,978	2,520,000	-	28,087,844	20,793,733
Total liabilities	292,963	173,238	19,259,568	8,679,715	3,033,127	20,809	31,459,420	23,361,029
NET ASSETS								
Invested in capital assets, net of related debt								
	539,372	1,999,038	7,252,250	9,970,728	3,024,478	6,016,611	28,802,477	23,516,216
Unrestricted	5,140,431	5,162,637	2,383,796	859,910	(281,433)	370,629	13,635,970	13,436,806
Total net assets	\$ 5,679,803	\$ 7,161,675	\$ 9,636,046	\$ 10,830,638	\$ 2,743,045	\$ 6,387,240	\$ 42,438,447	\$ 36,953,022

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 Assets
Proprietary Funds
For the Year Ended June 30, 2012

	Enterprise Funds						Totals	
	Solid Waste Fund	Ocean Sands Water and Sewer Fund	Mainland Water Fund	Southern Outer Banks Water System Fund	Moyock Central Sewer Construction Fund	Non-Major Proprietary Funds	June 30, 2012	June 30, 2011
OPERATING REVENUES								
Charges for services	\$ 2,908,470	\$ 1,001,341	\$ 2,742,356	\$ 2,425,824	\$ -	\$ 252,772	\$ 9,330,763	\$ 8,237,226
Water and sewer taps	-	2,250	199,000	1,026,193	40,101	-	1,267,544	810,535
Miscellaneous	-	2,525	-	39,906	-	632	43,063	31,408
Total operating revenues	2,908,470	1,006,116	2,941,356	3,491,923	40,101	253,404	10,641,370	9,079,169
OPERATING EXPENSES								
Administration	132,407	43,942	376,109	388,293	-	31,378	972,129	880,375
Water operations	-	468,971	973,073	782,600	-	-	2,224,644	2,071,438
Sewer operations	-	386,741	-	-	18	129,531	516,290	528,779
Landfill operations	4,085,087	-	-	-	-	-	4,085,087	4,008,281
Depreciation	35,428	166,698	1,893,122	755,224	-	101,135	2,951,607	2,256,521
Total operating expenses	4,252,922	1,066,352	3,242,304	1,926,117	18	262,044	10,749,757	9,745,394
Operating income (loss)	(1,344,452)	(60,236)	(300,948)	1,565,806	40,083	(8,640)	(108,387)	(666,225)
NONOPERATING REVENUES (EXPENSES)								
Tax revenue	73,496	-	-	-	-	57,678	131,174	135,889
Contributed capital	-	-	-	-	-	5,498,458	5,498,458	-
Sale of capital assets	-	-	-	-	-	600	600	-
Rent	-	-	-	47,085	-	-	47,085	-
Unrestricted intergovernmental revenues	75,477	-	-	-	-	-	75,477	68,656
Restricted intergovernmental revenues	-	-	-	-	-	-	-	540,000
Investment earnings	58,688	57,676	8,366	2,722	1,796	3,797	133,045	176,875
Interest expenses	-	-	(807,558)	(162,412)	-	-	(969,970)	(967,177)
Total nonoperating revenue (expenses)	207,661	57,676	(799,192)	(112,605)	1,796	5,560,533	4,915,869	(45,757)
Income (loss) before contributions and transfers	(1,136,791)	(2,560)	(1,100,140)	1,453,201	41,879	5,551,893	4,807,482	(711,982)
Transfers from (to) other funds	893,893	-	-	(122,156)	-	(93,794)	677,943	1,436,268
Change in net assets	(242,898)	(2,560)	(1,100,140)	1,331,045	41,879	5,458,099	5,485,425	724,286
Total net assets - beginning	5,922,701	7,164,235	10,736,186	9,499,593	2,701,166	929,141	36,953,022	36,228,736
Total net assets - ending	\$ 5,679,803	\$ 7,161,675	\$ 9,636,046	\$ 10,830,638	\$ 2,743,045	\$ 6,387,240	\$ 42,438,447	\$ 36,953,022

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

County of Currituck, North Carolina
Statement of Cash Flows
Enterprise Fund
For The Fiscal Year Ended June 30, 2012

							Totals	
	Solid Waste Fund	Ocean Sands Water and Sewer Fund	Mainland Water Fund	Southern Outer Banks Water System Fund	Moyock Central Sewer Construction Fund	Non-Major Proprietary Funds	June 30, 2012	June 30, 2011
Cash flows from operating activities:								
Cash received from customers	\$ 2,905,306	\$ 1,041,233	\$ 3,036,835	\$ 3,405,854	\$ 44,409	\$ 200,963	\$ 10,634,600	\$ 8,617,297
Cash paid for goods and services	(4,192,412)	(750,994)	(614,514)	(234,388)	(18)	(143,889)	(5,936,215)	(7,261,007)
Cash paid to employees for services	-	-	(656,936)	(450,723)	-	-	(1,107,659)	(1,062,864)
Customer deposits received	-	-	740	-	-	-	740	16,733
Customer deposits returned	-	(400)	-	-	-	(150)	(550)	(60,352)
Other operating revenue	-	2,525	-	10,098	-	632	13,255	29,358
Net cash provided (used) by operating activities	(1,287,106)	292,364	1,766,125	2,730,841	44,391	57,556	3,604,171	279,165
Cash flows from noncapital financing activities:								
Tax revenues	78,837	-	-	(157,604)	-	57,679	(21,088)	135,591
Rental Income	-	-	-	47,085	-	-	47,085	-
Loan from other funds	-	-	-	-	-	-	-	145,747
Transfer from (to) other funds	893,893	-	-	(122,156)	-	10,000	781,737	1,776,129
Net cash provided by noncapital financing	972,730	-	-	(232,675)	-	67,679	807,734	2,057,467
Cash flows from capital and related financing activities:								
Acquisition and construction of capital assets	-	(172,191)	(35,130)	(6,458,746)	(248,091)	(71,249)	(6,985,407)	(1,694,789)
Principal paid on bond maturities and installment purchase contracts	-	-	(815,588)	(3,201,422)	-	-	(4,017,010)	(1,759,509)
Interest paid on bond maturities and installment purchase contracts	-	-	(805,793)	(162,412)	-	-	(968,205)	(1,032,554)
Transfer from (to) other funds	-	-	-	-	-	(103,794)	(103,794)	521,327
Grants	75,477	-	-	-	-	-	75,477	57,113
Sale of capital assets	-	-	-	-	-	600	600	-
Capital contributions	-	-	-	-	-	117,576	117,576	329,144
Proceeds from debt issuance	-	-	-	8,500,000	2,700,000	-	11,200,000	-
Net cash used by capital and related financing activities	75,477	(172,191)	(1,656,511)	(1,322,580)	2,451,909	(56,867)	(680,763)	(3,579,268)
Cash flows from investing activities:								
Interest on investments	58,688	57,677	8,366	2,722	1,796	3,797	133,046	148,173
Net increase (decrease) in cash and cash equivalents	(180,211)	177,850	117,980	1,178,308	2,498,096	72,165	3,864,188	(1,094,463)
Cash and cash equivalents, July 1	5,484,021	5,053,952	2,250,968	-	250,137	253,980	13,293,058	14,906,404
Cash and cash equivalents, June 30	\$ 5,303,810	\$ 5,231,802	\$ 2,368,948	\$ 1,178,308	\$ 2,748,233	\$ 326,145	\$ 17,157,246	\$ 13,811,941
Reconciliation of operating income to net cash provided by operating activities:								
Operating income (loss)	\$ (1,344,452)	\$ (60,236)	\$ (300,948)	\$ 1,565,806	\$ 40,083	\$ (8,640)	\$ (108,387)	\$ (1,113,662)
Adjustments to reconcile operating income to net cash provided (used) by operating activities:								
Depreciation	35,428	166,698	1,893,122	755,224	-	101,135	2,951,607	2,265,708
Changes in assets and liabilities:								
(Increase) decrease in accounts receivable	(3,165)	37,642	95,479	(75,971)	4,308	(51,809)	6,484	199,111
Increase (decrease) in accounts payable and accrued liabilities	25,083	148,660	1,787	433,032	-	17,020	625,582	(1,129,782)
(Increase) decrease in accrued vacation	-	-	1,767	13,383	-	-	15,150	7,982
Increase in post employment benefits	-	-	74,178	39,367	-	-	113,545	93,427
Increase (decrease) in customer deposits	-	(400)	740	-	-	(150)	190	(43,619)
Total adjustments	57,346	352,600	2,067,073	1,165,035	4,308	66,196	3,712,558	1,392,827
Net cash provided (used) by operating activities	\$ (1,287,106)	\$ 292,364	\$ 1,766,125	\$ 2,730,841	\$ 44,391	\$ 57,556	\$ 3,604,171	\$ 279,165
Supplemental disclosure of non-cash financing activities:								
County dissolved a sanitary sewer district located in the County	-	-	-	-	-	3,508,874	3,508,874	-
	-	-	-	-	-	3,508,874	3,508,874	-

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

County of Currituck, North Carolina
Statement of Fiduciary Net Assets
Fiduciary Funds
June 30, 2012

	Pension Trust Fund	Agency Funds
	<u> </u>	<u> </u>
Assets:		
Cash and cash equivalents	\$ 983,654	\$ 19,894
Due from other governments	-	19,039
Total assets	<u>983,654</u>	<u>38,933</u>
Liabilities:		
Accounts payable	-	16,329
Due to other governments	<u>-</u>	<u>22,604</u>
Total liabilities	<u>-</u>	<u>38,933</u>
Net assets:		
Assets held for pension benefits	<u>\$ 983,654</u>	<u>\$ -</u>

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

County of Currituck, North Carolina
Statement of Changes in Fiduciary Net Assets
Fiduciary Funds
For The Fiscal Year Ended June 30, 2012

	Post-employment Benefits Fund	
	June 30 2012	June 30 2011
Additions:		
Employer contributions		
Law enforcement separation allowance	\$ 48,823	\$ 48,823
Postemployment benefits	165,848	155,199
	<u>214,671</u>	<u>204,022</u>
Investment income:		
Interest	9,840	11,340
Total additions	<u>224,511</u>	<u>215,362</u>
Deductions:		
Benefits		
Law enforcement separation allowance	13,558	22,097
Postemployment benefits	55,118	144,020
Administrative expense	264	4,472
Total deductions	<u>68,940</u>	<u>170,589</u>
Change in net assets	155,571	44,773
Net assets:		
Beginning of year, July 1		
Law enforcement separation allowance	381,178	356,883
Postemployment benefits	446,905	426,427
Beginning of year, totals	<u>828,083</u>	<u>783,310</u>
End of year, June 30		
Law enforcement separation allowance	417,950	381,178
Postemployment benefits	565,704	446,905
Net assets - end of year, totals	<u>\$ 983,654</u>	<u>\$ 828,083</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, 2012

I. Summary of Significant Accounting Policies

The accounting policies of Currituck County and its component units conform to generally accepted accounting principles as applicable to governments. The following is a summary of the more significant accounting policies:

A. Reporting Entity

Founded in 1668, Currituck (Indian for "land of the wild goose") is the most northeastern county in North Carolina. Of the 100 counties established under North Carolina General Statute 153A-10, Currituck County is one of the State's four original counties. A seven-member Board of Commissioners govern the County.

As required by generally accepted accounting principles, these financial statements present the County and its component units; legally separate entities for which the County is financially accountable. The two blended component units, although legally separate entities, are, in substance, part of the County's operations. The two discretely presented component units are reported in separate columns in the County's combined financial statements in order to emphasize that they are legally separate from the County.

Component Unit	Reporting Method	Criteria for Inclusion	Separate Financial Statements
Ocean Sands Water and Sewer District	Blended	Ocean Sands Water and Sewer District (Ocean Sands) is part of the Ocean Sands planned unit development on the North Carolina Outer Banks. North Carolina law authorizes counties to create water and sewer districts, such as Ocean Sands, to facilitate the construction, operations and financing of water and sewer utility improvements in defined areas. Under North Carolina General Statute 162A-89, the County Board of Commissioners also serves as the governing board of Ocean Sands.	None issued.
Tourism Development Authority	Blended	The Currituck County Tourism Development Authority is a public authority established to expend the net proceeds of the tax levied for a room occupancy tax and shall promote travel, tourism and conventions in the County, sponsor tourist-related events and activities in the county, and finance tourist-related capital projects in the county. It is composed of eight members: seven voting members and one ex officio nonvoting member. The ex officio nonvoting member shall be the county's designated travel and tourism representative and the voting members are the county commissioners of Currituck County.	None issued.

Component Unit	Reporting Method	Criteria for Inclusion	Separate Financial Statements
Currituck County Alcoholic Beverage Control Board	Discrete	The Currituck County Alcoholic Beverage Control Board (ABC Board) is a corporate body with powers outlined by North Carolina General Statute 18B-701. The County Board of Commissioners appoints the members of the ABC Board's governing board. The ABC Board is required by state statute to distribute its surpluses, after other required distributions, to the General Fund of the County. The ABC Board, which has a June 30 year-end, is presented as a proprietary fund.	Currituck County ABC Board 6664 Caratoke Highway Grandy, NC 27939
The Whalehead Preservation Trust	Discrete	The Whalehead Preservation Trust and The Currituck Wildlife Museum (the Whalehead Trust) was established by the County Board of Commissioners. The members of the Whalehead Trust's governing board are appointed by the County Board of Commissioners to develop and implement a museum master plan and to implement a campaign designed to provide adequate funding for the museum restoration and operation. The Whalehead Trust solicits public and private contributions that are utilized to carry out its objectives. Daily tours are also conducted during the summer season, which generates admission fee income. None of the funds raised have been restricted during the current period. The County has assumed the obligation, through a portion of the Occupancy Tax, to provide financial support to the Whalehead Trust. The Whalehead Trust, which has a June 30 year-end, is presented as a proprietary fund.	The Whalehead Preservation Trust PO Box 307 Corolla, NC 27927

B. Basis of Presentation, Basis of Accounting

Basis of Presentation, Measurement Focus – Basis of Accounting

Government-wide Statements: The statement of net assets and the statement of activities display information about the primary government (the County) and its component units. These statements include the financial activities of the overall government, except for fiduciary activities. Eliminations have been made to minimize the double counting of internal activities. Interfund services provided and used are not eliminated in the consolidation process. These statements distinguish between the *governmental* and *business-type activities* of the County. Governmental activities generally are financed through taxes, intergovernmental revenues, and other non-exchange transactions. Business-type activities are financed in whole or in part by fees charged to external parties.

The statement of activities presents a comparison between direct expenses and program revenues for the different business-type activities of the County and for each function of the County's governmental activities. Direct expenses are those that are specifically associated with a program or function and, therefore, are clearly identifiable to a particular function. Indirect expense allocations that have been made in the funds have been reversed for the statement of activities. Program revenues include (a) fees and charges paid by the recipients of goods or services offered by the programs and (b) grants and contributions that are restricted to meeting the operational or capital requirements of a particular

program. Revenues that are not classified as program revenues, including all taxes, are presented as general revenues.

Fund Financial Statements: The fund financial statements provide information about the County's funds, including its fiduciary funds and blended component units. Separate statements for each fund category – *governmental, proprietary, and fiduciary* – are presented. The emphasis of fund financial statements is on major governmental and enterprise funds, each displayed in a separate column. All remaining governmental and enterprise funds are aggregated and reported as nonmajor funds.

Proprietary fund operating revenues, such as charges for services, result from exchange transactions associated with the principal activity of the fund. Exchange transactions are those in which each party receives and gives up essentially equal values. Nonoperating revenues, such as subsidies and investment earnings, result from non-exchange transactions or ancillary activities.

The County reports the following major governmental funds:

General Fund. This is the County's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund. The Revaluation Fund, the Fire District Fund, and the Land Banking Fund are legally budgeted funds under North Carolina General Statutes; however, for statement presentation in accordance with GASB Statement No. 54 they are consolidated in the General Fund.

Tourism Development Authority Fund. This fund accounts for financial resources to be used for tourism promotion and tourism-related expenses. The Carova Beach Service District Fund is a legally budgeted fund under North Carolina General Statutes; however, for statement presentation in accordance with GASB Statement No. 54 it is consolidated in the Tourism Development Authority Fund.

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

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

The County reports the following major enterprise funds:

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

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

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

Moyock Central Sewer Construction Fund. This fund is used to accumulate resources to be used for construction of a central sewer plant and distribution lines, which will run from the Moyock Welcome Center to the Moyock Commons Sewer Plant.

Southern Outer Banks Water System Fund. This fund is used to account for the operations of the water system on the Currituck beach.

The County reports the following fiduciary fund types:

Pension Trust Fund. The County maintains a Post-Employment Benefits Fund. Pension trust funds are used to report resources that are required to be held in trust for the members and beneficiaries of defined benefit pension plans, defined contribution plans, or other postemployment benefit plans. This fund accounts for the Law Enforcement Officers' Special Separation Allowance, a single-employer, public employee retirement system and for the County's contributions for healthcare coverage provided to qualified retirees.

Agency Funds. Agency funds are custodial in nature and do not involve the measurement of operating results. Agency funds are used to account for assets the County holds on behalf of others. The County maintains the following agency funds: the Social Services Fund, which accounts for moneys deposited with the Department of Social Services for the benefit of certain individuals; the Fines and Forfeitures Fund, which accounts for various legal fines and forfeitures that the County is required to remit to Currituck County Board of Education; the Motor Vehicle Tax Fund, which accounts for the three percent interest on the first month of delinquent motor vehicle taxes that the County is required to remit to the North Carolina Department of Motor Vehicles; and the Deed of Trust Fee Fund, which accounts for the five dollars of each fee collected by the register of deeds for registering or filing a deed of trust or mortgage and remitted to the State Treasurer on a monthly basis.

Nonmajor Funds. The County maintains twelve legally budgeted funds. The Multi-year Grant fund, the Emergency Telephone System fund, the Guinea Mill Watershed Improvement fund, the Hog Bridge Ditch Watershed Improvement fund, the Moyock Watershed Improvement fund, the Northwest Watershed Improvement fund, the Whalehead Watershed Improvement fund and the Whalehead Beach Solid Waste fund are reported as nonmajor special revenue funds. The Fire Equipment Replacement fund, the Capital Improvements fund, the School Capital fund and the Transfer Tax Capital fund are reported as capital projects funds. The Revaluation fund, Fire District fund, and the Land Banking fund are consolidated in the General Fund and the Carova Beach Service District fund is consolidated in the Tourism Development Authority fund in accordance with GASB Statement No. 54.

Measurement Focus, Basis of Accounting

In accordance with North Carolina General Statutes, all funds of the County are maintained during the year using the modified accrual basis of accounting.

Government-wide, Proprietary, and Fiduciary Fund Financial Statements. The government-wide, proprietary, and fiduciary fund financial statements are reported using the economic resources measurement focus, except for the agency funds which have no measurement focus. The government-wide, proprietary fund, and fiduciary fund financial statements are reported using the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded at the time liabilities are

incurred, regardless of when the related cash flows take place. Non-exchange transactions, in which the County gives (or receives) value without directly receiving (or giving) equal value in exchange, include property taxes, grants, entitlements, and donations. On an accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes are levied. Revenue from grants, entitlements, and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied.

Amounts reported as program revenues include 1) charges to customers or applicants for goods, services, or privileges provided, 2) operating grants and contributions, and 3) capital grants and contributions, including special assessments. Internally dedicated resources are reported as general revenues rather than as program revenues. Likewise, general revenues include all taxes.

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the County enterprise funds are charges to customers for sales and services. The County also recognizes as operating revenue the portion of tap fees intended to recover the cost of connecting new customers to the water and sewer system. Operating expenses for enterprise funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

Governmental Fund Financial Statements. Governmental funds are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this method, revenues are recognized when measurable and available.

Expenditures are recorded when the related fund liability is incurred, except for principal and interest on general long-term debt, claims and judgments, and compensated absences, which are recognized as expenditures to the extent they have matured. General capital asset acquisitions are reported as expenditures in governmental funds. Proceeds of general long-term debt and acquisitions under capital leases are reported as other financing sources.

The County considers all revenues available if they are collected within 90 days after year-end, except for property taxes. Ad valorem property taxes are not accrued as a revenue because the amount is not susceptible to accrual. At June 30, taxes receivable are materially past due and are not considered to be an available resource to finance the operations of the current year. Also, as of January 1, 1993, State law altered the procedures for the assessment and collection of property taxes on registered motor vehicles in North Carolina. Effective with this change in law, Currituck County is responsible for billing and collecting the property taxes on all registered motor vehicles. For registered motor vehicles, property taxes are due the first day of the fourth month after the vehicles are registered. The billed taxes are applicable to the fiscal year in which they become due. Therefore, taxes for vehicles registered from March 2011 through February 2012 apply to the fiscal year ended June 30, 2012. Uncollected taxes that were billed during this period are shown as a receivable on these financial statements.

Sales taxes and certain intergovernmental revenues, such as the utilities franchise tax, collected and held by the State at year-end on behalf of the County are recognized as revenue. Intergovernmental revenues and sales and services are not susceptible to accrual because generally they are not measurable

until received in cash. Expenditure-driven grants are recognized as revenue when the qualifying expenditures have been incurred and all other grant requirements have been satisfied.

Under the terms of grant agreements, the County funds certain programs by a combination of specific cost-reimbursement grants, categorical block grants, and general revenues. Thus when program expenses are incurred, there are both restricted and unrestricted net assets available to finance the program. It is the County's policy to first apply cost-reimbursement grant resources to such programs, followed by categorical block grants, and then by general revenues.

All governmental and business-type activities and enterprise funds of the County follow FASB Statements and Interpretations issued on or before November 30, 1989, Accounting Principles Board Opinions, and Accounting Research Bulletins, unless those pronouncements conflict with GASB pronouncements.

C. Budgetary Data

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

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

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

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

D. Assets, Liabilities, and Fund Equity

1. Deposits and Investments

All deposits of the County and the Currituck County ABC Board are made in board-designated official depositories and are secured as required by G.S. 159-31. The County, the ABC Board, and the Whalehead Preservation Trust may designate, as an official depository, any bank or savings association whose principal office is located in North Carolina. Also, the County, the ABC Board, and the Whalehead Preservation Trust may establish time deposit accounts such as NOW and SuperNOW accounts, money market accounts, and certificates of deposit.

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

The County, the ABC Board, and the Whalehead Preservation Trust's investments are carried at fair value as determined by quoted market prices. The securities of the NCCMT Cash Portfolio, an SEC-registered (2a-7) money market mutual fund, are valued at fair value, which is the NCCMT's share price. The NCCMT Term Portfolio's securities are valued at fair value.

2. Cash and Cash Equivalents

The County pools money from several funds to facilitate disbursement and investment and to maximize investment income. Therefore, all cash and investments are essentially demand deposits and are considered cash and cash equivalents. The Currituck ABC Board and the Whalehead Preservation Trust consider demand deposits and investments purchased with an original maturity of three months or less, which are not limited as to use, to be cash and cash equivalents.

3. Restricted Assets

The unexpended proceeds of installment purchase agreements for the Moyock Sewer Construction Fund and the School Construction Fund are classified as restricted assets within the funds because their use is completely restricted to the purpose for which the debt was issued. Customer deposits held by the County before any services are supplied are restricted to the service for which the deposit was collected. Money in the Tax Revaluation Fund is classified as restricted per North Carolina General Statute 153A-150.

4. Ad Valorem Taxes Receivable

In accordance with State law [G.S. 105-347 and G.S. 159-13(a)], the County levies ad valorem taxes on property other than motor vehicles on July 1, the beginning of the fiscal year. The taxes are due on September 1 (lien date); however, penalties and interest do not accrue until the following January 6. These taxes are based on the assessed values as of January 1, 2011. As allowed by State law, the

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

5. Allowances for Doubtful Accounts

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

6. Inventories and Prepaid Items

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

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

7. Capital Assets

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

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

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

The County holds title to Shawboro Elementary School, which is included in the County's capital assets. This property has been deeded to the County to permit installment purchase financing of acquisition and construction costs and to permit the County to receive refunds of sales tax paid for construction costs. Agreements between the County and the Board of Education give the Board of Education full use of the facilities, full responsibility for maintenance of the facilities, and provide that the County will convey title to the property back to the Board of Education, once all restrictions of the financing agreements and all sales tax reimbursement requirements have been met.

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

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

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

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

8. Long-term Obligations

In the government-wide financial statements and in the proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net assets.

In the fund financial statements for governmental fund types, the face amount of debt issued is reported as another financing source.

The ABC Board has no long-term liabilities as of June 30, 2012. The Whalehead Preservation Trust entered into a note payable in April 2011 for the acquisition of computer hardware, computer software, and infrastructure. The note does not carry a stated interest rate and is payable in 36 monthly installments of \$452. The outstanding balance of the note at July 1, 2011 was \$14,915. The note was increased in April 2012 with the acquisition of computer hardware and software. The monthly payments increased to \$522. The outstanding balance of the note at June 30, 2012 was \$10,473. Payments due in the next year amount to \$6,267.

9. 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, 2012 and 2011 amounted to approximately \$1,842 and \$3,003, respectively, and is all considered current.

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

10. Net Assets/Fund Balances

Net Assets

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

Fund Balances

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

The governmental fund types classify fund balances as follows:

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

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

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

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

Restricted for Register of Deeds – portion of fund balance this is restricted by revenue source to pay for the computer equipment and imaging technology for the Register of Deeds office.

Restricted for Human Services – portion of fund balance that is restricted by revenue source for human services purposes.

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

Restricted for School Capital – portion of fund balance that can only be used for School Capital per G.S. 159-18-22.

Restricted for Tourism Promotion – portion of fund balance than can only be used for Tourism promotion.

Restricted for Tourism Related Expenditures – portion of fund balance than can only be used for Tourism related expenditures.

Committed Fund Balance – Portion of fund balance that can only be used for specific purpose imposed by majority vote of the County of Currituck’s governing body. Any changes or removal of specific purposes requires majority action by the governing body.

Committed for Tax Revaluation – portion of fund balance that can only be used for Tax Revaluation.

Assigned Fund Balance – portion of fund balance that the Currituck County governing board has budgeted.

Subsequent year’s expenditures – portion of fund balance that is appropriated in the next year’s budget that is not already classified in restricted or committed. The governing body approves the appropriation; however, the budget ordinance authorizes the manager to modify the appropriations by resource or appropriation within funds up to \$10,000.

Assigned for Governmental Capital Construction – portion of fund balance that has been budgeted by the board for the construction of new governmental facilities.

Assigned School Capital Outlay – portion of fund balance that has been budgeted by the board for future school capital construction.

Unassigned Fund Balance – Portion of fund balance that has not been restricted, committed or assigned to specific purposes or other funds.

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

E. Reconciliation of Government-wide and Fund Financial Statements

1. Explanation of certain differences between the governmental fund balance sheet and the government-wide statement of net assets.

The governmental fund balance sheet includes a reconciliation between fund balance - total governmental funds and net assets – governmental activities as reported in the government-wide statement of net assets. The net adjustment of \$79,240,113 consists of several elements as follows:

Description	Amount
Prepaid pension costs resulting from actuarial study, which are not reported in the funds	\$ 157,935
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)	135,127,204
Less accumulated depreciation	(34,646,630)
Net capital assets	<u>100,480,574</u>
Deferred charges related to advance refunding bond issue	125,303
Liabilities for revenue deferred but earned and therefore reported in the fund statements but not the government-wide	832,105
Bonds, leases, and installment financing	(13,439,624)
Compensated absences	(1,071,739)
Premium on debt issued	(125,303)
Other postemployment benefits	(7,719,138)
Total adjustment	<u>\$ 79,240,113</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 assets of governmental activities as reported in the government-wide statement of activities. There are several elements of that total adjustment of \$6,889,778 as follows:

Description	Amount
Capital outlay expenditures recorded in the fund statements but capitalized as assets in the statement of activities	\$ 17,789,681
Cost of disposed capital asset not recorded on fund statement	(72,127)
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.	(4,669,885)
New debt issued during the year is recorded as a source of funds on the fund statements; it has no effect on the statement of activities; it effects only the Government-wide Statement of New Assets.	(6,800,000)
Principal payments on debt owed are recorded as a use of funds on the fund statements but again affect only the statement of net assets in the government-wide statements	2,975,701
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	(120,647)
Other postemployment benefits	(2,178,176)
Revenues reported in the statement of activities that do not provide current resources are not recorded as revenues in the fund statements.	
Reversal of deferred tax revenue recorded at 7/1/11	(837,060)
Recording of tax receipts deferred in the fund statements as of 6/30/12	832,105
Change in prepaid pension cost for law enforcement separation allowance	(29,814)
Total adjustment	<u>\$ 6,889,778</u>

II. Detail Notes on All Funds

A. Assets

1. Deposits

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

the Pooling Method, the potential exists for undercollateralization, and this risk may increase in periods of high cash flows. However, the State Treasurer of North Carolina enforces strict standards of financial stability for each depository that collateralizes public deposits under the Pooling Method. The County and the ABC Board do not have policies regarding custodial credit risk for deposits.

The State Treasurer enforces standards of minimum capitalization for all pooling method financial institutions. The County relies on the State Treasurer to monitor those financial institutions. The County analyzes the financial soundness of any other financial institution used by the County. The County complies with the provisions of G. S. 159-31 when designating official depositories and verifying that deposits are properly secured. The ABC Board and the Whalehead Preservation Trust has no formal policy regarding custodial credit risk for deposits.

At June 30, 2012, the County's deposits had a carrying amount of \$49,961,124 and a bank balance of \$49,867,957. Of the bank balance, \$1,000,000 was covered by federal depository insurance and \$48,867,957 in interest bearing deposits were covered by collateral held under the Pooling Method.

At June 30, 2012, the County had \$2,320 and the Whalehead Preservation Trust had \$800 cash on hand.

At June 30, 2012, the carrying amount of deposits for Currituck County ABC Board was \$1,103,078. 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, 2012, the Whalehead Preservation Trust's deposits had a carrying amount of \$789,766 and a bank balance of \$758,883. The Trust maintains its cash balances at four banks. Of this amount, \$653,212 was covered by federal depository insurance and \$105,671 was covered by collateral held under the Pooling Method. The organization has no formal policy regarding custodial credit risks for deposits.

2. Investments

As of June 30, 2012, the County had the following investments and maturities:

Investment Type	Fair Value	Less Than			More Than 5 Years
		6 Months	6-12 Months	1-5 Years	
Commercial Paper	\$ 18,842,386	\$ -	\$ 18,842,386	\$ -	\$ -
Federal agencies	\$ 1,003,613	-	-	1,003,613	-
NC Capital Management Trust:					
Cash Portfolio	\$ 52,066	N/A	N/A	N/A	N/A
Total Investments	\$ 19,898,065	\$ -	\$ 18,842,386	\$ 1,003,613	\$ -

Interest Rate Risk. Although the County does not have a formal policy of the length of maturities in the investment portfolio, the County staggers maturities and does not purchase investments with maturities greater than three years.

Credit Risk. The County limits investments to the provisions of G.S. 159-30 and restricts the purchase of securities to the highest possible ratings whenever particular types of securities are rated. State law limits investments in commercial paper to the top rating issued by nationally recognized statistical rating organizations (NRSROs); however, the County had no formal policy on managing credit risk. As of June 30, 2012, the County's investments in commercial paper were rated P1 by Standard & Poor's, F1 by Fitch Ratings, and A1 by Moody's Investors Service. The County's investments in the

NC Capital Management Trust Cash Portfolio carried a credit rating of AAAm by Standard & Poor’s as of June 30, 2012. 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 Statutes 159-30 as amended. The County’s investments 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, 2012, the County had no investments held by a counter-party that were not in the County’s name. The County had no policy on custodial credit risk.

Concentration of Credit Risk. The County places no limit on the amount that the County may invest in any one issuer. More than 5 percent of the County’s investments are in Korea Development Commercial Paper, Kookmin Commercial Paper and Abby National Commercial Paper. These investments are 26.26%, 36.82%, and 36.92% 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
2009	957,445	313,563	1,271,008
2010	951,287	225,931	1,177,218
2011	957,040	141,163	1,098,203
2012	975,833	56,110	1,031,943
Total	\$ 3,841,605	\$ 736,767	\$ 4,578,372

4. Receivables

Receivables at the government-wide level at June 30, 2012, were as follows:

	Accounts	Taxes and Related Accrued Interest	Due from Other Governments	Total
Governmental Activities:				
General	\$ 130,715	\$ 848,064	\$ 1,777,148	\$ 2,755,927
County Governmental Facilities	-	-	351,980.00	351,980
School Facilities	-	-	10,390.00	10,390
Tourism Development Authority	395	-	14,072	14,467
Other Governmental	-	3,055	1,008,390	1,011,445
Total receivables	131,110	851,119	3,161,980	4,144,209
Allowance for doubtful accounts	-	(19,014)	-	(19,014)
Total-governmental activities	<u>\$ 131,110</u>	<u>\$ 832,105</u>	<u>\$ 3,161,980</u>	<u>\$ 4,125,195</u>
Business-type Activities				
Solid Waste	\$ 126,152	\$ 3,834	\$ -	\$ 129,986
Ocean Sands Water and Sewer	104,039	34	-	104,073
Mainland Water	254,571	-	-	254,571
Southern Outer Banks Water	286,317	-	-	286,317
Moyock Central Sewer	3,461	-	-	3,461
Other Proprietary	59,494	5,799	-	65,293
Total receivables	834,034	9,667	-	843,701
Allowance for doubtful accounts	(30,439)	(402)	-	(30,841)
Total - business-type activities	<u>\$ 803,595</u>	<u>\$ 9,265</u>	<u>\$ -</u>	<u>\$ 812,860</u>

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

Clerk of Court fee revenues	\$ 25,906
Local option sales tax	2,143,700
Cable television franchise taxes	93,840
Payment in lieu of taxes	34,923
Sales and use tax refund	431,810
NC Div Health & Human Services	167,171
State Aid to Airports	11,778
PARTF Grant funds	158,156
NC Dept of Public Safety grants	94,696
Total	<u>\$3,161,980</u>

5. Capital Assets

Capital asset activity for the year ended June 30, 2012, was as follows:

	Beginning Balances	Increases	Decreases	Ending Balances
Governmental activities:				
Capital assets not being depreciated:				
Land	\$ 18,799,508	337,972	-	\$ 19,137,480
Construction in progress	5,220,673	13,164,254	10,642,641	7,742,286
Total capital assets not being depreciated	24,020,181	13,502,226	10,642,641	26,879,766
Capital assets being depreciated:				
Buildings	65,906,043	11,050,651	-	76,956,694
Computer equipment	3,507,450	311,083	-	3,818,533
Furniture and fixtures	10,558,858	3,029,782	69,974	13,518,666
Equipment	5,672,555	69,167	42,135	5,699,587
Vehicles and motor equipment	7,924,796	469,413	140,251	8,253,958
Total capital assets being depreciated'	93,569,702	14,930,096	252,360	108,247,438
Less accumulated depreciation for:				
Buildings	16,573,907	2,454,056	-	19,027,963
Computer equipment	1,464,315	1,389,360	-	2,853,675
Furniture and fixtures	4,131,253	559,630	3,667	4,687,216
Equipment	1,615,047	164,165	36,315	1,742,897
Vehicles and motor equipment	6,372,456	102,674	140,251	6,334,879
Total accumulated depreciation	30,156,978	4,669,885	180,233	34,646,630
Total capital assets being depreciated, net	63,412,724			73,600,808
Governmental activity capital assets, net	\$ 87,432,905			\$ 100,480,574

Primary Government

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

General government	\$ 1,563,644
Public safety	1,652,794
Transportation	264,222
Environmental protection	1,460
Economic and physical development	288,207
Human services	65,399
Cultural and recreational	834,159
Total depreciation expense	\$ 4,669,885

Proprietary Funds

Business-type activities:

Solid Waste

Capital assets not being depreciated:

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

Capital assets being depreciated:

Buildings	825,133	-	-	825,133
Equipment	230,957	-	-	230,957
Vehicles and motor equipment	12,736	-	-	12,736
Total capital assets being depreciated	1,068,826	-	-	1,068,826

Less accumulated depreciation for:

Buildings	440,934	27,504	-	468,438
Equipment	103,319	7,923	-	111,242
Vehicles and motor equipment	12,736	-	-	12,736
Total accumulated depreciation	556,989	35,427	-	592,416

Total capital assets being depreciated, net	511,837			476,410
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Solid Waste capital assets, net

\$ 574,799			\$ 539,372
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continued

	Beginning Balances	Increases	Decreases	Ending Balances
Ocean Sands Water and Sewer District				
Capital assets not being depreciated:				
Land	\$ 963,012	-	-	\$ 963,012
Total capital assets not being depreciated	963,012	-	-	963,012
Capital assets being depreciated:				
Plant and distribution systems	3,957,954	165,281	-	4,123,235
Computer equipment	547,804	-	-	547,804
Furniture and maintenance equipment	382,745	6,910	-	389,655
Vehicles and motor equipment	30,153	-	-	30,153
Total capital assets being depreciated	4,918,656	172,191	-	5,090,847
Less accumulated depreciation for:				
Plant and distribution systems	3,235,915	84,586	-	3,320,501
Computer equipment	256,583	72,545	-	329,128
Furniture and maintenance equipment	379,041	3,536	-	382,577
Vehicles and motor equipment	16,584	6,031	-	22,615
Total accumulated depreciation	3,888,123	166,698	-	4,054,821
Total capital assets being depreciated, net	1,030,533			1,036,026
Ocean Sands Water and Sewer District capital assets, net	\$ 1,993,545			\$ 1,999,038

Mainland Water				
Capital assets not being depreciated:				
Land	\$ 5,150	-	-	\$ 5,150
Construction in process	-	-	-	-
Total capital assets not being depreciated	5,150	-	-	5,150
Capital assets being depreciated:				
Buildings	18,563,594	-	-	18,563,594
Computer equipment	47,154	14,745	-	61,899
Equipment	20,201,651	20,385	-	20,222,036
Vehicles	312,915	-	-	312,915
Total capital assets being depreciated	39,125,314	35,130	-	39,160,444
Less accumulated depreciation for:				
Buildings	2,988,986	614,067	-	3,603,053
Computer equipment	39,610	8,939	-	48,549
Equipment	7,769,205	1,254,184	-	9,023,389
Vehicles	289,041	15,933	-	304,974
Total accumulated depreciation	11,086,842	1,893,123	-	12,979,965
Total capital assets being depreciated, net	28,038,472			26,180,479
Mainland Water capital assets, net	\$ 28,043,622			\$ 26,185,629

Newtown Road Sewer District				
Capital assets not being depreciated:				
Land	\$ 87,000	-	-	\$ 87,000
Total capital assets not being depreciated	87,000	-	-	87,000
Capital assets being depreciated:				
Equipment	508,622	-	-	508,622
Total capital assets being depreciated	508,622	-	-	508,622
Less accumulated depreciation for:				
Equipment	319,300	16,954	-	336,254
Total accumulated depreciation	319,300	16,954	-	336,254
Total capital assets being depreciated, net	189,322			172,368
Newtown Road Sewer District capital assets, net	\$ 276,322			\$ 259,368

	Beginning Balances	Increases	Decreases	Ending Balances
Maple Commerce Park Sewer Fund				
Capital assets not being depreciated:				
Construction in process	\$ -	1,922,639	-	\$ 1,922,639
Total capital assets not being depreciated	-	1,922,639	-	1,922,639
Maple Commerce Parke Sewer Fund				
capital assets, net	\$ -			1,922,639
Established April 2012				continued

	Beginning Balances	Increases	Decreases	Ending Balances
Moyock Commons Sewer District				
Capital assets not being depreciated:				
Land	\$ 67,625	-	-	\$ 67,625
Total capital assets not being depreciated	67,625	-	-	67,625
Capital assets being depreciated:				
Buildings	\$ 346,055	-	-	\$ 346,055
Equipment	38,095	6,527	-	44,622
Total capital assets being depreciated	384,150	6,527	-	390,677
Less accumulated depreciation for:				
Buildings	\$ 41,717	11,535	-	\$ 53,252
Equipment	20,766	5,908	-	26,674
Total accumulated depreciation	62,483	17,443	-	79,926
Total capital assets being depreciated, net	321,667			310,751
Moyock Commons Sewer District capital assets, net	\$ 389,292			378,376
Southern Outer Banks Water System				
Capital assets not being depreciated:				
Land	\$ 42,600	-	-	\$ 42,600
Total capital assets not being depreciated	42,600	-	-	42,600
Capital assets being depreciated:				
Buildings	14,817,953	6,141,782	-	20,959,735
Computer equipment	162,837	8,245	-	171,082
Other equipment	1,672,331	253,644	-	1,925,975
Vehicles	133,135	58,207	17,205	174,137
Total capital assets being depreciated	16,786,256	6,461,878	17,205	23,230,929
Less accumulated depreciation for:				
Buildings	3,287,864	671,958	-	3,959,822
Computer equipment	146,415	12,891	-	159,306
Other equipment	912,387	62,959	-	975,346
Vehicles	143,116	7,416	17,205	133,327
Total accumulated depreciation	4,489,782	755,224	17,205	5,227,801
Total capital assets being depreciated, net	12,296,474			18,003,128
Southern Outer Banks Water Fund capital assets, net	\$ 12,339,074			\$ 18,045,728
Moyock Central Sewer System				
Capital assets not being depreciated:				
Land	\$ 688,914	-	-	\$ 688,914
Construction in Process	1,754,346	581,218	-	2,335,564
Total capital assets not being depreciated	2,443,260	581,218	-	3,024,478
Moyock Central Sewer System capital assets, net	\$ 2,443,260			\$ 3,024,478
Walnut Island Sewer System				
Capital assets not being depreciated:				
Land	\$ -	53,690	-	\$ 53,690
Total capital assets not being depreciated	-	53,690	-	53,690
Capital assets being depreciated:				
Plant and distribution systems	-	3,224,327	-	3,224,327
Other equipment	-	244,948	-	244,948
Total capital assets being depreciated	-	3,469,275	-	3,469,275
Less accumulated depreciation for:				
Plant and distribution systems	-	47,747	-	47,747
Other equipment	-	18,990	-	18,990
Total accumulated depreciation	-	66,737	-	66,737
Total capital assets being depreciated, net	-			3,402,538
Walnut Island Sewer System capital assets, net	\$ -			\$ 3,456,228
Acquired November 1, 2011				
Business-type activities capital assets, net	\$ 46,059,914			\$ 55,810,856

Construction commitments

Currituck County has active construction projects as of June 30, 2012, as listed below. At June 30, 2012, the government's commitments with contractors are as follows:

Project	Spent-to-date	Remaining Commitment
Airport parallel taxiway	\$ 1,265,323	\$ 8,011
Airport taxiway	508,035	2,635
Animal Shelter	27,802	87,198
COA Apron	67,266	18,918
COA Aviation Technical & Training Facility	1,577,326	6,310,211
Corolla multi-use path/pocket park	959,747	400,802
Maple Recreational Facility/Roadways	14,195,017	1,291,297
Maple Soccer Fields	139,164	13,950
Public Safety 800 MHz System	479,189	1,511,889
Sheriff Evidence Vault	362,205	37,795
Whalehead Stormwater Drainage Project - Phase I & II	2,503,476	756,911
Total	<u>\$ 22,084,550</u>	<u>\$ 10,439,617</u>

Discretely presented component units

Activity for the ABC Board for the year ended June 30, 2012, was as follows:

	Beginning Balances	Increases	Decreases	Ending Balances
Capital assets not being depreciated:				
Land	\$ 425,900	\$ -	\$ -	\$ 425,900
Capital assets being depreciated:				
Buildings	1,842,303	-	-	1,842,303
Furniture and equipment	201,683	-	3,412	198,271
Vehicles	34,827	-	-	34,827
Leasehold improvements	5,631	-	-	5,631
Total capital assets being depreciated	<u>2,084,444</u>	<u>-</u>	<u>3,412</u>	<u>2,081,032</u>
Less accumulated depreciation:				
Total accumulated depreciation	<u>547,437</u>	<u>79,773</u>	<u>3,412</u>	<u>623,798</u>
ABC capital assets, net	<u>\$ 1,962,907</u>			<u>\$ 1,883,134</u>

Activity for the Whalehead Preservation Trust and Currituck Wildlife Museum as of June 30, 2012, was as follows:

	Beginning Balances	Increases	Decreases	Ending Balances
Capital assets not being depreciated:				
Museum collection	\$ 870,532	\$ 6,024	\$ -	\$ 876,556
Total capital assets not being depreciated	<u>870,532</u>	<u>6,024</u>	<u>-</u>	<u>876,556</u>
Capital assets being depreciated:				
Furniture, fixtures and equipment	253,980	39,885	8,055	285,810
Total capital assets being depreciated	<u>253,980</u>	<u>39,885</u>	<u>8,055</u>	<u>285,810</u>
Less accumulated depreciation for:				
Furniture, fixtures and equipment	135,697	29,906	7,822	157,781
Total accumulated depreciation	<u>135,697</u>	<u>29,906</u>	<u>7,822</u>	<u>157,781</u>
Total capital assets being depreciated, net	118,283			128,029
Whalehead Preservation Trust capital assets, net	<u>\$ 988,815</u>			<u>\$ 1,004,585</u>

B. Liabilities

1. Payables

Payables at the government-wide level at June 30, 2012, were as follows:

	Vendors	Other	Total
Governmental Activities:			
General	\$ 1,712,957	\$ 699,082	\$ 2,412,039
County Governmental Facilities	643,960	-	643,960
School Facilities	489,748	-	489,748
Tourism Development Authority	144,598	-	144,598
Other Governmental	223,021	-	223,021
Total-governmental activities	<u>\$ 3,214,284</u>	<u>\$ 699,082</u>	<u>\$ 3,913,366</u>
Business-type Activities			
Solid Waste	\$ 292,963	\$ -	\$ 292,963
Ocean Sands Water and Sewer	173,138	-	173,138
Mainland Water	23,718	368,760	392,478
Southern Outer Banks Water	433,094	168,489	601,583
Moyock Central Sewer	333,127	-	333,127
Other Proprietary	20,309	-	20,309
Total - business-type activities	<u>\$ 1,276,349</u>	<u>\$ 537,249</u>	<u>\$ 1,813,598</u>

2. Pension Plan Obligations

a. Local Governmental Employees' Retirement System

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

Funding Policy. Plan members are required to contribute six percent of their annual covered salary. The County and the ABC Board are required to contribute at an actuarially determined rate. For the County, the current rate for employees not engaged in law enforcement and for law enforcement officers is 6.96% and 7.05%, respectively, of annual covered payroll. For the ABC Board, the current rate for employees not engaged in law enforcement is 4.80% of annual covered payroll. The contribution requirements of members and of Currituck County and the ABC Board are established and may be amended by the North Carolina General Assembly. The County's contributions to LGERS for the years ended June 30, 2012, 2011, and 2010 were \$1,046,340, \$942,675, and \$709,191, respectively. The ABC Board's contributions to LGERS for the years ended June 30, 2012, 2011, and 2010 were \$16,674, \$16,078, and \$11,941, respectively. The contributions made by the County and the ABC Board equaled the required contributions for each year.

b. Law Enforcement Officers' Special Separation Allowance

1. *Plan Description.*

Currituck County administers a public employee retirement system (the *Separation Allowance*), a single-employer defined benefit pension plan that provides retirement benefits to the County's qualified sworn law enforcement officers. The Separation Allowance is equal to .85 percent of the annual equivalent of the base rate of compensation most recently applicable to the officer for each year of creditable service. The retirement benefits are not subject to any increases in salary or retirement allowances that may be authorized by the General Assembly. Article 12D of G.S. Chapter 143 assigns the authority to establish and amend benefit provisions to the North Carolina General Assembly. The Separation Allowance is reported in the County's report as a pension trust fund, a component of the Post-Employment Benefits Fund. A separate audit report is not issued for this plan.

All full-time County law enforcement officers are covered by the Separation Allowance. At June 30, 2012, the Separation Allowance's membership consisted of:

Retirees receiving benefits	2
Active plan members	63
Total	<u>65</u>

2. Summary of Significant Accounting Policies.

Basis of Accounting. The County has chosen to fund the Separation Allowance by making a deposit to the Post Employment Benefits Fund from the General fund. The amount of this contribution is based on the prior year actuarial study. Pension expenditures are made from the Post Employment Benefits Fund, which is maintained on the modified accrual basis of accounting. Employer contributions to the plan are recognized when due and when the County has made a formal commitment to provide the contributions. Benefits are recognized when due and payable in accordance with the terms of the plan.

Method Used to Value Investments. Investments are reported at fair value. Short-term money market debt instruments, deposits, and repurchase agreements, are reported at cost or amortized cost, which approximates fair value. Certain longer term United States Government and United States Agency securities are valued at the last reported sales price.

3. Contributions.

The County is required by Article 12D of G.S. Chapter 143 to provide these retirement benefits and has chosen to fund the amounts necessary to cover the benefits earned by making contributions based on actuarial valuations. For the current year, the County contributed \$48,823, or 1.59% of annual covered payroll. There were no contributions made by employees. The County's obligation to contribute to this plan is established and may be amended by the North Carolina General Assembly. Administration costs of the Separation Allowance are financed through investment earnings.

The annual required contribution for the current year was determined as part of the December 31, 2011 actuarial valuation using the projected unit credit actuarial cost method. The actuarial assumptions included (a) 5.00% investment rate of return (net of administrative expenses) and (b) projected salary increases ranging from 4.25% to 7.85% per year. Both (a) and (b) included an inflation component of 3.00%. The assumptions did not include postretirement benefit increases. The actuarial value of assets was determined using the market value of investments. The unfunded actuarial accrued liability is being amortized as a level percentage of projected payroll on a closed basis. The remaining amortization period at December 31, 2011, was 19 years.

Ten Year Trend Information			
For Year Ended June 30	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
2003	28,132	92.30%	(19,169)
2004	30,483	127.05%	(27,416)
2005	34,853	105.06%	(29,178)
2006	40,631	95.70%	(27,430)
2007	39,160	604.22%	(224,884)
2008	27,746	142.39%	(236,645)
2009	39,282	95.88%	(235,027)
2010	46,788	88.51%	(229,653)
2011	83,318	49.71%	(187,749)
2012	78,637	62.09%	(157,935)

For more information on the funded status and funding progress of the postemployment defined benefit plan, refer to the Required Supplemental Financial Data beginning on page 85 of this report.

Annual Pension Cost and Net Pension Obligation. The County’s annual pension cost and net pension obligation to the separation allowance for the current year were as follows:

Employer annual required contribution	\$ 76,824
Interest on net pension obligation	(9,387)
Adjustment to annual required contribution	11,200
Annual pension cost	<u>\$ 78,637</u>
Employer contributions made for fiscal year	<u>48,823</u>
Decrease in net pension obligation	\$ 29,814
Net pension obligation beginning of fiscal year	<u>(187,749)</u>
Net pension obligation end of fiscal year	<u><u>\$ (157,935)</u></u>

c. Supplemental Retirement Income Plan for Law Enforcement Officers

Plan Description. The County contributes to the Supplemental Retirement Income Plan (Plan), a defined contribution pension plan administered by the Department of State Treasurer and a Board of Trustees. The Plan provides retirement benefits to law enforcement officers employed by the County. Article 5 of G.S. Chapter 135 assigns the authority to establish and amend benefit provisions to the North Carolina General Assembly. The Supplemental Retirement Income Plan for Law Enforcement Officers is included in the Comprehensive Annual Financial Report (CAFR) for the State of North Carolina. The State’s CAFR includes the pension trust fund financial statements for the Internal Revenue Code Section 401(k) plan that includes the Supplemental Retirement Income Plan for Law Enforcement Officers. That report may be obtained by writing to the Office of the State Controller, 1410 Mail Service Center, Raleigh, North Carolina 27699-1410, or by calling (919) 981-5454.

Funding Policy. Article 12E of G.S. Chapter 143 requires the County to contribute each month an amount equal to five percent of each officer's salary, and all amounts contributed are vested immediately. Also, the law enforcement officers may make voluntary contributions to the plan. Contributions for the year ended June 30, 2012, were \$189,613, which consisted of \$151,705 from the County and \$37,908 from the law enforcement officers.

d. Supplemental Retirement Income Plan for County Employees

Plan Description. The County, by passage of a local resolution, has elected to contribute to the Supplemental Retirement Income Plan (Plan), a defined contribution pension plan administered by the Department of State Treasurer and a Board of Trustees. The Plan provides retirement benefits to County employees not engaged in law enforcement activities. Article 5 of G.S. Chapter 135 assigns the authority to establish and amend benefit provisions to the North Carolina General Assembly. The Supplemental Retirement Income Plan for Non-Law Enforcement Officers is included in the Comprehensive Annual Financial Report (CAFR) for the State of North Carolina. The State’s CAFR includes the pension trust fund financial statements for the Internal Revenue Code Section 401(k) plan that includes the Supplemental Retirement Income Plan for Non-Law Enforcement Officers. That report may be obtained by writing to the Office of the State Controller, 1410 Mail Service Center, Raleigh, North Carolina 27699-1410, or by calling (919) 981-5454.

Funding Policy. The County established a contribution amount equal to 5.09% 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, 2012 were \$855,365 which consisted of \$608,619 from the County and \$246,746 from the county employees.

e. Registers of Deeds' Supplemental Pension Fund

Plan Description. Currituck County also contributes to the Registers of Deeds' Supplemental Pension Fund (Fund), a noncontributory, defined contribution plan administered by the North Carolina Department of State Treasurer. The Fund provides supplemental pension benefits to any eligible county register of deeds who is retired under the Local Government Employees' Retirement System (LGERS) or an equivalent locally sponsored plan. Article 3 of G.S. Chapter 161 assigns the authority to establish and amend benefit provisions to the North Carolina General Assembly. The Registers of Deeds' Supplemental Pension Fund is included in the Comprehensive Annual Financial Report (CAFR) for the State of North Carolina. The State's CAFR includes financial statements and required supplementary information for the Registers of Deeds' Supplemental Pension Fund. That report may be obtained by writing to the Office of the State Controller, 1410 Mail Service Center, Raleigh, North Carolina 27699-1410, or by calling (919) 981-5454.

Funding Policy. On a monthly basis, the County remits to the Department of State Treasurer an amount equal to one and one-half percent (1.5%) of the monthly receipts collected pursuant to Article 1 of G.S. 161. Immediately following January 1 of each year, the Department of State Treasurer divides ninety-three percent (93%) of the amount in the Fund at the end of the preceding calendar year into equal shares to be disbursed as monthly benefits. The remaining seven percent (7%) of the Fund's assets may be used by the State Treasurer in administering the Fund. For the fiscal year ended June 30, 2012, the County's required and actual contributions were \$3,643.

f. Deferred Compensation Plan

The County offers its employees a deferred compensation plan created in accordance with Internal Revenue Code Section 457. The plan, which is available to all County employees, permits them to defer a portion of their salary until future years. The deferred compensation is not available to employees until termination, retirement, death or an unforeseeable emergency. All assets and income of the plan are held in trust by a third party administrator for the exclusive benefit of the plan participants and their beneficiaries.

g. Other Post Employment Benefits – (OPEB) – Healthcare Benefits

Plan Description. According to a County resolution, the County provides health care benefits, under the County health care plan, to regular full-time employees of the County. All employees with a hire date through September 1, 2007, previously covered under the County's Group Benefit Plan and retiring prior to age 65 from the County with at least ten years of continuous creditable service who are eligible for retirement benefits from the North Carolina Local Governmental Employees Retirement System (LGERS) are eligible for continued coverage under the County's health care plan. Under the plan, the County will pay a pro-rata share, according to the following schedule, of a retiree's individual coverage but in no instance shall the benefit enjoyed exceed the cost of an active employee's individual coverage.

10 years but less than 15 years	50% of active employee rate
15 years but less than 20 years	75% of active employee rate
20 years or more	100% of active employee rate

All employees hired after September 1, 2007 who are covered under the County’s Group Health Plan and retiring from the County with at least twenty years of continuous creditable service with Currituck County and eligible for retirement benefits from the North Carolina Local Government Retirement System, are eligible for coverage under the County’s health care plan at a County participation rate of one hundred percent of the active employee rate.

	General Employees	Law Enforcement Officers
Retirees receiving benefits	25	2
Active plan members	<u>290</u>	<u>63</u>
Total	315	65

Funding Policy. The County pays the cost of coverage for the healthcare benefits paid to qualified retirees as stated above under a County resolution that can be amended by the Board of Commissioners. The County has chosen to fund healthcare benefits on a pay as you go basis.

The current ARC rate is 15.93% of annual covered payroll. For the current year, the County contributed \$55,118 or 0.375% of annual covered payroll. The County’s required contribution for employees not engaged in law enforcement and for law enforcement officers was \$2,340,481 annually, with an accrued liability of \$8,039,655. There were no contributions made by employees. The County obtains healthcare coverage through a self-funded risk financing pool, administered by the North Carolina Association of County Commissioners for all retirees under the age of 65. For retirees 65 years of age and older, healthcare coverage is provided by Medicare Supplement. The County’s obligation to contribute to the HCB Plan is established and may be amended by the Board of Commissioners.

Summary of Significant Accounting Policies. Postemployment expenditures are made from the General Fund, which is maintained on the modified accrual basis of accounting, for all employees.

Annual OPEB cost and Net OPEB Obligation. The County’s annual OPEB cost (expense) is calculated based on the annual required contribution of the employer (ARC) an amount actuarially determined in accordance with the parameters of GASB Statement 45. The ARC represents a level of funding that, if paid on an ongoing basis is projected to cover normal cost year and amortize any unfunded actuarial liabilities (or funding excess) over a period not to exceed thirty years. The following table shows the components of the County’s annual OPEB cost for the year, the amount actually contributed to the plan, and changes in the County’s net OPEB obligation for the healthcare benefits:

a)	Employer Annual Required Contribution (ARC)	\$ 2,340,481
b)	Valuation Discount Rate	4.00%
c)	Interest on Net OPEB Obligation:	142,288
d)	Amortization Factor	26.1695
e)	Adjustment to ARC:	135,930
f)	Annual OPEB Cost: (a) + (c) - (e)	<u>2,346,839</u>
g)	Employer Contributions made for current fiscal year	<u>55,118</u>
h)	Increase (decrease) in Net OPEB Obligation: (f) - (g)	2,291,721
i)	Net OPEB Obligation Beginning of Fiscal Year	<u>5,747,934</u>
j)	Net OPEB Obligation Ending of Fiscal Year: (h) + (i)	\$ 8,039,655

The County's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for 2012 were as follows:

<u>For Year Ended June 30</u>	<u>Annual OPEB Cost</u>	<u>Percentage of Annual OPEB Cost Contributed</u>	<u>Net OPEB Obligation</u>
2010	1,773,795	6.67%	3,557,211
2011	2,346,839	6.65%	5,747,934
2012	2,346,839	2.35%	8,039,655

Funded Status and Funding Progress: As of December 31, 2010, the most recent actuarial valuation date, the plan was not funded. The actuarial accrued liability for benefits and, thus, the unfunded actuarial accrued liability (UAAL) was \$19,318,398. The covered payroll (annual payroll of active employees covered by the plan) was \$14,691,786, and the ratio of the UAAL to the covered payroll was 131.5%.

Actuarial valuations of an ongoing plan involve estimates of the value of reported amount and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about the future employment, mortality, and healthcare trends. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer and subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The schedule of funding progress, presented as required supplementary information following the notes to the financial statements, presents multiyear trends information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

Actuarial Methods and Assumptions. Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and the plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and plan members at the point. The actuarial methods and assumptions used include techniques that are designed to reduce the effects of short-term volatility in actuarial accrued liabilities and the actuarial value assets, consistent with the long-term perspective of the calculations.

In the December 31, 2010 actuarial valuation, the projected unit credit actuarial cost method was used. The actuarial assumptions included a 4.0%, four percent, investment rate of return (net of administrative expenses), which is the expected long-term investment returns on the employer's own investments calculated based on the funded level of the plan at the valuation date, and an annual medical cost trend increase of 10.5 percent to 5 percent annually for Pre-Medicare and 8.50 percent to 5 percent annually for Post-Medicare.. Both rates included a 3.0 percent inflation assumption. The actuarial value of assets, if any, was determined using techniques that spread the effects of short-term volatility in the market value of investments over a 5 year period. The UAAL is being amortized as a level percentage of projected payroll on an open basis. The remaining amortization period at December 31, 2010 was 30 years.

h. Other Employment Benefits

Death Benefits

The County has elected to provide death benefits to employees through the Death Benefit Plan for members of the Local Governmental Employees' Retirement System (Death Benefit Plan), a multiple-employer, State-administered, cost-sharing plan funded on a one-year term cost basis. The beneficiaries of those employees who die in active service after one year of contributing membership in the System, or who die within 180 days after retirement or termination of service and have at least one year of contributing membership service in the System at the time of death are eligible for death benefits. Lump sum death benefit payments to beneficiaries are equal to the employee's 12 highest months salary in a row during the 24 months prior to the employee's death, but the benefit will be a minimum of \$25,000 and will not exceed \$50,000. All death benefit payments are made from the Death Benefit Plan. The County has no liability beyond the payment of monthly contributions. The contributions to the Death Benefit Plan cannot be separated between the post employment benefit amount and the other benefit amount. The County considers these contributions to be immaterial.

3. Closure and Postclosure Care Costs - Maple Landfill Facility

The County closed its Maple landfill facility, Airport Road, on April 7, 1994, at which time its waste stream began to flow to a private, regional municipal solid waste landfill through the Albemarle Regional Solid Waste Authority. Federal and State laws required the County to place a final cover on the facility when it stopped accepting waste and to perform certain maintenance and monitoring functions at the site for five years after closure. Total estimated closure and postclosure care cost was \$512,949. As of June 30, 2002, this liability was paid in full. These amounts are based on what it would cost to perform all closure and postclosure care in fiscal year 2002. Actual costs may be higher due to inflation, changes in technology, or changes in the regulations. Since the County met the conditions of the extended closure date of April 9, 1994, it is subject to the financial assurance regulations. However, the County has accumulated resources for the payment of closure and postclosure care costs.

4. Deferred / Unearned Revenues

The balance in deferred or unearned revenue on the fund statements and unearned revenues on the government-wide statements at year-end is composed of the following elements:

	Unearned or Deferred Revenue	Full Accrual Unearned Revenue
Prepaid taxes not yet earned (General)	\$ -	\$ 24,620
Taxes receivable, net (General)	829,050	-
Taxes receivable, net (Special Revenue)	3,055	-
	\$ 832,105	\$ 24,620

5. Risk Management

The County is exposed to various risks of losses related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The County participates in three self-funded risk-financing pools administered by the North Carolina Association of County Commissioners. Through these pools, the County obtains property coverage equal to replacement cost values of owned property subject to a limit of \$125.5 million for any one occurrence, general, auto, professional, and employment practices liability coverage of \$2 million per occurrence, auto physical damage coverage for owned autos at actual cash value, crime coverage of \$250,000 per occurrence, workers' compensation coverage up to the statutory limits, and health and dental insurance for County employees. The pools are audited annually by certified public accountants, and the audited financial statements are available to the County upon request. Two of the pools are reinsured through a multi-state public entity captive for single occurrence losses in excess of \$500,000 up to a \$2 million limit for liability coverage, \$600,000 of aggregate annual losses in excess of \$50,000 per occurrence for property, auto physical damage, and crime coverage, and single occurrence losses of \$350,000 for workers' compensation. For health and dental insurance, the County is reinsured through the Pool for individual losses in excess of \$50,000 and aggregate annual losses in excess of 115% of expected claims. The pool is reinsured through commercial carrier for individual losses in excess of \$100,000.

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

In accordance with G. S. 159-29, the County's employees that have access to \$100 or more at any given time of the County's funds are performance bonded through a commercial surety bond. The Director of Finance and tax collector are each individually bonded for \$50,000 each. The remaining employees that have access to funds are bonded under a blanket bond for \$25,000.

The County carries commercial coverage for all other risks of loss. There have been no significant reductions in insurance coverage from the previous year and settled claims have not exceeded coverage in any of the past three fiscal years.

The ABC Board is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The ABC Board has property, general liability, auto liability, workmen's compensation and employee health coverage. The ABC Board does not have liquor legal liability coverage. There have been no significant reductions in

insurance coverage from the prior year and settled claims have not exceeded coverage in any of the past three fiscal years.

The Whalehead Preservation Trust is exposed to various risks of loss related to torts, theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The Board of Directors carries commercial insurance to cover these risks of loss. The facility, which is owned by Currituck County, is insured under the County's property and liability insurance.

6. Contingent Liabilities

At June 30, 2012, the County was a defendant to various lawsuits. In the opinion of the County's management and the County attorney, the ultimate effect of these legal matters will not have a material adverse effect on the County's financial position.

7. Long-Term Obligations

a. Installment Purchase

Serviced by the County's General Fund:

\$8,000,000 2008 Installment Purchase Agreement for construction of the Shawboro Elementary School, dated July 2, 2007 with semi-annual principal and interest payments due January 1 and July 1, \$1,201,662 2013; \$1,244,462 2014; interest at 3.54%.	\$2,446,124
\$744,287 2009 Installment Purchase Agreement for purchase of five ambulances dated July 15, 2008 with annual principal and interest payments due July 15, \$149,392 2013 interest at 4.63%.	149,392
\$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, \$188,298 2013; \$196,155 2014; \$204,340 2015; \$212,866 2016 \$817,449 2017 through 2020 interest at 4.13%.	1,619,108
\$6,800,000 2012 Installment Purchase Agreement for construction of the College of the Albemarle Aviation Technical & Training Facility dated June 28, 2012 with semi-annual principal and interest payments due June 28 and December 28, \$971,429 2013; \$971,429 2014; \$971,429 2015; \$971,429 2016; \$971,429 2017; \$1,942,855 2018 through 2019 interest at 1.66%.	6,800,000

Total serviced by the General Fund

\$11,014,624

Serviced by the Moyock Central Sewer Fund:

\$2,700,000 2012 Installment Purchase Agreement for construction of the Moyock central sewer system, dated June 19, 2012 with semi-annual principal payments and interest payments due June 19 and December 19, \$180,000 2013; \$180,000 2014; \$180,000 2015; \$180,000 2016; \$180,000 2017; \$1,800,000 2018 through 2027; interest at 3.09%.

2,700,000

Serviced by the Southern Outer Banks Water System Fund:

\$8,500,000 2011 Installment Purchase Agreement for purchase of the Carolina Water System that serves Corolla Light, the Pine Island water System and the Currituck Club water system and to refund the existing 2004 debt, dated October 20, 2011 with semi-annual principal payments and interest payments due April 20 and October 20, \$850,000 2013; \$850,000 2014; \$850,000 2015; \$850,000 2016; \$850,000 2017; \$3,825,000 2018 through 2022; interest at 2.38%.

8,075,000

Total Installment Purchase Debt

\$21,789,624

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

Year Ending	Governmental Activities		Business-type Activities	
	Principal	Interest	Principal	Interest
June 30				
2013	2,510,781	257,103	1,030,000	269,167
2014	2,412,046	182,948	1,030,000	243,375
2015	1,175,769	125,500	1,030,000	217,583
2016	1,184,295	100,849	1,030,000	191,791
2017	1,193,177	75,840	1,030,000	165,999
2018-2022	2,538,556	77,720	4,725,000	443,115
2023-2027	-	-	900,000	76,478
	<u>\$ 11,014,624</u>	<u>\$ 819,960</u>	<u>\$ 10,775,000</u>	<u>\$ 1,607,508</u>

b. General Obligation Indebtedness

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

The County's general obligation bonds payable at June 30, 2012, are comprised of the following individual issues:

Serviced by the County's General Fund:

\$8,770,000 2004 General Obligation Refunding Bonds for Currituck County High School, dated April 1, 2004 with annual principal payments due June 1 and semi-annual interest payments due June 1 and December 1, \$850,000 2013; interest at 5%, \$845,000 2014; interest at 4%, \$730,000 2015; interest at 5%. \$2,425,000

General obligation bonds serviced by the Mainland Water System Fund:

\$4,150,000 2004 General Obligation Refunding Bonds for original Mainland Water plant and distribution system, dated April 1, 2004 with annual principal payments due June 1 and semi-annual interest payments due June 1 and December 1, \$315,000 2013; interest at 5%, \$330,000 2014; interest at 4%, \$345,000 2015; interest at 5%, \$275,000 2016; interest at 3.5%, \$270,000 2017; interest at 3.6%, \$270,000; interest at 3.7%. 1,805,000

Total General Obligation Bond debt \$4,230,000

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

Year Ending June 30	Governmental Activities		Business-type Activities	
	Principal	Interest	Principal	Interest
2013	850,000	112,800	315,000	75,535
2014	845,000	70,300	330,000	59,785
2015	730,000	36,500	345,000	46,585
2016	-	-	275,000	29,335
2017	-	-	270,000	19,710
2018	-	-	270,000	9,990
Total	<u>\$ 2,425,000</u>	<u>\$ 219,600</u>	<u>\$ 1,805,000</u>	<u>\$ 240,940</u>

At June 30, 2012, Currituck County had no bonds authorized but un-issued and a legal debt margin of \$640,722,565.

c. Revenue Bonds

The County also issues bonds where the government pledges income derived from the acquired or constructed assets to pay debt service. No amounts outstanding at the end of the current fiscal year related to bonds issued in prior years. On March 20, 2008, \$19,000,000 of revenue bonds were issued to finance construction of a reverse osmosis water treatment facility and to expand the distribution system on the County mainland.

The rate covenant for this debt requires the County to fix service charges and from time to time to revise such charges in such manner that the net revenues for each fiscal year shall not be less than an amount necessary to provide debt service coverage of one hundred fifteen percent (115%) of the debt service requirement for all senior indebtedness for such fiscal year and one hundred percent (100%) of the debt service requirement for all subordinate debt for such fiscal year. If at the end of

any fiscal year the County is not in compliance with the rate covenant, the County shall immediately notify the Local Government Commission and request an independent consulting engineer to submit a written report and recommendations with respect to increases in the County’s rate, fees and other charges and improvements in the operations of and the services rendered by the Mainland Water System and the County’s accounting and billing procedures necessary to bring the County into compliance with the rate covenant. The report and recommendations shall be filed with the Paying Agent, the County and the Commission within 120 days from the date of discovery of noncompliance with the rate covenant. The County shall promptly revise its rates, fees, charges, operations and services in conformity with the report and recommendations of the independent consulting engineer to the extent permitted by law. Currituck County is in compliance with the rate covenant at year end.

Revenue bonds outstanding at year end are as follows:

Revenue bonds serviced by the Mainland Water System Fund:

\$19,000,000 2008 Revenue Bonds for Mainland Water reverse osmosis plant and distribution system expansion, dated March 20, 2008 with annual principal payments due March 1 and semi-annual interest payments due March 1 and September 1; interest at 4.09%.	<u>17,015,000</u>
Total Revenue Bond debt	<u><u>\$17,015,000</u></u>

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

Year Ending	Business-type Activities	
	June 30	Principal Interest
2013	540,000	695,913
2014	560,000	673,828
2015	585,000	650,924
2016	695,000	626,997
2017	735,000	598,572
2018-2022	5,405,000	2,440,911
2023-2027	6,935,000	1,192,440
2028	1,560,000	63,804
Total	\$ 17,015,000	\$ 6,943,389

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, 2012:

	Balance			Current Portion	
	June 30, 2011	Increases	Decreases	Balance June 30, 2012	of Balance
Governmental activities:					
General obligation debt	\$ 3,280,000	\$ -	\$ 855,000	\$ 2,425,000	\$ 850,000
Unamortized premium on General Obligation debt	187,956	-	62,653	125,303	62,653
Installment purchase	6,335,325	6,800,000	2,120,701	11,014,624	2,510,781
Compensated absences	951,092	1,021,645	900,998	1,071,739	475,546
Other postemployment benefits	5,540,962	2,233,294	55,118	7,719,138	-
Total governmental activities	<u>\$ 16,295,335</u>	<u>\$ 10,054,939</u>	<u>\$ 3,994,470</u>	<u>\$ 22,355,804</u>	<u>\$ 3,898,980</u>
Business-type activities:					
General obligation debt	\$ 2,110,000	\$ -	\$ 305,000	\$ 1,805,000	\$ 315,000
Unamortized premium on General Obligation debt	132,276	-	18,897	113,379	18,897
Revenue bonded debt	17,525,000	-	510,000	17,015,000	540,000
Installment purchase	2,776,422	11,200,000	3,201,422	10,775,000	1,030,000
Compensated absences	42,177	33,368	18,218	57,327	37,500
Other postemployment benefits	206,972	113,545	-	320,517	-
Total business-type activities	<u>\$ 22,792,847</u>	<u>\$ 11,346,913</u>	<u>\$ 4,053,537</u>	<u>\$ 30,086,223</u>	<u>\$ 1,941,397</u>
Discretely presented component units:					
Compensated absences - Whalehead Pres. Trust	\$ 15,400	\$ -	\$ 7,184	\$ 8,216	\$ 8,216
Computer Loan - Whalehead Pres. Trust	14,915	2,406	6,848	10,473	6,267
Compensated absences - ABC Board	3,003	-	1,161	1,842	1,842
Total discretely presented component units long-term liabilities	<u>\$ 33,318</u>	<u>\$ 2,406</u>	<u>\$ 15,193</u>	<u>\$ 20,531</u>	<u>\$ 16,325</u>

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

C. Inter-fund Balances and Activity

Transfers to/from other funds

Transfers to/from other funds at June 30, 2012, consists of the following:

From the General fund to the Fire Vehicle Replacement Fund to accumulate resources for equipment replacement property	\$ 267,000 121,000
From the General fund to the Solid Waste fund for operations	893,893
From the General fund to the Maple Commerce Sewer fund for operations	10,000
Total transfers from the General fund	<u>\$ 1,291,893</u>
From the Tourism Development Authority to the General fund for Economic Development	172,694
From the Tourism Development Authority to the General fund for Airport promotions	18,115
From the Tourism Development Authority to the General fund for Administrative Fee	109,911
From the Tourism Development Authority to the General fund for Sheriff Deputies, ATV & boat replacement	1,034,338
From the Tourism Development Authority to the General fund for Emergency Medical Services Personnel	1,121,086
From the Tourism Development Authority to the General fund the Currituck Rural Center	558,396
From the Tourism Development Authority fund to the County Governmental Facilities fund to accumulate funds for Maple Commerce Park	1,112,436
Total transfers from the Tourism Development Authority Fund	<u>\$ 4,126,976</u>
From the School Construction fund to the County Governmental Construction fund for grant matching fund for Airport Apron on COA Aviation and Technical Training Facility	8,618
Total transfers from the School Facilities Fund	<u>\$ 8,618</u>
From the Whalehead Subdivision Drainage District fund to the General fund for debt service payment	\$ 253,253
From the Emergency Telephone System fund to the General fund for eligible items paid from operating fund	18,349
From the Capital Improvements fund to the General fund for capital assets purchased in operating fund	105,591
From the Capital Improvements fund to the County Governmental Construction fund for sitework at the YMCA	1,273,700
From the Capital Improvements fund to the County Governmental Construction fund for utilities and roadways at the Maple Commerce Park	1,758,232
From the Capital Improvements fund to the School Construction fund for the COA Aviation and Technical Training Facility	998,179
From the School Capital fund to the General fund for capital purchases for the Currituck County Schools.	990,000
From the School Capital fund to the General fund for debt service on Shawboro Elementary School	450,000
From the Transfer Tax Capital fund to the County Government Facilities fund to accumulate resources for 800 MHz radio project	1,689,178
From the Transfer Tax Capital fund to the Land Banking fund to accumulate resources for future land purchases.	200,000
From the Transfer Tax Capital fund to the Land Banking fund to accumulate resources for farmland preservation.	100,000
Total transfers from other governmental funds	<u>\$ 7,836,482</u>
From the Moyock Commons Sewer fund to the General fund to repay a portion of funding for sewer plant	103,794
From the Southern Outer Banks operating fund to the Occupancy Tax Fund for internal loan for system expansion	122,156
Total transfers from enterprise funds	<u>\$ 225,950</u>

D. Fund Balance

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

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

Total fund balance - General Fund	\$ 10,028,251
Less:	
Inventories	832
Stabilization by State Statute	2,897,830
Appropriated Fund Balance in 2013 budget	3,526,932
Fire Protection	802,110
Tax Revaluation	330,376
Remaining Fund Balance	2,470,171

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

III. Joint Ventures

Albemarle Regional Health Services

The Board of Commissioners vote to join the all ready existing joint venture that operates Albemarle Regional Health Services with the State of North Carolina and four other counties became effective July 1, 1999. The area Boards of Commissioners appoints the fifteen member governing board. The County has an ongoing financial responsibility for Albemarle Regional Health Services because the County is required by State statute to provide public health services either directly or jointly with other counties. The County contributed \$127,000 to Albemarle Regional Health Services during the fiscal year ended June 30, 2012, 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, 2012. Complete financial statements may be obtained from the administrative offices at Albemarle Regional Health Services, Post Office Box 189, Elizabeth City, North Carolina 27909.

East Carolina Behavioral Health Center

The County participates in a joint venture to operate the East Carolina Behavioral Health Center with 19 other local governments. Currituck County appoints one board member to the twenty-four member board of the Center. The County has an ongoing financial responsibility for the joint venture because the Center's continued existence depends on the participating governments' continued funding. None of the participating governments have any equity interest in the Center, so no equity interest has been reflected in the financial statements at June 30, 2012. In accordance with the intergovernmental agreement between the participating governments, the County

appropriated \$50,316 to the Center to supplement its activities. Complete financial statements for the Center may be obtained from the Center's offices at 1141 North Road Street, Suite L, Elizabeth City, NC 27909.

Albemarle Regional Solid Waste Authority

The County participates in a joint venture to operate the Albemarle Regional Solid Waste Authority (Authority) with seven other counties, each of which appoints one voting and one nonvoting member to the Authority's governing board. The Authority was created to serve the solid waste disposal needs of the member counties and has subsequently contracted with a private regional landfill for waste disposal. The County has an ongoing financial responsibility for the Authority because it is legally obligated under an intergovernmental agreement for a portion of the Authority's administrative expenses, determined on a per capita basis among the members. The County contributed \$107,278 to the Authority during the fiscal year ended June 30, 2012, 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, 2012. Complete financial statements for the Authority may be obtained from the Authority's administrative offices at Albemarle Regional Solid Waste Authority, Post Office Box 189, Elizabeth City, North Carolina 27907.

East Albemarle Regional Library

The County participates in a joint venture to operate the East Albemarle Regional Library (Library) with four other counties. The Library's nine member Board of Trustees is appointed by the area Boards of Commissioners as follows: Dare County (3), Currituck County (3), and Camden and Pasquotank Counties (3). Each county is responsible for the cost of its own facilities, the maintenance and operation of those facilities and the majority of the related personnel costs. The County has an ongoing financial responsibility for the joint venture because the Library's continued existence depends on the participating governments' continued funding. The County's annual appropriation is shown as a department in the General Fund and for the year ended June 30, 2012, expenditures were \$498,811. 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, 2012. Complete financial statements for the Library may be obtained from the Library's administrative offices at East Albemarle Regional Library, 205 East Main Street, Elizabeth City, North Carolina 27909.

IV. Jointly Governed Organization

Albemarle Commission

The County, in conjunction with nine other counties and fourteen municipalities, established the Albemarle Commission (Commission) to coordinate funding received from various federal and State agencies. Each participating county appoints four members and each participating municipality appoints two members of the Commission's governing board. The County paid membership fees of \$15,480 to the Commission during the fiscal year ended June 30, 2012.

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 \$	64,908	\$ -
Medicaid	9,984,305	5,741,875
Food stamp program	3,757,901	-
LINKS	3,668	-
Adoption assistance	68,586	18,352
Adult assistance	-	132,176
Title IV-E, foster care	12,850	3,329
CWS Adoption	-	137,544
State foster care	-	21,289
Total	<u>\$ 13,892,218</u>	<u>\$ 6,054,565</u>

VI. Summary Disclosure of Significant Commitments and Contingencies

Federal and State Assisted Programs

The County has received proceeds from several federal and State grants. Periodic audits of these grants are required and certain costs may be questioned as not being appropriate expenditures under the grant agreements. Such audits could result in the refund of grant moneys to the grantor agencies. Management believes that any required refunds will be immaterial. No provision has been made in the accompanying financial statements for the refund of grant moneys.

VII. Significant Effects of Subsequent Events

November 19, 2012: The Governing Body approved filing an application with the Local Government Commission to acquire debt in an amount up to \$3,800,000 for Phase III of the Whalehead stormwater drainage project, which will be funded through the district taxes.

VIII. Prior Period Adjustment

Currituck County implemented GASB 54 for the June 30, 2011 financial statements. The Revaluation Fund, Fire District Fund, Fire Equipment Replacement Fund, Multi-year Grant Fund, Land Banking Fund, County Government Construction Fund and School Capital Construction Fund were combined with the General Fund. Upon further review and discussions with the North Carolina Local Government Commission, the County determined that the Fire Equipment Replacement Fund, the Multi-year Grant Fund, the County Governmental Construction Fund and the School Construction Fund should not have been combined with the General Fund. The prior period adjustment shown on Exhibit 4 are adjustments to fund balances to remove these funds from the General Fund presentation.

IX. Disclosure of Contributed Capital from Walnut Island Sanitary District Dissolution

On November 1, 2011, the Currituck County Board of Commissioners dissolved the Walnut Island Sanitary District, which had been created by the Board to serve the citizens of the Walnut Island located in Currituck County, North Carolina. Upon dissolution of this system, all assets of the district were transferred to the County. Immediately, the County took over the assets and operations of this system. The contributed capital represented on the financial statements consists of the Walnut Island Sewer Plant, distribution lines throughout the district and a sewer plant located at Waterside Villages that interconnects to the Walnut Island system.

Required Supplemental Financial Data

Schedule of Funding Progress for the
Law Enforcement Officers' Special Separation Allowance

Schedule of Employer Contributions for the
Law Enforcement Officers' Special Separation Allowance

Notes to the Required Schedules for the
Law Enforcement Officers' Special Separation Allowance

Schedule of Funding Progress for the
Other Postemployment Benefits

Schedule of Employer Contributions for the
Other Postemployment Benefits

Notes to the Required Schedules for the
Other Postemployment Benefits

County of Currituck, North Carolina
 Law Enforcement Officers' Special Separation Allowance
 Required Supplementary Information
 Schedule of Funding Progress

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL)- Projected Unit Credit (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a % of Covered Payroll ((b - a)/c)
12/31/2002	74,944	256,185	181,242	29.25%	1,368,951	13.24%
12/31/2003	73,834	278,849	205,015	26.48%	1,619,302	12.66%
12/31/2004	121,688	316,302	194,614	38.47%	1,995,744	9.75%
12/31/2005	132,437	316,222	183,785	41.88%	2,101,825	8.74%
12/31/2006	348,239	333,012	(15,227)	104.57%	2,176,986	-0.70%
12/31/2007	311,383	420,658	109,275	74.02%	2,410,732	4.53%
12/31/2008	326,045	470,039	143,994	69.37%	2,786,092	5.17%
12/31/2009	374,287	709,682	335,395	52.74%	3,056,554	10.97%
12/31/2010	384,563	686,085	301,522	56.05%	2,995,935	10.06%
12/31/2011	414,056	736,534	322,478	56.22%	3,062,578	10.53%

County of Currituck, North Carolina
 Law Enforcement Officers' Special Separation Allowance
 Required Supplementary Information
 Schedule of Employer Contributions

Year Ending June 30	Annual Required Contributions	Percentage Contributed
2003	26,269	98.84%
2004	28,132	137.67%
2005	30,483	120.12%
2006	34,853	111.56%
2007	41,070	576.12%
2008	39,507	100.00%
2009	41,483	90.79%
2010	49,022	84.48%
2011	76,824	53.91%
2012	81,519	59.89%

Notes to the Required Schedules:

The information presented in the required supplementary schedules was determined as part of the actuarial valuations at the dates indicated. Additional information as of the latest actuarial valuation follows.

Valuation date	12/31/2011
Actuarial cost method	Projected unit credit
Amortization method	Level percent of pay closed
Remaining amortization period	19 Years
Asset valuation method	Market value
Actuarial assumptions:	
Investment rate of return*	5.00%
Projected salary increases*	4.25-7.85%
*Includes inflation at	3.00%
Cost of living adjustments	None

County of Currituck, North Carolina
 Other Postemployment Benefits
 Required Supplementary Information
 Schedule of Funding Progress

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL)- Projected Unit Credit (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a % of Covered Payroll ((b - a)/c)
12/31/2008	-	13,610,360	13,610,360	0.00%	12,861,869	105.80%
12/31/2009	-	13,610,360	13,610,360	0.00%	12,861,869	105.80%
12/31/2010	-	19,318,398	19,318,398	0.00%	14,691,786	131.50%
12/31/2011	-	19,318,398	19,318,398	0.00%	14,691,786	131.50%

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

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

Notes to the Required Schedules:

The information presented in the required supplementary schedules was determined as part of the actuarial valuations at the dates indicated. Additional information as of the latest actuarial valuation follows.

Valuation date	12/31/2010
Actuarial cost method	Projected unit credit
Amortization method	Level Percentage of Pay, open
Remaining amortization period	30 years
Asset valuation method	Market Value of Assets
Actuarial assumptions:	
Investment Rate of Return*	4.00%
Medical cost trend rate	
Pre-Medicare trend rate	10.50% - 5.00%
Post-Medicare trend rate	8.50% - 5.00%
Year of Ultimate trend rate	2018
*Includes inflation at	3.00%

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, 2012

	2012			Variance with Final Budget Positive (Negative)	2011
	Budgeted Amounts		Actual		Actual
	Original	Final			
Revenues:					
Ad valorem taxes:					
Taxes	\$ -	\$ -	\$ 26,604,536	\$ -	\$ 26,549,233
Interest	-	-	117,170	-	141,620
Total	<u>25,526,305</u>	<u>25,646,151</u>	<u>26,721,706</u>	<u>1,075,555</u>	<u>26,690,853</u>
Other taxes and licenses:					
Animal tax	-	-	12,487	-	12,165
Marriage license	-	-	32,220	-	32,580
Franchise tax	-	-	369,769	-	358,421
Deed stamp excise tax	-	-	522,079	-	523,069
Article 39 local option sales tax	-	-	4,145,141	-	3,926,187
Article 44 local option sales tax	-	-	85,630	-	(7,024)
Medicaid hold harmless funds	-	-	343,503	-	344,559
Total	<u>5,004,569</u>	<u>5,058,641</u>	<u>5,510,829</u>	<u>452,188</u>	<u>5,189,957</u>
Unrestricted intergovernmental:					
Gasoline tax refund	-	-	2,875	-	1,687
Payments in lieu of taxes-outside sources	-	-	43,056	-	130,480
Beer and wine tax	-	-	102,075	-	104,962
Total	<u>304,500</u>	<u>304,500</u>	<u>148,006</u>	<u>(156,494)</u>	<u>237,129</u>
Restricted intergovernmental:					
Federal and State grants	-	-	2,968,260	-	2,766,252
Safe roads act	-	-	5,361	-	6,340
Crime control act	-	-	8,702	-	8,634
Court facility fees	-	-	63,950	-	73,676
Jail fees	-	-	30,550	-	33,825
Officer fees	-	-	100,469	-	59,370
ABC bottles taxes	-	-	12,536	-	12,434
Total	<u>2,699,501</u>	<u>3,346,656</u>	<u>3,189,828</u>	<u>(156,828)</u>	<u>2,960,531</u>
Permits and fees:					
Ambulance service fees	-	-	898,806	-	934,546
Administration and filing fees	-	-	542,172	-	544,704
Register of deeds fees	-	-	215,205	-	223,752
Building permit fees	-	-	283,821	-	250,458
Re-inspection fees	-	-	23,500	-	29,850
Planning fees	-	-	16,362	-	11,928
Land disturbance permit	-	-	4,050	-	4,950
Homeowners' recovery fees	-	-	2,990	-	2,370
Animal control fees	-	-	580	-	990
Total	<u>1,816,279</u>	<u>1,816,279</u>	<u>1,996,886</u>	<u>180,607</u>	<u>2,005,998</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, 2012

	2012			Variance with Final Budget Positive (Negative)	2011
	Budgeted Amounts		Actual		Actual
	Original	Final			
Sales and services:					
Rents	-	-	214,031	-	125,849
Airport fees	-	-	86,178	-	72,475
Vending sales	-	-	7,160	-	5,938
Senior meals	-	-	2,217	-	-
EMS revenues	-	-	6,337	-	6,578
Jail housing	-	-	2,600	-	7,800
Sale of materials	-	-	2,243	-	2,022
Aviation fuel sales	-	-	358,566	-	327,839
Sale of fixed assets	-	-	35,564	-	6,195
Auction proceeds	-	-	-	-	10
Recreation concessions	-	-	2,252	-	-
Recreation fees	-	-	84,710	-	62,507
Total	<u>677,993</u>	<u>777,243</u>	<u>801,858</u>	<u>24,615</u>	<u>617,213</u>
Investment earnings	<u>150,000</u>	<u>150,000</u>	<u>98,247</u>	<u>(51,753)</u>	<u>120,120</u>
Miscellaneous:					
Donations	-	-	19,858	-	20,219
Insurance recoveries	-	-	56,549	-	40,909
ABC Education distribution	-	-	19,591	-	11,422
ABC Law enforcement distribution	-	-	13,987	-	8,158
ABC profits	-	-	312,424	-	191,618
Other	-	-	122,461	-	47,672
Total	<u>292,500</u>	<u>373,696</u>	<u>544,870</u>	<u>171,174</u>	<u>319,998</u>
Total revenues	<u>36,471,647</u>	<u>37,473,166</u>	<u>39,012,230</u>	<u>1,539,064</u>	<u>38,141,799</u>
Expenditures:					
General government:					
Administration:					
Salaries and employee benefits	-	-	385,993	-	377,881
Other operating expenditures	-	-	51,884	-	66,736
Total	<u>493,544</u>	<u>497,862</u>	<u>437,877</u>	<u>59,985</u>	<u>444,617</u>
Legal:					
Salaries and employee benefits	-	-	267,871	-	265,943
Other operating expenditures	-	-	69,735	-	116,482
Total	<u>360,702</u>	<u>360,724</u>	<u>337,606</u>	<u>23,118</u>	<u>382,425</u>
Governing body:					
Salaries and employee benefits	-	-	109,285	-	109,011
Other operating expenditures	-	-	14,219	-	18,995
Total	<u>131,969</u>	<u>131,969</u>	<u>123,504</u>	<u>8,465</u>	<u>128,006</u>
Elections:					
Salaries and employee benefits	-	-	111,356	-	109,581
Other operating expenditures	-	-	40,217	-	38,885
Total	<u>160,118</u>	<u>164,926</u>	<u>151,573</u>	<u>13,353</u>	<u>148,466</u>
Finance					
Salaries and employee benefits	-	-	295,972	-	286,590
Other operating expenditures	-	-	62,493	-	53,393
Total	<u>354,934</u>	<u>364,157</u>	<u>358,465</u>	<u>5,692</u>	<u>339,983</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, 2012

	2012			Variance with Final Budget Positive (Negative)	2011
	Budgeted Amounts		Actual		Actual
	Original	Final			
Information Technology:					
Salaries and employee benefits	-	-	316,510	-	310,225
Other operating expenditures	-	-	204,779	-	190,973
Capital outlay	-	-	107,991	-	77,722
Total	<u>620,366</u>	<u>665,875</u>	<u>629,280</u>	<u>36,595</u>	<u>578,920</u>
Human resources:					
Salaries and employee benefits	-	-	128,624	-	127,256
Other operating expenditures	-	-	7,438	-	6,624
Total	<u>136,412</u>	<u>136,984</u>	<u>136,062</u>	<u>922</u>	<u>133,880</u>
Public information:					
Salaries and employee benefits	-	-	57,846	-	56,785
Other operating expenditures	-	-	27,971	-	46,352
Total	<u>104,109</u>	<u>104,113</u>	<u>85,817</u>	<u>18,296</u>	<u>103,137</u>
Taxes:					
Salaries and employee benefits	-	-	404,876	-	400,783
Other operating expenditures	-	-	70,715	-	66,165
Total	<u>503,111</u>	<u>503,075</u>	<u>475,591</u>	<u>27,484</u>	<u>466,948</u>
Public works:					
Salaries and employee benefits	-	-	595,521	-	575,144
Other operating expenditures	-	-	278,533	-	283,010
Capital outlay	-	-	150,613	-	569,130
Total	<u>1,040,504</u>	<u>1,071,891</u>	<u>1,024,667</u>	<u>47,224</u>	<u>1,427,284</u>
Public utilities:					
Salaries and employee benefits	-	-	146,583	-	143,817
Operating expenditures	-	-	16,244	-	10,865
Capital outlay	-	-	-	-	27,800
Total	<u>167,956</u>	<u>167,743</u>	<u>162,827</u>	<u>4,916</u>	<u>182,482</u>
Register of deeds:					
Salaries and employee benefits	-	-	306,273	-	289,608
Other operating expenditures	-	-	339,428	-	357,427
Capital outlay	-	-	-	-	5,475
Total	<u>661,454</u>	<u>661,476</u>	<u>645,701</u>	<u>15,775</u>	<u>652,510</u>
Court facilities:					
Operating expenditures	-	-	155,298	-	165,724
Capital outlay	-	-	-	-	4,597
Total	<u>206,351</u>	<u>206,351</u>	<u>155,298</u>	<u>51,053</u>	<u>170,321</u>
Agency appropriations:					
Operating expenditures	-	-	38,900	-	39,700
Total	<u>39,200</u>	<u>39,200</u>	<u>38,900</u>	<u>300</u>	<u>39,700</u>
Central services:					
Operating expenditures	-	-	549,562	-	518,422
Total	<u>637,927</u>	<u>663,824</u>	<u>549,562</u>	<u>114,262</u>	<u>518,422</u>
Total general government	<u>5,618,657</u>	<u>5,740,170</u>	<u>5,312,730</u>	<u>427,440</u>	<u>5,717,101</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, 2012

	2012			Variance with Final Budget Positive (Negative)	2011
	Budgeted Amounts		Actual		Actual
	Original	Final			
Public safety:					
Sheriff:					
Salaries and employee benefits	-	-	4,324,126	-	4,183,002
Other operating expenditures	-	-	826,657	-	775,106
Capital outlay	-	-	220,068	-	298,223
Total	<u>5,190,330</u>	<u>5,429,343</u>	<u>5,370,851</u>	<u>58,492</u>	<u>5,256,331</u>
Jail:					
Salaries and employee benefits	-	-	1,466,541	-	1,366,126
Other operating expenditures	-	-	467,927	-	515,655
Capital outlay	-	-	22,094	-	3,001
Total	<u>2,027,408</u>	<u>2,019,663</u>	<u>1,956,562</u>	<u>63,101</u>	<u>1,884,782</u>
Animal control:					
Salaries and employee benefits	-	-	182,097	-	177,292
Other operating expenditures	-	-	207,535	-	205,007
Capital outlay	-	-	25,199	-	1,802
Total	<u>419,313</u>	<u>425,355</u>	<u>414,831</u>	<u>10,524</u>	<u>384,101</u>
Jury commission:					
Operating expenditures	-	-	2,100	-	1,800
Total	<u>2,400</u>	<u>2,400</u>	<u>2,100</u>	<u>300</u>	<u>1,800</u>
Emergency medical services:					
Salaries and employee benefits	-	-	4,822,213	-	4,658,272
Other operating expenditures	-	-	502,571	-	474,903
Capital outlay	-	-	5,895	-	2,789
Total	<u>5,510,392</u>	<u>5,525,276</u>	<u>5,330,679</u>	<u>194,597</u>	<u>5,135,964</u>
Emergency management:					
Salaries and employee benefits	-	-	92,212	-	90,895
Other operating expenditures	-	-	42,837	-	41,807
Capital outlay	-	-	2,995	-	9,820
Total	<u>130,432</u>	<u>154,945</u>	<u>138,044</u>	<u>16,901</u>	<u>142,522</u>
Communications:					
Salaries and employee benefits	-	-	667,384	-	649,599
Other operating expenditures	-	-	79,879	-	99,693
Total	<u>771,715</u>	<u>771,766</u>	<u>747,263</u>	<u>24,503</u>	<u>749,292</u>
Building inspections:					
Salaries and employee benefits	-	-	456,076	-	446,635
Other operating expenditures	-	-	46,571	-	58,420
Total	<u>521,891</u>	<u>521,420</u>	<u>502,647</u>	<u>18,773</u>	<u>505,055</u>
Fire prevention:					
Salaries and employee benefits	-	-	70,378	-	64,143
Other operating expenditures	-	-	29,197	-	27,746
Capital outlay	-	-	16,492	-	17,598
Total	<u>121,473</u>	<u>121,478</u>	<u>116,067</u>	<u>5,411</u>	<u>109,487</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, 2012

	2012			Variance with Final Budget Positive (Negative)	2011
	Budgeted Amounts		Actual		Actual
	Original	Final			
Volunteer fire departments:					
Carova Beach Volunteer Fire Department	-	-	195,000	-	178,312
Corolla Fire & Rescue Squad	-	-	299,146	-	270,764
Crawford Volunteer Fire Department	-	-	300,000	-	286,292
Lower Currituck Volunteer Fire Department	-	-	300,000	-	285,000
Knotts Island Volunteer Fire Department	-	-	136,148	-	179,626
Moyock Volunteer Fire Department	-	-	216,252	-	208,529
Total	<u>1,530,000</u>	<u>1,530,000</u>	<u>1,446,546</u>	<u>83,454</u>	<u>1,408,523</u>
Medical examiner:					
Contracted services	-	-	16,800	-	7,700
Total	<u>9,500</u>	<u>22,500</u>	<u>16,800</u>	<u>5,700</u>	<u>7,700</u>
Disaster recovery:					
Salaries and employee benefits	-	-	120,271	-	16,315
Other operating expenditures	-	-	344,936	-	4,764
Capital outlay	-	-	15,993	-	-
Total	<u>-</u>	<u>495,169</u>	<u>481,200</u>	<u>13,969</u>	<u>21,079</u>
Total public safety	<u>16,234,854</u>	<u>17,019,315</u>	<u>16,523,590</u>	<u>495,725</u>	<u>15,606,636</u>
Transportation:					
Airport:					
Salaries and employee benefits	-	-	105,875	-	104,744
Other operating expenditures	-	-	430,189	-	327,368
Total	<u>493,429</u>	<u>577,283</u>	<u>536,064</u>	<u>41,219</u>	<u>432,112</u>
Inter-county transportation:					
Contracted services	-	-	58,291	-	156,979
Total	<u>197,795</u>	<u>85,298</u>	<u>58,291</u>	<u>27,007</u>	<u>156,979</u>
Total transportation	<u>691,224</u>	<u>662,581</u>	<u>594,355</u>	<u>68,226</u>	<u>589,091</u>
Environmental protection:					
Forestry:					
Contracted services	-	-	64,291	-	76,250
Total	<u>76,250</u>	<u>76,250</u>	<u>64,291</u>	<u>11,959</u>	<u>76,250</u>
Soil and water conservation:					
Salaries and employee benefits	-	-	113,115	-	112,225
Other operating expenditures	-	-	14,981	-	14,648
Total	<u>134,042</u>	<u>133,928</u>	<u>128,096</u>	<u>5,832</u>	<u>126,873</u>
Total environmental protection	<u>210,292</u>	<u>210,178</u>	<u>192,387</u>	<u>17,791</u>	<u>203,123</u>
Economic and physical development:					
Cooperative extension:					
Salaries and employee benefits	-	-	144,292	-	149,557
Other operating expenditures	-	-	278,492	-	248,386
Contracted services	-	-	29,770	-	30,788
Total	<u>480,723</u>	<u>494,359</u>	<u>456,154</u>	<u>38,205</u>	<u>428,731</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, 2012

	2012			Variance with Final Budget Positive (Negative)	2011
	Budgeted Amounts		Actual		Actual
	Original	Final			
Economic development:					
Salaries and employee benefits	-	-	85,223	-	84,847
Other operating expenditures	-	-	87,472	-	46,567
Total	167,127	181,738	172,695	9,043	131,414
Planning and inspections:					
Salaries and employee benefits	-	-	623,160	-	595,805
Other operating expenditures	-	-	125,277	-	163,794
Total	647,317	775,367	748,437	26,930	759,599
Total economic and physical development	1,295,167	1,451,464	1,377,286	74,178	1,319,744
Human services:					
Health:					
Contracted services	-	-	127,000	-	127,000
Total	127,000	127,000	127,000	-	127,000
Mental health:					
Contracted services	-	-	62,852	-	62,750
Total	60,623	65,423	62,852	2,571	62,750
Social services:					
Administration:					
Salaries and employee benefits	-	-	2,142,222	-	2,098,472
Other operating expenditures	-	-	713,088	-	622,423
Capital outlay	-	-	45,006	-	18,200
Total	2,823,713	2,989,110	2,900,316	88,794	2,739,095
Public Assistance:					
Electronic issuance	-	-	4,367	-	4,182
Medical Transportation	-	-	43,781	-	39,657
TANF	-	-	123	-	(123)
Medical assistance program	-	-	-	-	(18)
Special assistance for adults	-	-	131,327	-	123,952
Special adoption assistance	-	-	18,886	-	11,194
State foster care and boarding home payments	-	-	41,718	-	54,767
Title IV-E foster care	-	-	20,333	-	14,983
Special assistance for the blind	-	-	860	-	667
Title IV-E adoption assistance	-	-	18,352	-	17,896
Title IV-B adoption assistance	-	-	51,249	-	52,066
Title IV-B adoption assistance vendor payments	-	-	2,400	-	3,125
Child daycare	-	-	668,489	-	614,374
Smart start child daycare	-	-	-	-	25,238
Home care block grant	-	-	55,354	-	54,156
LINKS special assistance	-	-	4,614	-	4,960
Other assistance	-	-	63,790	-	56,857
Total	1,325,382	1,375,730	1,125,643	250,087	1,077,933
Total social services	4,149,095	4,364,840	4,025,959	338,881	3,817,028
Juvenile crime prevention control					
JCPC council	-	-	14,231	-	13,728
Partnership of adolescents and support services	-	-	52,822	-	50,377
Restitution	-	-	8,041	-	9,993
Teen court	-	-	19,361	-	19,461
Total	107,457	104,403	96,455	7,948	93,559

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, 2012

	2012			Variance with Final Budget Positive (Negative)	2011
	Budgeted Amounts		Actual		Actual
	Original	Final			
Total human services	4,444,175	4,661,666	4,312,266	349,400	4,100,337
Cultural and recreational:					
Senior citizens centers:					
Salaries and employee benefits	-	-	168,118	-	163,238
Other operating expenditures	-	-	120,369	-	116,300
Total	326,687	324,972	293,145	31,827	279,538
Libraries:					
Salaries and employee benefits	-	-	401,895	-	399,080
Other operating expenditures	-	-	96,916	-	97,315
Total	512,546	512,573	498,811	13,762	496,395
Recreation:					
Salaries and employee benefits	-	-	395,637	-	391,989
Other operating expenditures	-	-	254,088	-	254,412
Capital outlay	-	-	87,078	-	23,230
Total	1,007,083	1,026,516	736,803	289,713	669,631
Rural Center					
Salaries and employee benefits	-	-	115,109	-	108,168
Other operating expenditures	-	-	443,287	-	641,042
Total	729,481	729,488	558,396	171,092	749,210
FIT Communities					
Other operating expenditures	-	-	-	-	4,904
Total	-	-	-	-	4,904
Total cultural and recreational	2,575,797	2,593,549	2,087,155	506,394	2,199,678
Education:					
Public schools - current	-	-	8,745,904	-	8,720,781
Public schools - capital outlay	-	-	990,000	-	990,000
Community college	-	-	75,000	-	75,000
Total education	9,810,904	9,810,904	9,810,904	-	9,785,781
Debt service:					
Principal retirement	-	-	2,975,701	-	2,931,769
Interest and other charges	-	-	359,601	-	456,783
Total debt service	3,335,303	3,335,418	3,335,302	116	3,388,552
Total expenditures	44,216,373	45,485,245	43,545,975	1,939,270	42,910,043
Revenues over (under) expenditures	(7,744,726)	(8,012,079)	(4,533,745)	3,478,334	(4,768,244)

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, 2012

	2012			Variance with Final Budget Positive (Negative)	2011
	Budgeted Amounts		Actual		Actual
	Original	Final			
Other financing sources (uses):					
Transfers to other funds:					
Special Revenue Funds	-	-	(388,000)	-	(388,000)
Capital Projects Funds	-	-	-	-	(143,350)
Enterprise Funds	-	-	(903,893)	-	(779,275)
Total transfers to other funds	<u>(1,281,893)</u>	<u>(1,297,833)</u>	<u>(1,291,893)</u>	<u>5,940</u>	<u>(1,310,625)</u>
Transfers from other funds:					
Tourism Development Authority	-	-	3,014,540	-	3,055,481
Special Revenue Funds	-	-	271,602	-	328,574
Capital Projects Funds	-	-	2,175,591	-	2,159,312
Enterprise Funds	-	-	103,794	-	34,598
Total transfers from other funds	<u>6,148,768</u>	<u>6,187,227</u>	<u>5,565,527</u>	<u>621,700</u>	<u>5,577,965</u>
 Total other financing sources (uses)	 <u>4,866,875</u>	 <u>4,889,394</u>	 <u>4,273,634</u>	 <u>(615,760)</u>	 <u>4,267,340</u>
 Revenues and other financing sources over (under) expenditures and other financing uses	 <u>(2,877,851)</u>	 <u>(3,122,685)</u>	 <u>(260,111)</u>	 <u>2,862,574</u>	 <u>(500,904)</u>
 Appropriated fund balance	 <u>2,877,851</u>	 <u>3,122,685</u>	 <u>-</u>	 <u>(3,122,685)</u>	 <u>-</u>
 Revenues, other sources, and appropriated fund balance over (under) expenditures	 <u>\$ -</u>	 <u>\$ -</u>	 <u>(260,111)</u>	 <u>\$ (260,111)</u>	 <u>(500,904)</u>
 Fund balances:					
Beginning of year, July 1			8,066,246		8,567,150
End of year, June 30			<u>\$ 7,806,135</u>		<u>\$ 8,066,246</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, 2012

	2012			Variance with Final Positive (Negative)	2011
	Budgeted Amounts		Actual		Actual
	Original	Final			
Revenues:					
Investment earnings	\$ 4,500	\$ 6,500	\$ 4,550	\$ (1,950)	\$ 5,430
Expenditures:					
Current:					
General government:					
Contract services	-	-	232,206	-	89,780
Capital outlay	-	-	-	-	-
Total expenditures	<u>373,961</u>	<u>375,961</u>	<u>232,206</u>	<u>143,755</u>	<u>89,780</u>
Revenues over (under) expenditures	<u>(369,461)</u>	<u>(369,461)</u>	<u>(227,656)</u>	<u>141,805</u>	<u>(84,350)</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	\$ (248,461)	\$ (248,461)	(106,656)	\$ 141,805	36,650
Appropriated fund balance	<u>248,461</u>	<u>248,461</u>	<u>-</u>	<u>(248,461)</u>	<u>-</u>
Revenues, other sources, and appropriated fund balance over (under) expenditures	<u>\$ -</u>	<u>\$ -</u>	(106,656)	<u>\$ (106,656)</u>	36,650
Fund balances:					
Beginning of year, July 1			437,032		400,382
End of year, June 30			<u>\$ 330,376</u>		<u>\$ 437,032</u>

County of Currituck, North Carolina
Fire District Fund
Schedule of Revenues, Expenditures, and
Changes in Fund Balances - Budget and Actual
For the Fiscal Year Ended June 30, 2012

	2012			Variance with Final Positive (Negative)	2011
	Budgeted Amounts		Actual		Actual
	Original	Final			
Revenues:					
Investment earnings	\$ -	\$ 251	\$ 251	\$ -	\$ 617
Total revenues	<u>-</u>	<u>251</u>	<u>251</u>	<u>-</u>	<u>617</u>
Expenditures:					
Current:					
Public safety:					
Moyock Fire District	38,250	38,717	38,726	(9)	-
Total expenditures	<u>38,250</u>	<u>38,717</u>	<u>38,726</u>	<u>(9)</u>	<u>-</u>
Revenues over (under) expenditures	(38,250)	(38,466)	(38,475)	(9)	617
Other financing uses:					
Transfers to general fund	-	-	-	-	(10,336)
Transfers from general fund	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Revenues and other financing uses	(38,250)	(38,466)	(38,475)	38,466	(9,719)
Appropriated fund balance	<u>38,250</u>	<u>38,466</u>	<u>-</u>	<u>(38,466)</u>	<u>-</u>
Revenues, other financing sources and appropriated fund balance over (under) other uses	<u>\$ -</u>	<u>\$ -</u>	(38,475)	<u>\$ (38,475)</u>	(9,719)
Fund balances:					
Beginning of year, July 1			38,475		48,194
End of year, June 30			<u>\$ -</u>		<u>\$ 38,475</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, 2012

	2012			Variance with Final Positive (Negative)	2011
	Original Budget	Final Budget	Actual		Actual
Revenues:					
Investment earnings	\$ -	\$ -	\$ 22,282	\$ 22,282	\$ 37,567
Total revenues	<u>-</u>	<u>-</u>	<u>22,282</u>	<u>22,282</u>	<u>37,567</u>
Expenditures:					
Capital outlay	-	342,000	337,253	4,747	-
Total expenditures	<u>-</u>	<u>342,000</u>	<u>337,253</u>	<u>4,747</u>	<u>-</u>
Revenues over (under) expenditures	<u>-</u>	<u>(342,000)</u>	<u>(314,971)</u>	<u>27,029</u>	<u>37,567</u>
Other financing sources (uses):					
Transfers to operating fund	(630,000)	(630,000)	(630,000)	-	(630,000)
Transfers to Moyock Central Sewer	-	-	-	-	(691,591)
Transfers from transfer tax fund	<u>300,000</u>	<u>300,000</u>	<u>300,000</u>	<u>-</u>	<u>300,000</u>
Revenues and other financing sources (uses)	<u>(330,000)</u>	<u>(672,000)</u>	<u>(644,971)</u>	<u>27,029</u>	<u>(984,024)</u>
Appropriated fund balance	<u>330,000</u>	<u>672,000</u>	<u>-</u>	<u>(672,000)</u>	<u>-</u>
Revenues, other financing sources and appropriated fund balance	<u>\$ -</u>	<u>\$ -</u>	<u>(644,971)</u>	<u>\$ (644,971)</u>	<u>(984,024)</u>
Fund balances:					
Beginning of year, July 1			<u>2,536,711</u>		<u>3,520,735</u>
End of year, June 30			<u>\$ 1,891,740</u>		<u>\$ 2,536,711</u>

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County of Currituck, North Carolina
Combining Balance Sheet
Non-Major Governmental Funds
June 30, 2012

	Multi-year Grant Fund	Emergency Telephone System Fund	Guinea Mill Watershed Improvement Fund	Hog Ditch Watershed Improvement Fund	Moyock Watershed Improvement Fund	Northwest Watershed Improvement Fund
ASSETS						
Cash and cash equivalents	\$ 55,415	\$ 517,717	\$ 90,770	\$ 1,459	\$ 28,766	\$ 11,463
Taxes receivable, net	-	-	543	12	300	49
Due from other governments	23,779	21,871	-	-	-	-
Total assets	<u>\$ 79,194</u>	<u>\$ 539,588</u>	<u>\$ 91,313</u>	<u>\$ 1,471</u>	<u>\$ 29,066</u>	<u>\$ 11,512</u>
LIABILITIES AND FUND BALANCES						
Liabilities:						
Accounts payable and accrued liabilities	\$ -	\$ 125	\$ -	\$ -	\$ -	\$ -
Deferred revenue	-	-	543	12	300	49
Total liabilities	<u>-</u>	<u>125</u>	<u>543</u>	<u>12</u>	<u>300</u>	<u>49</u>
Fund balances:						
Restricted:						
Stabilization by State Statute	23,779	21,871	543	12	300	49
Emergency Telephone System	-	359,212	-	-	-	-
Watershed Improvements	-	-	90,227	1,447	28,466	11,414
Whalehead Beach Solid Waste	-	-	-	-	-	-
Capital Assets	22,275	-	-	-	-	-
Committed:						
Fire Equipment	-	-	-	-	-	-
Assigned:						
Subsequent year's expenditures	-	158,380	-	-	-	-
Unassigned	33,140	-	-	-	-	-
Total fund balances	<u>79,194</u>	<u>539,463</u>	<u>90,770</u>	<u>1,459</u>	<u>28,766</u>	<u>11,463</u>
Total liabilities and fund balances	<u>\$ 79,194</u>	<u>\$ 539,588</u>	<u>\$ 91,313</u>	<u>\$ 1,471</u>	<u>\$ 29,066</u>	<u>\$ 11,512</u>

Whalehead Watershed Improvement Fund	Whalehead Beach Solid Waste Service District	Total Non-Major Special Revenue Funds	Fire Equipment Replacement Fund	Capital Improvements Fund	School Capital Fund	Transfer Tax Capital Fund	Total Non-Major Capital Projects Funds	Total Non-Major Governmental Funds
\$ 960,777	\$ 55,806	\$ 1,722,173	\$ 317,852	\$ 1,601,226	\$ 1,443,437	\$ 4,368,513	\$ 7,731,028	\$ 9,453,201
1,817	334	3,055	-	-	-	-	-	3,055
15,564	445	61,659	19,378	468,651	458,702	-	946,731	1,008,390
<u>\$ 978,158</u>	<u>\$ 56,585</u>	<u>\$ 1,786,887</u>	<u>\$ 337,230</u>	<u>\$ 2,069,877</u>	<u>\$ 1,902,139</u>	<u>\$ 4,368,513</u>	<u>\$ 8,677,759</u>	<u>\$ 10,464,646</u>
\$ 222,896	\$ -	\$ 223,021	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 223,021
1,817	334	3,055	-	-	-	-	-	3,055
<u>224,713</u>	<u>334</u>	<u>226,076</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>226,076</u>
17,381	779	64,714	19,378	468,651	458,702	-	946,731	1,011,445
-	-	359,212	-	-	-	-	-	359,212
736,064	-	867,618	-	-	-	-	-	867,618
-	55,472	55,472	-	-	-	-	-	55,472
-	-	22,275	-	1,601,226	1,443,437	4,368,513	7,413,176	7,435,451
-	-	-	317,852	-	-	-	317,852	317,852
-	-	158,380	-	-	-	-	-	158,380
-	-	33,140	-	-	-	-	-	33,140
<u>753,445</u>	<u>56,251</u>	<u>1,560,811</u>	<u>337,230</u>	<u>2,069,877</u>	<u>1,902,139</u>	<u>4,368,513</u>	<u>8,677,759</u>	<u>10,238,570</u>
<u>\$ 978,158</u>	<u>\$ 56,585</u>	<u>\$ 1,786,887</u>	<u>\$ 337,230</u>	<u>\$ 2,069,877</u>	<u>\$ 1,902,139</u>	<u>\$ 4,368,513</u>	<u>\$ 8,677,759</u>	<u>\$ 10,464,646</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, 2012

	Multi-year Grant Fund	Emergency Telephone System Fund	Guinea Mill Watershed Improvement Fund	Hog Ditch Watershed Improvement Fund	Moyock Watershed Improvement Fund	Northwest Watershed Improvement Fund	Whalehead Watershed Improvement Fund
REVENUES							
Ad valorem taxes	\$ -	\$ -	\$ 11,892	\$ 1,035	\$ 16,376	\$ 2,356	\$ 868,316
Other taxes and licenses	-	178,855	-	-	-	-	-
Restricted							
intergovernmental	22,275	-	-	-	-	-	-
Investment earnings	825	8,298	911	13	307	111	16,711
Total revenues	<u>23,100</u>	<u>187,153</u>	<u>12,803</u>	<u>1,048</u>	<u>16,683</u>	<u>2,467</u>	<u>885,027</u>
EXPENDITURES							
Current:							
General government	-	-	-	-	-	-	-
Public safety	22,275	438,991	-	-	-	-	-
Economic and physical development	504	-	-	-	-	-	-
Environmental protection	-	-	-	388	9,700	-	1,206,264
Total expenditures	<u>22,779</u>	<u>438,991</u>	<u>-</u>	<u>388</u>	<u>9,700</u>	<u>-</u>	<u>1,206,264</u>
Transfers (to) from other funds	-	(18,349)	-	-	-	-	(253,253)
Total other financing sources and uses	-	(18,349)	-	-	-	-	(253,253)
Net change in fund balances	321	(270,187)	12,803	660	6,983	2,467	(574,490)
Fund balances - beginning	78,873	809,650	77,967	799	21,783	8,996	1,327,935
Fund balances - ending	<u>\$ 79,194</u>	<u>\$ 539,463</u>	<u>\$ 90,770</u>	<u>\$ 1,459</u>	<u>\$ 28,766</u>	<u>\$ 11,463</u>	<u>\$ 753,445</u>

Whalehead Beach Solid Waste Service District	Total Non-Major Special Revenue Funds	Fire Equipment Replacement Fund	Capital Improvements Fund	School Capital Fund	Transfer Tax Capital Fund	Total Non-major Capital Projects Funds	Total Non-Major Governmental Funds
\$ 144,505	\$ 1,044,480	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,044,480
-	178,855	-	1,695,498	1,602,164	2,348,650	5,646,312	5,825,167
-	22,275	-	-	-	-	-	22,275
618	27,794	2,464	28,358	15,714	42,896	89,432	117,226
<u>145,123</u>	<u>1,273,404</u>	<u>2,464</u>	<u>1,723,856</u>	<u>1,617,878</u>	<u>2,391,546</u>	<u>5,735,744</u>	<u>7,009,148</u>
88,872	88,872	-	-	-	-	-	88,872
-	461,266	112,750	-	-	-	112,750	574,016
-	504	-	-	-	-	-	504
-	1,216,352	-	-	-	-	-	1,216,352
<u>88,872</u>	<u>1,766,994</u>	<u>112,750</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>112,750</u>	<u>1,879,744</u>
-	(271,602)	267,000	(4,135,702)	(1,440,000)	(1,989,178)	(7,297,880)	(7,569,482)
-	(271,602)	267,000	(4,135,702)	(1,440,000)	(1,989,178)	(7,297,880)	(7,569,482)
56,251	(765,192)	156,714	(2,411,846)	177,878	402,368	(1,674,886)	(2,440,078)
-	2,326,003	180,516	4,481,723	1,724,261	3,966,145	10,352,645	12,678,648
<u>\$ 56,251</u>	<u>\$ 1,560,811</u>	<u>\$ 337,230</u>	<u>\$ 2,069,877</u>	<u>\$ 1,902,139</u>	<u>\$ 4,368,513</u>	<u>\$ 8,677,759</u>	<u>\$ 10,238,570</u>

County of Currituck, North Carolina
Multi-year Grant Fund
Schedule of Revenues, Expenditures, and
Changes in Fund Balances - Budget and Actual
From Inception and for the Fiscal Year Ended June 30, 2012

	Project Authorization	Prior Year	Actual Current Year	Total to Date	Variance Positive (Negative)
Revenues					
Restricted intergovernmental:					
CDBG - 2011	\$ 40,000	\$ -	\$ -	\$ -	\$ (40,000)
2007 DPR1 Regional Radio Grant	22,275	-	22,275	22,275	-
Investment Earnings	-	-	825	825	825
Total revenues	<u>62,275</u>	<u>-</u>	<u>23,100</u>	<u>23,100</u>	<u>(39,175)</u>
Expenditures					
Public safety:					
2007 DPR1 Regional Radio Grant	22,275	-	22,275	22,275	-
Economic and physical development:					
CDBG scattered site project - 2011 Administration	40,000	-	504	504	39,496
Total expenditures	<u>62,275</u>	<u>-</u>	<u>22,779</u>	<u>22,779</u>	<u>39,496</u>
Revenues under expenditures	<u>\$ -</u>	<u>\$ -</u>	321	<u>\$ 321</u>	<u>\$ 321</u>
Fund balance:					
Beginning of year, July 1			<u>78,873</u>		
End of Year, June 30			<u>\$ 79,194</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, 2012

	2012			Variance with Final Positive (Negative)	2011
	Budgeted Amounts		Actual		Actual
	Original	Final			
Revenues					
Other taxes and licenses:					
911 system subscriber fees	\$ 178,855	\$ 178,855	\$ 178,855	\$ -	\$ 294,715
Investment earnings	-	-	8,299	8,299	10,321
Total revenues	178,855	178,855	187,154	8,299	305,036
Expenditures					
Public safety	-	-	126,787	-	98,963
Capital Outlay	-	-	312,204	-	-
Total expenditures	489,677	555,765	438,991	-	98,963
Revenues over (under) expenditures	(310,822)	(376,910)	(251,837)	125,073	206,073
Other financing uses:					
Transfers to general fund	-	-	(18,349)	(18,349)	(64,995)
Revenues and other financing sources over expenditures	(310,822)	(376,910)	(270,186)	106,724	141,078
Appropriated fund balance	310,822	376,910	-	(376,910)	-
Revenues, other finance sources and appropriated fund balance over (under) expenditures	\$ -	\$ -	(270,186)	\$ (270,186)	141,078
Fund balances:					
Beginning of year, July 1			809,650		668,572
End of year, June 30			\$ 539,464		\$ 809,650

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, 2012

	2012			Variance with Final Positive (Negative)	2011
	Budgeted Amounts		Actual		Actual
	Original	Final			
Revenues:					
Ad valorem taxes:					
Current year	\$ 11,722	\$ 11,722	\$ 11,627	\$ (95)	\$ 11,595
Prior years	-	-	212	212	340
Interest	-	-	53	53	69
Total ad valorem taxes	11,722	11,722	11,892	170	12,004
Investment earnings	750	750	911	161	1,046
Total revenues	12,472	12,472	12,803	331	13,050
Expenditures:					
Current:					
Environmental protection:	12,472	12,472	-	12,472	1,500
Total expenditures	12,472	12,472	-	12,472	1,500
Revenues over (under) expenditures	\$ -	\$ -	12,803	\$ 12,803	11,550
Fund balances:					
Beginning of year, July 1			77,967		66,417
End of year, June 30			\$ 90,770		\$ 77,967

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, 2012

	2012			Variance with Final Positive (Negative)	2011
	Budgeted Amounts		Actual		Actual
	Original	Final			
Revenues:					
Ad valorem taxes:					
Current year	\$ 977	\$ 977	\$ 1,020	\$ 43	\$ 1,096
Prior years taxes	-	-	12	12	-
Interest	-	-	3	3	2
Total ad valorem taxes	977	977	1,035	58	1,098
Miscellaneous grants	-	-	-	-	480
Investment earnings	-	-	13	13	28
Total revenues	977	977	1,048	71	1,606
Expenditures:					
Current:					
Environmental protection:	977	977	388	589	2,910
Total expenditures	977	977	388	589	2,910
Revenues over (under) expenditures	\$ -	\$ -	660	\$ 660	(1,304)
Fund balances:					
Beginning of year, July 1			799		2,103
End of year, June 30			\$ 1,459		\$ 799

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, 2012

	2012			Variance with Final Positive (Negative)	2011
	Budgeted Amounts		Actual		Actual
	Original	Final			
Revenues:					
Ad valorem taxes:					
Current year	\$ 15,092	\$ 15,092	\$ 15,924	\$ 832	\$ 15,243
Prior years taxes	-	-	380	380	318
Interest	-	-	72	72	96
Total ad valorem taxes	15,092	15,092	16,376	1,284	15,657
Investment earnings	250	250	307	57	302
Total revenues	15,342	15,342	16,683	1,341	15,959
Expenditures:					
Current:					
Environmental protection:	15,342	15,342	9,700	5,642	6,400
Total expenditures	15,342	15,342	9,700	5,642	6,400
Revenues over (under) expenditures	\$ -	\$ -	6,983	\$ 6,983	9,559
Fund balances:					
Beginning of year, July 1			21,783		12,224
End of year, June 30			\$ 28,766		\$ 21,783

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, 2012

	2012			Variance with Final Positive (Negative)	2011
	Budgeted Amounts		Actual		Actual
	Original	Final			
Revenues:					
Ad valorem taxes:					
Current year	\$ 2,149	\$ 2,149	\$ 2,302	\$ 153	\$ 2,267
Prior years taxes	-	-	47	47	53
Interest	-	-	7	7	7
Total ad valorem taxes	2,149	2,149	2,356	207	2,327
Investment earnings	-	-	111	111	116
Total revenues	2,149	2,149	2,467	318	2,443
Expenditures:					
Current:					
Environmental protection:	2,149	2,149	-	2,149	-
Total expenditures	2,149	2,149	-	2,149	-
Revenues over (under) expenditures	\$ -	\$ -	2,467	\$ 2,467	2,443
Fund balances:					
Beginning of year, July 1			8,996		6,553
End of year, June 30			\$ 11,463		\$ 8,996

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, 2012

	2012			Variance with Final Positive (Negative)	2011
	Budgeted Amounts		Actual		Actual
	Original	Final			
Revenues:					
Ad valorem taxes:					
Current year	\$ 846,593	\$ 846,593	\$ 865,987	\$ 19,394	\$ 384,236
Prior year taxes	-	-	1,007	1,007	779
Interest	-	-	1,322	1,322	478
Total ad valorem taxes	846,593	846,593	868,316	21,723	385,493
Investment earnings	5,000	12,000	16,711	4,711	17,566
Total revenues	851,593	858,593	885,027	26,434	403,059
Expenditures:					
Current:					
Environmental protection:	598,350	2,013,162	1,206,264	806,898	384,430
Total expenditures	598,350	2,013,162	1,206,264	806,898	384,430
Revenues over (under) expenditures	253,243	(1,154,569)	(321,237)	833,332	18,629
Other financing sources (uses):					
Transfers to operating fund	(253,243)	(253,243)	(253,253)	10	(253,243)
Total other financing sources (uses)	(253,243)	(253,243)	(253,253)	10	(253,243)
Revenues and other financing sources (uses) over (under) expenditures	-	(1,407,812)	(574,490)	833,322	(234,614)
Appropriated fund balance	-	1,407,812	-	(1,407,812)	-
Revenues and appropriated fund balance over (under) expenditures	\$ -	\$ -	(574,490)	\$ (574,490)	(234,614)
Fund balances:					
Beginning of year, July 1			1,327,935		1,562,549
End of year, June 30			\$ 753,445		\$ 1,327,935

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, 2012

	2012			Variance with Final Positive (Negative)
	Budgeted Amounts		Actual	
	Original	Final		
Revenues:				
Ad valorem taxes:				
Current year	\$ 141,009	\$ 141,009	\$ 144,299	\$ 3,290
Interest	-	-	206	206
Total ad valorem taxes	<u>141,009</u>	<u>141,009</u>	<u>144,505</u>	<u>3,496</u>
Investment earnings	-	-	618	618
Total revenues	<u>141,009</u>	<u>141,009</u>	<u>145,123</u>	<u>4,114</u>
Expenditures:				
Current:				
General government	<u>141,009</u>	<u>141,009</u>	<u>88,872</u>	<u>52,137</u>
Total expenditures	<u>141,009</u>	<u>141,009</u>	<u>88,872</u>	<u>52,137</u>
Revenues over (under) expenditures	<u>\$ -</u>	<u>\$ -</u>	56,251	<u>\$ 56,251</u>
Fund balances:				
Beginning of year, July 1			-	
End of year, June 30			<u>\$ 56,251</u>	

Fund established July 1, 2011

County of Currituck, North Carolina
Fire Equipment Replacement Fund
Schedule of Revenues, Expenditures, and
Changes in Fund Balances - Budget and Actual
For the Fiscal Year Ended June 30, 2012

	2012			Variance with Final Positive (Negative)	2011
	Budgeted Amounts		Actual		Actual
	Original	Final			
Revenues:					
Investment earnings	\$ -	\$ -	\$ 2,464	\$ 2,464	\$ 2,511
Expenditures:					
Current:					
Public safety	267,000	365,503	112,750	252,753	582,104
Total expenditures	267,000	365,503	112,750	252,753	582,104
Revenues over (under) expenditures	(267,000)	(365,503)	(110,286)	255,217	(579,593)
Other financing sources:					
Transfers from general fund	267,000	267,000	267,000	-	267,000
Revenues and other financing sources over expenditures	-	(98,503)	156,714	255,217	(312,593)
Appropriated fund balance	-	98,503	-	(98,503)	-
Revenues, other finance sources and appropriated fund balance over (under) expenditures	\$ -	\$ -	156,714	\$ 156,714	(312,593)
Fund balances:					
Beginning of year, July 1			180,516		493,109
End of year, June 30			\$ 337,230		\$ 180,516

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, 2012

	2012			Variance with Final Positive (Negative)	2011
	Budgeted Amounts		Actual		Actual
	Original	Final			
Revenues:					
Other taxes and licenses:					
Article 40 supplemental sales tax	\$ 840,000	\$ 840,000	\$ 845,554	\$ 5,554	\$ 843,317
Article 42 supplemental sales tax	750,000	750,000	849,944	99,944	777,310
Investment earnings	-	-	28,358	28,358	54,326
Total revenues	<u>1,590,000</u>	<u>1,590,000</u>	<u>1,723,856</u>	<u>133,856</u>	<u>1,674,953</u>
Other financing uses:					
Transfers to other funds:					
General fund	(550,700)	(550,700)	(105,591)	445,109	(539,312)
County Government Facilities fund	(4,030,111)	(3,031,932)	(3,031,932)	-	-
School Facilities fund	-	(998,179)	(998,179)	-	(651,969)
Total other financing uses	<u>(4,580,811)</u>	<u>(4,580,811)</u>	<u>(4,135,702)</u>	<u>445,109</u>	<u>(1,191,281)</u>
Revenues over (under) other financing uses	(2,990,811)	(2,990,811)	(2,411,846)	578,965	483,672
Appropriated fund balance	<u>2,990,811</u>	<u>2,990,811</u>	-	<u>(2,990,811)</u>	-
Revenues and other financing uses over appropriated fund balance	<u>\$ -</u>	<u>\$ -</u>	(2,411,846)	<u>\$ (2,411,846)</u>	483,672
Fund balances:					
Beginning of year, July 1			4,481,723		3,998,051
End of year, June 30			<u>\$ 2,069,877</u>		<u>\$ 4,481,723</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, 2012

	2012			Variance with Final Positive (Negative)	2011
	Budgeted Amounts		Actual		Actual
	Original	Final			
Revenues:					
Other taxes and licenses:					
Article 40 supplemental sales tax	\$ 360,000	\$ 360,000	\$ 376,433	\$ 16,433	\$ 361,421
Article 42 supplemental sales tax	1,080,000	1,080,000	1,225,731	145,731	1,165,965
Investment earnings	-	-	15,714	15,714	18,159
Total revenues	<u>1,440,000</u>	<u>1,440,000</u>	<u>1,617,878</u>	<u>177,878</u>	<u>1,545,545</u>
Other financing uses:					
Transfers to other funds:					
General fund	<u>(1,440,000)</u>	<u>(1,440,000)</u>	<u>(1,440,000)</u>	<u>-</u>	<u>(990,000)</u>
Total other financing uses	<u>(1,440,000)</u>	<u>(1,440,000)</u>	<u>(1,440,000)</u>	<u>-</u>	<u>(990,000)</u>
Revenues over (under) other financing uses	<u>\$ -</u>	<u>\$ -</u>	177,878	<u>\$ 177,878</u>	555,545
Fund balances:					
Beginning of year, July 1			<u>1,724,261</u>		<u>1,168,716</u>
End of year, June 30			<u>\$ 1,902,139</u>		<u>\$ 1,724,261</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, 2012

	2012			Variance with Final Positive (Negative)	2011
	Budgeted Amounts		Actual		Actual
	Original	Final			
Revenues:					
Other taxes and licenses					
Land transfer tax	\$ 1,970,000	\$ 1,970,000	\$ 2,348,650	\$ 378,650	\$ 2,215,696
Investment earnings	50,000	50,000	42,896	(7,104)	73,064
Total revenues	<u>2,020,000</u>	<u>2,020,000</u>	<u>2,391,546</u>	<u>371,546</u>	<u>2,288,760</u>
Expenditures:					
Fees Paid to Officials	700	700	-	700	-
Contingency	30,122	30,122	-	30,122	-
Total expenditures	<u>30,822</u>	<u>30,822</u>	<u>-</u>	<u>30,822</u>	<u>-</u>
Revenues over (under) expenditures	<u>1,989,178</u>	<u>1,989,178</u>	<u>2,391,546</u>	<u>402,368</u>	<u>2,288,760</u>
Other financing uses:					
Transfers to County government facilities	(1,689,178)	(1,689,178)	(1,689,178)	-	(2,197,513)
Transfers to school facilities fund	-	-	-	-	(1,000,000)
Transfers to land banking fund	(300,000)	(300,000)	(300,000)	-	(300,000)
Total other financing uses	<u>(1,989,178)</u>	<u>(1,989,178)</u>	<u>(1,989,178)</u>	<u>-</u>	<u>(3,497,513)</u>
Revenues and other financing uses over (under) expenditures	<u>\$ -</u>	<u>\$ -</u>	402,368	<u>\$ 402,368</u>	(1,208,753)
Fund balances:					
Beginning of year, July 1			3,966,145		5,174,898
End of year, June 30			<u>\$ 4,368,513</u>		<u>\$ 3,966,145</u>

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County of Currituck, North Carolina
County Government Facilities Fund
Schedule of Revenues, Expenditures, and
Changes in Fund Balances - Budget and Actual
From Inception and for the Fiscal Year Ended June 30, 2012

	Project Authorization	Actual		Total to Date	Variance Positive (Negative)
		Prior Years	Current Year		
Revenues					
Intergovernmental revenues:					
State aid to airports	\$ 2,155,171	\$ 1,346,653	\$ 682,120	\$ 2,028,773	\$ (126,398)
Grant - DCA Commerce Park	500,000	-	-	-	(500,000)
NCSU Grant	-	10,650	-	10,650	10,650
PARTF - Corolla multi-use path	500,000	288,824	158,156	446,980	(53,020)
Total	3,155,171	1,646,127	840,276	2,486,403	(668,768)
Investment earnings	2,649,757	3,524,473	140,408	3,664,881	1,015,124
Total revenues	5,804,928	4,092,254	980,684	6,151,284	346,356
Expenditures					
Public safety:					
Animal Shelter	115,000	10,061	17,741	27,802	87,198
800 MHz Radio project	1,689,178	-	177,289	177,289	1,511,889
Sheriff Evidence Vault	400,000	18,832	343,373	362,205	37,795
Total public safety	2,204,178	28,893	538,403	567,296	1,636,882
Economic and physical development:					
Maple commerce park	5,866,377	251,613	3,589,709	3,841,322	2,025,055
	5,866,377	8,444,421	3,589,709	3,841,322	2,025,055
Transportation:					
Hangar #3 FY 2006	41,586	21,737	-	21,737	19,849
Rehab Taxiway A	179,330	179,035	-	179,035	295
Airport - County Funding	199,328	160,133	-	160,133	39,195
Taxiway	510,670	279,581	228,454	508,035	2,635
COA Apron	86,184	-	67,266	67,266	18,918
Airfield Improvements	166,667	-	-	-	166,667
Parallel taxiway	1,273,334	1,197,121	68,202	1,265,323	8,011
Total transportation	2,457,099	189,710	363,922	2,201,529	255,570
Cultural and recreational:					
Community park development	2,449,000	2,437,879	11,121	2,449,000	-
Corolla multi-use path	1,360,549	656,847	302,900	959,747	400,802
Recreation soccer fields - Maple	153,114	-	139,164	139,164	13,950
Recreation facility - Maple	15,486,314	6,499,374	7,695,643	14,195,017	1,291,297
Total cultural and recreational	19,448,977	9,594,100	8,148,828	17,742,928	1,706,049
Total expenditures	29,976,631	17,343,676	12,640,862	24,353,075	5,623,556
Revenues under expenditures	(24,171,703)	(13,251,422)	(11,660,178)	(18,201,791)	5,969,912
Other financing sources (uses):					
Transfers (to) from other funds:					
General fund	1,054,017	2,452,429	-	2,452,429	1,398,412
Tourism Development Authority	10,820,817	8,780,556	1,112,436	9,892,992	(927,825)
Capital improvements fund	2,587,349	4,953,378	3,031,932	7,985,310	5,397,961
Transfer tax capital fund	9,656,746	6,714,116	1,689,178	8,403,294	(1,253,452)
School construction fund	52,774	-	8,618	8,618	(44,156)
Total other financing sources (uses)	24,171,703	22,900,479	5,842,164	28,742,643	4,570,940
Revenues and other sources over (under) expenditures	\$ -	\$ 19,072,604	(5,818,014)	\$ 10,540,852	\$ 10,540,852
Fund balances:					
Beginning of year, July 1			16,723,133		
End of year, June 30			\$ 10,905,119		

County of Currituck, North Carolina
School Capital Projects Fund
Schedule of Revenues, Expenditures, and
Changes in Fund Balances - Budget and Actual
From Inception and for the Fiscal Year Ended June 30, 2012

	Project Authorization	Actual			Variance Positive (Negative)
		Prior Years	Current Year	Total to Date	
Revenues					
Public School Capital Building Fund	\$ 620,980	\$ 1,077,565	\$ -	\$ 1,077,565	\$ 456,585
State Lottery proceeds	439,962	643,702	-	643,702	203,740
Investment earnings	1,303,286	2,634,642	49,407	2,684,049	1,380,763
Total revenues	<u>2,364,228</u>	<u>4,064,909</u>	<u>49,407</u>	<u>4,405,316</u>	<u>2,041,088</u>
Expenditures					
Intergovernmental - education:					
College of the Albemarle - Aviation/Technical Training	7,887,537	-	1,577,326	1,577,326	6,310,211
Jarvisburg Elementary School construction	14,794,000	14,332,196	15,957	14,348,153	445,847
Knapp Early College Renovations/Bleachers	340,000	322,594	-	322,594	17,406
Moyock Elementary School, renovation	1,801,833	1,801,832	-	1,801,832	1
Shawboro Elementary School construction	20,473,208	20,127,643	-	20,127,643	345,565
Knapp Early College - Chiller Replacement	150,000	134,371	-	134,371	15,629
Griggs Elementary Bus Canopy	65,000	-	59,016	59,016	5,984
Currituck Middle School - HVAC replacement	120,400	120,400	-	120,400	-
Knotts Island Elementary School - Chiller replacement	38,391	38,391	-	38,391	-
Knotts Island Elementary School - Connector	16,000	14,173	-	14,173	1,827
Currituck County High School - Chiller replacement	50,171	50,171	-	50,171	-
Total expenditures	<u>45,736,540</u>	<u>36,941,771</u>	<u>1,652,299</u>	<u>38,594,070</u>	<u>7,142,470</u>
Revenues over (under) expenditures	<u>(43,372,312)</u>	<u>(32,564,536)</u>	<u>(1,602,892)</u>	<u>(34,188,754)</u>	<u>9,183,558</u>
Other financing sources:					
Issuance of debt - Shawboro Elem	8,000,000	8,000,000	-	8,000,000	-
Issuance of debt - College of the Albemarle	6,800,000	-	6,800,000	6,800,000	-
Total debt issuance	<u>14,800,000</u>	<u>8,000,000</u>	<u>6,800,000</u>	<u>14,800,000</u>	<u>-</u>
Transfers from					
General Fund	14,656,058	14,905,353	-	14,905,353	249,295
Capital Improvements Fund	998,179	-	998,179	998,179	-
Governmental Construction Fund	2,250,000	2,250,000	(8,618)	2,241,382	(8,618)
Transfer Tax Capital Fund	10,668,075	12,578,717	-	12,578,717	1,910,642
	<u>28,572,312</u>	<u>28,734,070</u>	<u>989,561</u>	<u>30,723,631</u>	<u>2,151,319</u>
Total other financing sources	<u>43,372,312</u>	<u>36,734,070</u>	<u>7,789,561</u>	<u>44,523,631</u>	<u>2,151,319</u>
Revenues, other sources over (under) expenditures	<u>\$ -</u>	<u>\$ 4,169,534</u>	<u>6,186,669</u>	<u>\$ 10,334,877</u>	<u>\$ 10,334,877</u>
Fund balances:					
Beginning of year, July 1			5,208,001		
End of year, June 30			<u>\$ 11,394,670</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, 2012

	2012			Variance with Final Positive (Negative)	2011
	Budgeted Amounts		Actual		Actual
	Original	Final			
Revenues:					
Occupancy Tax	\$ 8,900,000	\$ 9,580,536	\$ 9,991,095	\$ 410,559	\$ 9,442,002
Co-op Advertising	26,000	26,000	11,250	(14,750)	22,000
Retail sales	-	-	1,561	1,561	-
Penalties and interest	-	-	2,130	2,130	4,798
Investment earnings	90,000	90,000	102,183	12,183	129,326
Total revenues	<u>9,016,000</u>	<u>9,696,536</u>	<u>10,108,219</u>	<u>411,683</u>	<u>9,598,126</u>
Expenditures:					
Tourism Promotion:					
Salaries	-	-	548,087	-	517,159
Operating Expenses	-	-	244,257	-	231,407
Retail merchandise	-	-	17,573	-	-
Promotions	-	-	2,300,953	-	2,084,168
Capital Outlay	-	-	104,224	-	124,387
Total Tourism Promotions	<u>4,662,768</u>	<u>4,706,139</u>	<u>3,215,094</u>	<u>1,491,045</u>	<u>2,957,121</u>
Tourism Related Expenditures:					
Utilities	-	-	1,272	-	21,294
Repairs and maintenance	-	-	4,052	-	13,021
Signs	-	-	6,253	-	6,558
Outer Banks access ramps	-	-	63,187	-	27,525
Rent	-	-	9,920	-	11,900
Supplies	-	-	2,265	-	-
Contracted services	-	-	62,804	-	55,823
Lifeguard services	-	-	660,321	-	706,933
Historic preservation	-	-	48,455	-	17,970
Corolla Wild Horse support	-	-	74,922	-	99,994
Insurance and bonds	-	-	4,767	-	4,447
Professional services	-	-	3,635	-	169,895
Whalehead projects	-	-	808,153	-	643,402
Capital outlay	-	-	16,905	-	12,358
Total tourism related expenditures	<u>1,994,215</u>	<u>2,207,273</u>	<u>1,766,911</u>	<u>440,362</u>	<u>1,791,120</u>
Total expenditures	<u>6,656,983</u>	<u>6,913,412</u>	<u>4,982,005</u>	<u>1,931,407</u>	<u>4,748,241</u>
Revenues over (under) expenditures	<u>2,359,017</u>	<u>2,783,124</u>	<u>5,126,214</u>	<u>2,343,090</u>	<u>4,849,885</u>
Other financing sources:					
Transfers (to) from other funds:					
General fund	(3,101,031)	(3,139,490)	(3,014,540)	124,950	(3,055,481)
Southern Outer Banks Water Fund	122,156	122,156	122,156	-	-
County Governmental Facilities fund	<u>(1,025,837)</u>	<u>(1,025,837)</u>	<u>(1,112,436)</u>	<u>(86,599)</u>	<u>(690,974)</u>
Total other financing uses	<u>(4,004,712)</u>	<u>(4,043,171)</u>	<u>(4,004,820)</u>	<u>38,351</u>	<u>(3,746,455)</u>

Revenues and other financing sources over (under) expenditures and other financing uses	(1,645,695)	(1,260,047)	1,121,394	2,381,441	1,103,430
Appropriated fund balance	<u>1,645,695</u>	<u>1,260,047</u>	<u>-</u>	<u>(1,260,047)</u>	<u>-</u>
Revenues, other financing sources, and appropriated fund balance over (under) expenditures	<u>\$ -</u>	<u>\$ -</u>	1,121,394	<u>\$ 1,121,394</u>	1,103,430
Fund balances:					
Beginning of year, July 1			<u>7,357,533</u>		<u>6,254,103</u>
Fund balance: Tourism promotion			5,466,252		5,265,888
Fund balance: Tourism related expenditures			<u>3,012,675</u>		<u>2,091,645</u>
End of year, June 30			<u>\$ 8,478,927</u>		<u>\$ 7,357,533</u>
A legally budgeted Carova Beach Service District Fund is consolidated in the Tourism Development Authority Fund for reporting purposes:					
Investment earnings			2,555		3,777
Transfer-in Tourism Development Authority Fund			-		-
Expenditures			(136,556)		(17,658)
Beginning Fund Balance, Carova Beach Service District Fund			<u>267,519</u>		<u>281,400</u>
Ending Fund Balance Exhibit 4			<u>\$ 8,612,445</u>		<u>\$ 7,625,052</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, 2012

	2012			Variance with Final Positive (Negative)	2011
	Budgeted Amounts		Actual		Actual
	Original	Final			
Revenues:					
Investment earnings	\$ 1,000	\$ 1,000	\$ 2,555	\$ 1,555	\$ 3,777
Expenditures:					
Current:					
Environmental protection	250,000	250,000	136,556	113,444	17,658
Total expenditures	250,000	250,000	136,556	113,444	17,658
Revenues over (under) expenditures	(249,000)	(249,000)	(134,001)	114,999	(13,881)
Appropriated fund balance	249,000	249,000	-	(249,000)	-
Revenues, other finance sources and appropriated fund balance over (under) expenditures	<u>\$ -</u>	<u>\$ -</u>	(134,001)	<u>\$ (134,001)</u>	(13,881)
Fund balances:					
Beginning of year, July 1			267,519		281,400
End of year, June 30			<u>\$ 133,518</u>		<u>\$ 267,519</u>

**County of Currituck, North Carolina
Combining Statement of Net Assets
Non-Major Proprietary Funds
June 30, 2012**

	Enterprise Funds				Totals	
	Newtown Road Sewer Fund	Maple Commerce Park Sewer Fund	Moyock Commons Sewer Fund	Walnut Island Sewer Fund	June 30, 2012	June 30, 2011
ASSETS						
Current assets:						
Cash and cash equivalents	\$ 72,820	\$ 134	\$ 166,933	\$ 86,258	\$ 326,145	\$ 253,980
Taxes receivable, net	-	-	5,799	-	5,799	5,801
Receivables, net	1,902	1,913	10,038	45,641	59,494	7,685
Total current assets	<u>74,722</u>	<u>2,047</u>	<u>182,770</u>	<u>131,899</u>	<u>391,438</u>	<u>267,466</u>
Noncurrent assets:						
Capital assets:						
Land, improvements, and construction in progress	87,000	1,922,639	67,625	53,690	2,130,954	154,625
Other capital assets, net of depreciation	172,368	-	310,751	3,402,538	3,885,657	510,989
Total capital assets	<u>259,368</u>	<u>1,922,639</u>	<u>378,376</u>	<u>3,456,228</u>	<u>6,016,611</u>	<u>665,614</u>
Total assets	<u>334,090</u>	<u>1,924,686</u>	<u>561,146</u>	<u>3,588,127</u>	<u>6,408,049</u>	<u>933,080</u>
LIABILITIES						
Current liabilities:						
Accounts payable	1,009	817	3,952	14,531	20,309	3,289
Customer deposits	200	-	300	-	500	650
Total liabilities	<u>1,209</u>	<u>817</u>	<u>4,252</u>	<u>14,531</u>	<u>20,809</u>	<u>3,939</u>
NET ASSETS						
Invested in capital assets, net of related debt	259,368	1,922,639	378,376	3,456,228	6,016,611	665,614
Unrestricted	73,513	1,230	178,518	117,368	370,629	263,527
Total net assets	<u>\$ 332,881</u>	<u>\$ 1,923,869</u>	<u>\$ 556,894</u>	<u>\$ 3,573,596</u>	<u>\$ 6,387,240</u>	<u>\$ 929,141</u>

County of Currituck, North Carolina
Combining Statement of Revenues, Expenses, and Changes in Fund Net Assets
Non-Major Proprietary Funds
For the Year Ended June 30, 2012

	Enterprise Funds				Totals	
	Newtown Road Sewer Fund	Maple Commerce Park Sewer Fund	Moyock Commons Sewer Fund	Walnut Island Sewer Fund	June 30, 2012	June 30, 2011
OPERATING REVENUES						
Charges for services	\$ 10,166	\$ 11,972	\$ 103,954	\$ 126,680	\$ 252,772	\$ 74,895
Miscellaneous	-	-	632	-	632	987
Total operating revenues	<u>10,166</u>	<u>11,972</u>	<u>104,586</u>	<u>126,680</u>	<u>253,404</u>	<u>75,882</u>
OPERATING EXPENSES						
Administration	2,232	2,068	18,127	8,951	31,378	16,426
Water and sewer district	10,559	18,674	45,907	54,391	129,531	41,398
Depreciation	16,954	-	17,444	66,737	101,135	32,810
Total operating expenses	<u>29,745</u>	<u>20,742</u>	<u>81,478</u>	<u>130,079</u>	<u>262,044</u>	<u>90,634</u>
Operating income (loss)	<u>(19,579)</u>	<u>(8,770)</u>	<u>23,108</u>	<u>(3,399)</u>	<u>(8,640)</u>	<u>(14,752)</u>
NONOPERATING REVENUES (EXPENSES)						
Tax revenue	-	-	57,678	-	57,678	58,520
Contributed capital	-	1,922,639	-	3,575,819	5,498,458	-
Sale of capital assets	-	-	-	600	600	-
Interest and investment revenue	772	-	2,449	576	3,797	3,532
Total nonoperating revenue (expenses)	<u>772</u>	<u>1,922,639</u>	<u>60,127</u>	<u>3,576,995</u>	<u>5,560,533</u>	<u>62,052</u>
Income (loss) before transfers	(18,807)	1,913,869	83,235	3,573,596	5,551,893	47,300
Transfer	-	10,000	(103,794)	-	(93,794)	(34,598)
Change in net assets	(18,807)	1,923,869	(20,559)	3,573,596	5,458,099	12,702
Total net assets - beginning	351,688	-	577,453	-	929,141	916,439
Total net assets - ending	<u>\$ 332,881</u>	<u>\$ 1,923,869</u>	<u>\$ 556,894</u>	<u>\$ 3,573,596</u>	<u>\$ 6,387,240</u>	<u>\$ 929,141</u>

County of Currituck, North Carolina
Combining Statement of Cash Flows
Non-Major Proprietary Fund
For the Year Ended June 30, 2012

	Newtown Road Sewer Fund	Maple Commerce Park Sewer Fund	Moyock Commons Sewer Fund	Walnut Island Sewer Fund	Totals June 30, 2012	June 30, 2011
Cash flows from operating activities:						
Cash received from customers	\$ 9,358	\$ 10,059	\$ 100,507	\$ 81,039	\$ 200,963	\$ 74,497
Cash paid for goods and services	(12,788)	(19,925)	(62,365)	(48,811)	(143,889)	(55,280)
Customer deposits received	-	-	-	-	-	150
Customer deposits returned	(150)	-	-	-	(150)	-
Other operating revenue	-	-	632	-	632	987
Net cash provided (used) by operating activities	<u>(3,580)</u>	<u>(9,866)</u>	<u>38,774</u>	<u>32,228</u>	<u>57,556</u>	<u>20,354</u>
Cash flows from noncapital financing activities:						
Tax revenues	-	-	57,679	-	57,679	58,520
Transfer from operating fund	-	10,000	-	-	10,000	-
	<u>-</u>	<u>10,000</u>	<u>57,679</u>	<u>-</u>	<u>67,679</u>	<u>58,520</u>
Cash flows from capital and related financing activities:						
Transfer (to) operating fund	-	-	(103,794)	-	(103,794)	(34,598)
Sale of capital assets	-	-	-	600	600	-
Capital contributions	-	-	-	117,576	117,576	-
Acquisition of capital assets	-	-	(6,527)	(64,722)	(71,249)	(27,257)
Net cash provided by capital and related financing activities	<u>-</u>	<u>-</u>	<u>(110,321)</u>	<u>53,454</u>	<u>(56,867)</u>	<u>(61,855)</u>
Cash flows from investing activities:						
Interest on investments	<u>772</u>	<u>-</u>	<u>2,449</u>	<u>576</u>	<u>3,797</u>	<u>3,532</u>
Net increase (decrease) in cash and cash equivalents	(2,808)	134	(11,419)	86,258	72,165	20,551
Cash and cash equivalents, July 1	<u>75,628</u>	<u>-</u>	<u>178,352</u>	<u>-</u>	<u>253,980</u>	<u>233,429</u>
Cash and cash equivalents, June 30	<u>\$ 72,820</u>	<u>\$ 134</u>	<u>\$ 166,933</u>	<u>\$ 86,258</u>	<u>\$ 326,145</u>	<u>\$ 253,980</u>

Reconciliation of operating income (loss) to net cash provided (used) by operating activities:

Operating income (loss)	\$ (19,579)	\$ (8,770)	\$ 23,108	\$ (3,399)	\$ (8,640)	\$ (14,752)
Adjustments to reconcile operating income to net cash provided by operating activities:						
Depreciation	16,954	-	17,444	66,737	101,135	32,810
Changes in assets and liabilities:						
(Increase) decrease in accounts receivable	(808)	(1,913)	(3,447)	(45,641)	(51,809)	(398)
Increase (decrease) in accounts payable and accrued liabilities	3	817	1,669	14,531	17,020	2,544
Increase (decrease) in customer deposits	(150)	-	-	-	(150)	150
Total adjustments	<u>15,999</u>	<u>(1,096)</u>	<u>15,666</u>	<u>35,627</u>	<u>66,196</u>	<u>35,106</u>
Net cash provided (used) by operating activities	<u>\$ (3,580)</u>	<u>\$ (9,866)</u>	<u>\$ 38,774</u>	<u>\$ 32,228</u>	<u>\$ 57,556</u>	<u>\$ 20,354</u>

Supplemental disclosure of non-cash financing activities:

County dissolved a sanitary sewer district

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, 2012

	2012				2011
	Original Budget	Final Budget	Actual	Variance Positive (Negative)	Actual
Revenues:					
Charges for services:					
Sewer charges	\$ -	\$ -	\$ 9,367	\$ -	\$ 7,343
Penalties and interest, sewer	-	-	799	-	460
Total, sewer operating revenues	9,650	9,650	10,166	516	7,803
Nonoperating revenues:					
Interest earnings	800	800	772	(28)	1,066
Total revenues	10,450	10,450	10,938	488	8,869
Appropriated net assets	5,186	5,186	-	(5,186)	-
Total revenues and appropriated net assets	15,636	15,636	10,938	(4,698)	8,869
Expenditures:					
Administration:					
Telephone and postage	-	-	46	-	-
Administrative expenses	-	-	2,186	-	-
	2,186	2,286	2,232	54	-
Sewer treatment operations:					
Utilities	-	-	560	-	528
Repairs and maintenance	-	-	-	-	1,309
Lab tests	-	-	2,440	-	3,420
System supplies	-	-	1,640	-	821
Contracted services	-	-	5,919	-	6,504
Total	13,450	13,350	10,559	2,791	12,582
Capital outlay	-	-	-	-	-
Total expenditures	15,636	15,636	12,791	2,845	12,582
Revenues and appropriated net assets over expenditures	\$ -	\$ -	(1,853)	\$ (1,853)	(3,713)
Reconciliation from budgetary basis (modified accrual) to full accrual:					
Reconciling items:					
Depreciation			(16,954)		(16,954)
Total reconciling items			(16,954)		(16,954)
Change in net assets			\$ (18,807)		\$ (20,667)

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, 2012

	2012			Variance Positive (Negative)
	Original Budget	Final Budget	Actual	
Revenues:				
Charges for services:				
Sewer charges	\$ -	\$ -	\$ 6,212	\$ -
Sewer tap fees	-	-	5,760	-
Total, sewer operating revenues	<u>-</u>	<u>5,760</u>	<u>11,972</u>	<u>6,212</u>
Other financing sources (uses):				
Transfer from operating fund	-	-	10,000	-
	<u>-</u>	<u>15,940</u>	<u>10,000</u>	<u>(5,940)</u>
Total revenues and other financing sources	<u>-</u>	<u>21,700</u>	<u>21,972</u>	<u>272</u>
Expenditures:				
Administration:				
Telephone and postage	-	-	758	-
Dues and subscriptions	-	-	1,310	-
Administrative expenses	-	-	-	-
	<u>-</u>	<u>2,800</u>	<u>2,068</u>	<u>732</u>
Sewer treatment operations:				
Utilities	-	-	3,728	-
Gas, oil, etc.	-	-	287	-
Repairs and maintenance	-	-	-	-
Lab tests	-	-	5,635	-
System supplies	-	-	7,425	-
Contracted services	-	-	1,599	-
Total	<u>-</u>	<u>17,700</u>	<u>18,674</u>	<u>(974)</u>
Capital outlay	-	1,200	-	1,200
Total expenditures	<u>-</u>	<u>21,700</u>	<u>20,742</u>	<u>958</u>
Revenues and appropriated net assets over expenditures	<u>\$ -</u>	<u>\$ -</u>	1,230	<u>\$ 1,230</u>
Reconciliation from budgetary basis (modified accrual) to full accrual:				
Reconciling items:				
Contributed capital			<u>1,922,639</u>	
Total reconciling items			<u>1,922,639</u>	
Change in net assets			<u>\$ 1,923,869</u>	

The Maple Commerce Park Sewer began operations in April 2012.

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, 2012

	2012			2011	
	Original Budget	Final Budget	Actual	Variance Positive (Negative)	Actual
Revenues:					
Charges for services:					
Sewer charges	\$ -	\$ -	\$ 103,954	\$ -	\$ 67,092
Penalties and interest	-	-	632	-	987
Total, sewer operating revenues	<u>75,000</u>	<u>75,000</u>	<u>104,586</u>	<u>29,586</u>	<u>68,079</u>
Nonoperating revenues:					
Tax revenue	-	-	57,678	-	58,520
Interest earnings	-	-	2,449	-	2,466
Total nonoperating revenues	<u>55,346</u>	<u>55,346</u>	<u>60,127</u>	<u>4,781</u>	<u>60,986</u>
Total revenues	<u>130,346</u>	<u>130,346</u>	<u>164,713</u>	<u>34,367</u>	<u>129,065</u>
Appropriated net assets	<u>69,196</u>	<u>69,196</u>	<u>-</u>	<u>(69,196)</u>	<u>-</u>
Total revenues and other financing sources	<u>199,542</u>	<u>199,542</u>	<u>164,713</u>	<u>(34,829)</u>	<u>129,065</u>
Expenditures:					
Administration:					
Telephone and postage	-	-	311	-	310
Administration	-	-	6,076	-	6,063
Supplies	-	-	10,315	-	8,440
Credit card fees	-	-	287	-	165
Dues and subscriptions	-	-	1,100	-	1,410
Software license fees	-	-	38	-	38
	<u>8,276</u>	<u>8,426</u>	<u>18,127</u>	<u>(9,851)</u>	<u>16,426</u>
Sewer treatment operations:					
Utilities	-	-	7,722	-	8,446
Repairs and maintenance	-	-	186	-	2,872
Lab tests	-	-	4,715	-	6,440
Chemicals	-	-	3,618	-	1,352
Contracted services	-	-	29,406	-	8,945
Professional services	-	-	260	-	761
Total	<u>87,472</u>	<u>68,722</u>	<u>45,907</u>	<u>41,565</u>	<u>28,816</u>
Capital outlay	<u>-</u>	<u>8,000</u>	<u>6,527</u>	<u>1,473</u>	<u>27,257</u>
Total expenditures	<u>95,748</u>	<u>85,148</u>	<u>70,561</u>	<u>14,587</u>	<u>72,499</u>
Revenues over expenditures	<u>\$ 103,794</u>	<u>\$ 114,394</u>	<u>\$ 94,152</u>	<u>\$ (20,242)</u>	<u>\$ 56,566</u>
Other financing uses:					
Transfers to Operating Fund	<u>(103,794)</u>	<u>(103,794)</u>	<u>(103,794)</u>	<u>-</u>	<u>(34,598)</u>
Revenues and appropriated net assets over (under) expenditures and other financing uses	<u>\$ -</u>	<u>\$ 10,600</u>	<u>(9,642)</u>	<u>\$ (20,242)</u>	<u>21,968</u>
Reconciliation from budgetary basis (modified accrual) to full accrual:					
Capital outlays			6,527		27,257
Depreciation			<u>(17,444)</u>		<u>(15,856)</u>
Change in net assets			<u>\$ (20,559)</u>		<u>\$ 33,369</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, 2012

	2012			Variance Positive (Negative)
	Original Budget	Final Budget	Actual	
Revenues:				
Charges for services:				
Sewer charges	\$ -	\$ -	\$ 78,552	\$ -
Tap fees	-	-	45,931	-
Sale of material	-	-	941	-
Penalties and interest	-	-	1,256	-
Total, sewer operating revenues	-	-	126,680	126,680
Nonoperating revenues:				
Sale of capital assets	-	-	600	-
Interest earnings	-	-	576	-
Total nonoperating revenues	-	206,813	1,176	(205,637)
Total revenues	-	206,813	127,856	(78,957)
Expenditures:				
Administration:				
Telephone and postage	-	-	1,700	-
Administration	-	-	5,000	-
Supplies	-	-	2,089	-
Credit card fees	-	-	162	-
Total	-	20,800	8,951	(8,951)
Sewer treatment operations:				
Utilities	-	-	1,046	-
Gas	-	-	32	-
Repairs and maintenance	-	-	5,344	-
Lab tests	-	-	2,815	-
Contracted services	-	-	24,019	-
Professional services	-	-	21,135	-
Total	-	107,300	54,391	(54,391)
Capital outlay	-	78,713	64,722	13,991
Total expenditures	-	206,813	128,064	78,749
Revenues over expenditures	\$ -	\$ -	\$ (208)	\$ (208)
Reconciliation from budgetary basis (modified accrual) to full accrual:				
Capital outlays			64,722	
Capital contributions			3,575,819	
Depreciation			(66,737)	
Change in net assets			<u>\$ 3,573,596</u>	

This system was acquired November 1, 2011.

County of Currituck, North Carolina
Solid Waste Fund
Schedule of Revenues and Expenditures
Budget and Actual (Non - GAAP)
For the Year Ended June 30, 2012

	2012			2011	
	Original Budget	Final Budget	Actual	Variance Positive (Negative)	Actual
Revenues:					
Operating revenues:					
Charges for services:					
Solid waste disposal charges	\$ -	\$ -	\$ 2,129,190	\$ -	\$ 1,906,130
Recycling	-	-	11,589	-	17,994
Tipping fees	-	-	767,691	-	534,569
Total	<u>2,583,500</u>	<u>2,583,500</u>	<u>2,908,470</u>	<u>324,970</u>	<u>2,458,693</u>
Nonoperating revenues:					
Ad valorem taxes	-	-	12,161	-	12,565
White goods tax	-	-	16,604	-	8,362
White goods disposal tax	-	-	61,335	-	64,804
Tire tax	-	-	54,415	-	47,354
Other solid waste grants	-	-	4,458	-	12,000
Investment earnings	-	-	58,688	-	82,835
Total	<u>92,000</u>	<u>92,000</u>	<u>207,661</u>	<u>115,661</u>	<u>227,920</u>
Total revenues	<u>3,452,695</u>	<u>3,452,695</u>	<u>3,116,131</u>	<u>(336,564)</u>	<u>2,686,613</u>
Expenditures:					
Solid waste administration:					
Training & Education	-	-	-	-	145
Telephone and postage	-	-	826	-	285
Other administrative expenditures	-	-	131,581	-	151,403
Total	<u>133,341</u>	<u>133,341</u>	<u>132,407</u>	<u>934</u>	<u>151,833</u>
Solid waste operations:					
Utilities	-	-	3,985	-	4,011
Repair and maintenance	-	-	8,580	-	3,593
Rent	-	-	24,000	-	23,400
Supplies	-	-	3,107	-	12,245
Professional services	-	-	1,750	-	1,380
Contract services, other	-	-	23,929	-	13,107
Contract services, collection	-	-	1,852,837	-	1,787,623
Contract services, disposal	-	-	1,683,503	-	1,652,471
Site work and landscaping	-	-	21,704	-	22,690
White goods disposal	-	-	17,540	-	18,921
White goods disposal tax	-	-	44,626	-	45,024
Tire disposal	-	-	60,277	-	57,582
Monitoring wells	-	-	4,900	-	4,700
Recycling	-	-	334,266	-	361,534
Total	<u>4,192,747</u>	<u>4,192,747</u>	<u>4,085,087</u>	<u>107,660</u>	<u>4,008,281</u>
Capital outlays	<u>20,500</u>	<u>20,500</u>	<u>-</u>	<u>20,500</u>	<u>16,879</u>
Total expenditures	<u>4,346,588</u>	<u>4,346,588</u>	<u>4,217,494</u>	<u>129,094</u>	<u>4,176,993</u>
Revenues and appropriated net assets					

County of Currituck, North Carolina
Solid Waste Fund
Schedule of Revenues and Expenditures
Budget and Actual (Non - GAAP)
For the Year Ended June 30, 2012

	2012			2011	
	Original Budget	Final Budget	Actual	Variance Positive (Negative)	Actual
over expenditures	<u>(893,893)</u>	<u>(893,893)</u>	<u>(1,101,363)</u>	<u>(207,470)</u>	<u>(1,490,380)</u>
Other financing sources (uses):					
Transfers from operating fund	<u>893,893</u>	<u>893,893</u>	<u>893,893</u>	<u>-</u>	<u>779,275</u>
Revenues and appropriated net assets					
over (under) expenditures and other financing uses	<u>\$ -</u>	<u>\$ -</u>	<u>(207,470)</u>	<u>\$ (207,470)</u>	<u>(711,105)</u>
 Reconciliation from budgetary basis					
(modified accrual) to full accrual:					
Reconciling items:					
Capital outlays			-		16,879
Depreciation			<u>(35,428)</u>		<u>(33,195)</u>
Total reconciling items			<u>(35,428)</u>		<u>(16,316)</u>
Change in net assets			<u>\$ (242,898)</u>		<u>\$ (727,421)</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, 2012

	2012			Variance Positive (Negative)	2011
	Original Budget	Final Budget	Actual		Actual
Revenues:					
Charges for services:					
Water sales	\$ -	\$ -	\$ 539,936	\$ -	\$ 583,713
Water impact fees	-	-	5,000	-	2,000
Water tap fees	-	-	1,125	-	450
Penalties and interest, water	-	-	7,135	-	7,729
Other operating revenues, water	-	-	1,263	-	1,738
Total, water operating revenues	<u>581,400</u>	<u>581,400</u>	<u>554,459</u>	<u>(26,942)</u>	<u>595,630</u>
Sewer charges	-	-	438,713	-	308,476
Sewer impact fees	-	-	5,000	-	2,000
Sewer tap fees	-	-	1,125	-	450
Penalties and interest, sewer	-	-	5,557	-	3,334
Other operating revenues, sewer	-	-	1,263	-	1,738
Total, sewer operating revenues	<u>573,500</u>	<u>573,500</u>	<u>451,658</u>	<u>(121,843)</u>	<u>315,998</u>
Total operating revenues	<u>1,154,900</u>	<u>1,154,900</u>	<u>1,006,116</u>	<u>(148,784)</u>	<u>911,627</u>
Nonoperating revenues:					
Interest earnings	-	-	57,676	-	76,443
Total nonoperating revenues	<u>60,000</u>	<u>60,000</u>	<u>57,676</u>	<u>(2,324)</u>	<u>76,443</u>
Total revenues	<u>1,214,900</u>	<u>1,214,900</u>	<u>1,063,792</u>	<u>(151,108)</u>	<u>988,070</u>
Appropriated net assets	-	42,742	-	(42,742)	-
Total revenues and appropriated net assets	<u>1,214,900</u>	<u>1,257,642</u>	<u>1,063,792</u>	<u>(193,850)</u>	<u>988,070</u>
Expenditures:					
Administration:					
Telephone and postage	-	-	5,140	-	5,165
Supplies	-	-	5,733	-	4,238
Dues and subscriptions	-	-	2,180	-	2,180
Software license fees	-	-	640	-	640
Contract services	-	-	30,249	-	30,197
	<u>47,354</u>	<u>48,754</u>	<u>43,942</u>	<u>4,812</u>	<u>42,420</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, 2012

	2012			Variance Positive (Negative)	2011
	Original Budget	Final Budget	Actual		Actual
Water treatment operations:					
Utilities	-	-	6,251	-	7,701
Repairs and maintenance	-	-	30,427	-	15,531
Lab tests	-	-	919	-	2,369
System supplies	-	-	14,704	-	13,218
Contracted services	-	-	409,408	-	445,798
Professional services	-	-	7,262	-	8,366
Total	<u>496,501</u>	<u>510,795</u>	<u>468,971</u>	<u>41,824</u>	<u>492,983</u>
Sewer treatment operations:					
Utilities	-	-	47,643	-	52,658
Repairs and maintenance	-	-	55,874	-	99,382
Lab tests	-	-	27,735	-	30,418
System supplies	-	-	8,702	-	11,351
Chemicals	-	-	17,559	-	14,958
Contracted services	-	-	214,987	-	228,798
Professional services	-	-	14,241	-	11,651
Total	<u>434,500</u>	<u>441,887</u>	<u>386,741</u>	<u>55,146</u>	<u>449,216</u>
Capital outlay	<u>172,000</u>	<u>201,186</u>	<u>172,191</u>	<u>28,995</u>	<u>43,926</u>
Total expenditures	<u>1,150,355</u>	<u>1,202,622</u>	<u>1,071,845</u>	<u>130,777</u>	<u>1,028,545</u>
Revenues and appropriated retained earnings over expenditures	<u>\$ 64,545</u>	<u>\$ 55,020</u>	\$ (8,053)	<u>\$ (63,073)</u>	\$ (40,475)
Reconciliation from budgetary basis (modified accrual) to full accrual:					
Reconciling items:					
Capital outlays			172,191		43,926
Depreciation			(166,698)		(210,722)
Total reconciling items			<u>5,493</u>		<u>(166,796)</u>
Change in net assets			<u>\$ (2,560)</u>		<u>\$ (207,271)</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, 2012

	2012			Variance Positive (Negative)	2011
	Original Budget	Final Budget	Actual		Actual
Revenues:					
Charges for services:					
Water sales	\$ -	\$ -	\$ 2,583,481	\$ -	\$ 2,624,282
Water tap fees	-	-	199,000	-	361,916
Reconnection fees	-	-	57,685	-	50,050
Penalties and interest	-	-	86,945	-	79,052
Billing services	-	-	1,540	-	2,240
Sale of materials	-	-	12,705	-	13,066
Total	<u>2,945,659</u>	<u>2,955,459</u>	<u>2,941,356</u>	<u>(14,103)</u>	<u>3,130,606</u>
Nonoperating revenues:					
Interest earnings	-	-	8,366	-	14,999
Other nonoperating revenues	-	-	-	-	940
Total nonoperating revenues	<u>9,000</u>	<u>9,000</u>	<u>8,366</u>	<u>(634)</u>	<u>15,939</u>
Total revenues	<u>2,954,659</u>	<u>2,964,459</u>	<u>2,949,722</u>	<u>(14,737)</u>	<u>3,146,545</u>
Appropriated net assets					
Total revenues and appropriated net assets	<u>2,954,659</u>	<u>2,972,508</u>	<u>2,949,722</u>	<u>(22,786)</u>	<u>3,146,545</u>
Expenditures:					
Administration:					
Salaries and benefits	-	-	56,235	-	53,054
Administrative support	-	-	194,879	-	192,354
Credit card fees	-	-	10,942	-	11,173
Telephone and postage	-	-	42,022	-	35,587
Travel	-	-	1,992	-	2,655
Training and education	-	-	2,500	-	2,888
Advertising	-	-	245	-	-
Supplies	-	-	56,919	-	77,448
Dues and subscriptions	-	-	5,079	-	4,880
Software license fees	-	-	2,937	-	2,937
Other administration	-	-	-	-	10
Total	<u>362,223</u>	<u>378,487</u>	<u>373,750</u>	<u>4,737</u>	<u>382,986</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, 2012

	2012			Variance Positive (Negative)	2011
	Original Budget	Final Budget	Actual		Actual
Water treatment operations:					
Salaries and benefits	-	-	601,419	-	612,538
Utilities	-	-	169,733	-	180,058
Repairs and maintenance	-	-	4,160	-	7,290
Fuel	-	-	33,399	-	30,770
Lab tests	-	-	15,754	-	8,563
Chemicals	-	-	32,703	-	33,774
Uniforms	-	-	1,146	-	1,354
Contracted services	-	-	39,585	-	40,254
Professional services	-	-	1,000	-	7,349
Total	<u>936,355</u>	<u>931,340</u>	<u>898,899</u>	<u>32,441</u>	<u>921,950</u>
Debt service:					
Interest and other charges	-	-	807,558	-	842,258
Debt principal	-	-	815,588	-	785,000
Total	<u>1,622,558</u>	<u>1,622,558</u>	<u>1,623,146</u>	<u>(588)</u>	<u>1,627,258</u>
Capital outlay	<u>33,523</u>	<u>40,123</u>	<u>35,130</u>	<u>4,993</u>	<u>-</u>
Total expenditures	<u>2,954,659</u>	<u>2,972,508</u>	<u>2,930,925</u>	<u>41,583</u>	<u>2,932,194</u>
Revenues and appropriated net assets over (under) expenditures	<u>\$ -</u>	<u>\$ -</u>	<u>18,797</u>	<u>\$ 18,797</u>	<u>(1,301,284)</u>
Reconciliation from budgetary basis (modified accrual) to full accrual:					
Reconciling items:					
Capital outlays			35,130		-
Debt principal			815,588		785,000
Depreciation			(1,893,122)		(1,396,518)
Amortization of issuance costs, refunding costs and premium			(588)		(588)
Postemployment benefits			(74,178)		(74,178)
Accrued vacation			(1,767)		2,422
Total reconciling items			<u>(1,118,937)</u>		<u>(683,862)</u>
Change in net assets			<u>\$ (1,100,140)</u>		<u>\$ (1,985,146)</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, 2012

	2012			Variance	2011
	Original Budget	Final Budget	Actual	Positive (Negative)	Actual
Revenues:					
Charges for services:					
Water sales	\$ -	\$ -	\$ 2,011,186	\$ -	\$ 1,585,130
Water tap fees	-	-	1,026,193	-	123,719
Administration	-	-	412,958	-	442,566
Billing services	-	-	1,680	-	-
Penalties and interest	-	-	29,808	-	14,115
Other operating revenues	-	-	10,098	-	8,628
Total, water operating revenues	<u>4,383,203</u>	<u>3,751,268</u>	<u>3,491,923</u>	<u>(259,345)</u>	<u>2,174,158</u>
Nonoperating revenues:					
Rent	-	-	47,085	-	-
Insurance recovery	-	-	-	-	4,203
Interest earnings	-	-	2,722	-	233
Total nonoperating revenues	<u>88,610</u>	<u>88,610</u>	<u>49,807</u>	<u>(38,803)</u>	<u>4,436</u>
Total revenues	<u>4,471,813</u>	<u>3,839,878</u>	<u>3,541,730</u>	<u>(298,148)</u>	<u>2,178,594</u>
Other financing sources (uses):					
Transfer to Occupancy Tax fund	-	-	(122,156)	-	-
Transfer from Southern Outer Banks Water Construction fund	-	1,159,901	2,240,182	-	-
	<u>(122,156)</u>	<u>1,037,745</u>	<u>2,118,026</u>	<u>1,080,281</u>	<u>-</u>
Appropriated net assets	-	33	-	(33)	-
Total revenues and other financing sources	<u>4,349,657</u>	<u>4,877,656</u>	<u>5,659,756</u>	<u>782,100</u>	<u>2,178,594</u>
Expenditures:					
Administration:					
Salaries and benefits	-	-	127,300	-	103,925
Telephone and postage	-	-	19,046	-	10,178
Advertising	-	-	300	-	-
Supplies	-	-	37,041	-	12,576
Dues and subscriptions	-	-	5,292	-	2,000
Other administrative expenditures	-	-	176,867	-	158,031
Total administration expenditures	<u>149,339</u>	<u>292,647</u>	<u>365,846</u>	<u>(73,199)</u>	<u>286,710</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, 2012

	2012			Variance	2011
	Original Budget	Final Budget	Actual	Positive (Negative)	Actual
Water treatment operations:					
Salaries and benefits	-	-	338,213	-	308,838
Utilities	-	-	138,294	-	100,832
Gas, oil, etc	-	-	28,516	-	15,108
Repairs and maintenance	-	-	30,210	-	15,866
Lab tests	-	-	27,167	-	12,840
Chemicals	-	-	100,948	-	73,585
Uniforms	-	-	638	-	-
Contracted services	-	-	72,754	-	8,296
Professional services	-	-	15,557	-	7,081
Total water treatment operations	<u>783,355</u>	<u>1,060,109</u>	<u>752,297</u>	<u>307,812</u>	<u>542,446</u>
Debt service:					
Interest and other charges	-	-	162,412	-	124,331
Debt principal	-	-	3,201,422	-	1,045,047
Total	<u>3,413,963</u>	<u>3,363,835</u>	<u>3,363,834</u>	<u>-</u>	<u>1,169,378</u>
Capital outlays	3,000	161,065	148,095	12,970	25,123
Total expenditures	<u>4,349,657</u>	<u>4,877,656</u>	<u>4,630,072</u>	<u>247,584</u>	<u>2,023,657</u>
Revenues and other financing sources over (under) expenditures	<u>\$ -</u>	<u>\$ -</u>	1,029,684	<u>\$ 1,029,684</u>	154,937
Reconciliation from budgetary basis (modified accrual) to full accrual:					
Reconciling items:					
Capital outlays			148,095		25,123
Debt principal			3,201,422		1,045,047
Postemployment benefits			(39,367)		(39,367)
Change in accrued vacation			(13,383)		(2,936)
Depreciation			(755,224)		(583,276)
Transfer from construction fund			(2,240,182)		-
Total reconciling items			<u>301,361</u>		<u>444,591</u>
Change in net assets			<u>\$ 1,331,045</u>		<u>\$ 599,528</u>

County of Currituck, North Carolina
Southern Outer Banks Water Construction Fund
Schedule of Revenues and Expenditures
Budget and Actual (Non-GAAP)
From Inception and for the Fiscal Year Ended June 30, 2012

	Project Authorization	Actual		Total to Date	Variance Positive (Negative)
		Prior Years	Current Year		
Revenues					
Intergovernmental revenues:					
Investment earnings	\$ -	\$ -	\$ 3,900	\$ 3,900	\$ 3,900
Total revenues	-	-	3,900	3,900	3,900
Expenditures					
Purchase existing water systems	5,605,919	-	5,419,384	5,419,384	186,535
.75 MGD reverse osmosis water treatment	1,800,000	-	-	-	1,800,000
.25 MGD conventional treatment	500,000	-	-	-	500,000
1.5 MG water storage	900,000	-	351,210	351,210	548,790
Piping/distribution lines	700,000	-	171,002	171,002	528,998
Carolina water wells	500,000	-	-	-	500,000
Paint existing tanks	200,000	-	199,139	199,139	861
Professional services	1,000,000	-	173,048	173,048	826,952
Contingency	169,210	-	-	-	169,210
Total expenditures	11,375,129	-	6,313,783	6,313,783	5,061,346
Revenues under expenditures	(11,375,129)	-	(6,309,883)	(6,309,883)	5,065,246
Other financing sources (uses):					
Transfers (to) from other funds:					
Southern outer banks water fund	(2,824,871)	-	(2,240,182)	(2,240,182)	584,689
Southern outer banks water fund	5,700,000	-	-	-	(5,700,000)
Issuance of debt	8,500,000	-	8,500,000	8,500,000	-
Total other financing sources (uses)	11,375,129	-	6,259,818	6,259,818	(5,115,311)
Revenues and other sources over (under) expenditures	\$ -	\$ -	\$ (50,065)	\$ (50,065)	\$ (50,065)

County of Currituck, North Carolina
Moyock Central Sewer Construction Fund
Schedule of Revenues and Expenditures
Budget and Actual (Non-GAAP)
From Inception and for the Fiscal Year Ended June 30, 2012

	Project Authorization	Actual		Total to Date	Variance Positive (Negative)
		Prior Years	Current Year		
Revenues					
Impact Fees	\$ 567,476	\$ 528,750	\$ 40,101	\$ 568,851	\$ 1,375
Intergovernmental revenues:					
Rural Center Grant - Economic Development	540,000	540,000	-	540,000	-
Rural Center Grant - Newtown Sewer improvement	100,000	-	-	-	(100,000)
Investment earnings	-	2,041	1,796	3,837	3,837
Total intergovernmental revenues	640,000	542,041	1,796	543,837	(96,163)
Total revenues	1,207,476	1,070,791	41,897	1,112,688	(94,788)
Expenditures					
Reimbursable expenditures	81,628	38,165	18	38,183	43,445
Capital outlay	5,165,244	2,123,566	581,218	2,704,784	2,460,460
Total expenditures	5,246,872	2,161,731	581,236	2,742,967	2,503,905
Revenues over (under) expenditures	(4,039,396)	(1,090,940)	(539,339)	(1,630,279)	2,409,117
Other finance sources (uses):					
Transfers from other funds:					
Capital improvements fund	555,925	555,925	-	555,925	-
Land banking fund	691,591	691,591	-	691,591	-
Newtown Road Sewer fund	91,880	91,880	-	91,880	-
Issuance of debt	2,700,000	-	2,700,000	2,700,000	-
Total transfers from other funds	4,039,396	1,339,396	2,700,000	4,039,396	-
Revenues over (under) expenditures and other financing sources	\$ -	\$ 248,456	\$ 2,160,661	\$ 2,409,117	\$ 2,409,117
Reconciling items:					
Capital outlays			581,218		
Proceeds from debt issuance			(2,700,000)		
Total reconciling items			41,879		
Change in net assets			\$ 41,879		

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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, 2012

	Balance June 30 2011	Additions	Deductions	Balance June 30 2012
Social Services				
Assets:				
Cash and cash equivalents	\$ 19,563	\$ 106,858	\$ 110,092	\$ 16,329
Liabilities:				
Accounts Payable	\$ 19,563	\$ 220,629	\$ 223,863	\$ 16,329
Fines and Forfeitures				
Assets:				
Cash and cash equivalents	\$ 4,500	\$ 327,036	\$ 331,536	\$ -
Due from other governments	23,915	19,039	23,915	19,039
Total assets	<u>\$ 28,415</u>	<u>\$ 346,075</u>	<u>\$ 355,451</u>	<u>\$ 19,039</u>
Liabilities:				
Due to other governments	<u>\$ 28,415</u>	<u>\$ 322,160</u>	<u>\$ 331,536</u>	<u>\$ 19,039</u>
Motor Vehicle Tax				
Assets:				
Cash and cash equivalents	<u>\$ 340</u>	<u>\$ 4,494</u>	<u>\$ 4,443</u>	<u>\$ 391</u>
Liabilities:				
Due to other governments	<u>\$ 340</u>	<u>\$ 4,494</u>	<u>\$ 4,443</u>	<u>\$ 391</u>
Deed of Trust Fee				
Assets:				
Cash and cash equivalents	<u>\$ 510</u>	<u>\$ 30,531</u>	<u>\$ 27,867</u>	<u>\$ 3,174</u>
Liabilities:				
Due to other governments	<u>\$ 510</u>	<u>\$ 9,805</u>	<u>\$ 7,141</u>	<u>\$ 3,174</u>
Totals - All Agency Funds				
Assets:				
Cash and cash equivalents	\$ 24,913	\$ 468,919	\$ 473,938	\$ 19,894
Due from other governments	23,915	19,039	23,915	19,039
Total assets	<u>\$ 48,828</u>	<u>\$ 487,958</u>	<u>\$ 497,853</u>	<u>\$ 38,933</u>
Liabilities:				
Accounts payable	19,563	220,629	223,863	16,329
Intergovernmental payable	<u>29,265</u>	<u>336,459</u>	<u>343,120</u>	<u>22,604</u>
Total liabilities	<u>\$ 48,828</u>	<u>\$ 557,088</u>	<u>\$ 566,983</u>	<u>\$ 38,933</u>

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County of Currituck, North Carolina
General Fund
Schedule of Ad Valorem Taxes Receivable
June 30, 2012

Fiscal Year	Uncollected Balance June 30, 2011	Additions	Collections And Credits	Uncollected Balance June 30, 2012
2011-2012	\$ -	\$ 26,617,165 (a)	\$ 26,145,212 (b)	\$ 471,953 (c)
2010-2011	486,147	5,852	333,739	158,260
2009-2010	165,689	-	81,438	84,251
2008-2009	70,466	-	30,503	39,963
2007-2008	33,660	-	12,321	21,339
2006-2007	21,162	-	7,801	13,361
2005-2006	15,959	-	2,707	13,252
2004-2005	21,389	-	2,008	19,381
2003-2004	18,503	-	2,041	16,462
2002-2003	14,435	-	1,136	13,299
2001-2002	6,852	-	6,852	-
	854,262	26,623,017	26,625,758 (d)	851,521
Less: allowance for uncollectible accounts:				
				(19,014)
				(402)
Ad valorem taxes receivable - net:				\$ 832,105
<u>Reconciliation with revenues:</u>				
				\$ 26,721,706
				12,161
				26,733,867
Reconciling items:				
				(117,170)
				9,061
				(108,109)
Total collections and credits				\$ 26,625,758 (d)

County of Currituck, North Carolina
Analysis of Current Tax Levy
County - wide Levy
For the Fiscal Year Ended June 30, 2012

	County - wide			Total Levy	
	Property Valuation	Rate	Amount of Levy	Property excluding Registered Motor Vehicles	Registered Motor Vehicles
	Original levy:				
Property taxed at current year's rate	\$ 8,247,594,688	0.32	\$ 26,392,303	\$ 25,981,503	\$ 410,800
Motor vehicles taxed at prior year's rate	75,119,063	0.32	240,381	-	240,381
Penalties	-		18,797	18,797	-
Total	<u>8,322,713,751</u>		<u>26,651,481</u>	<u>26,000,300</u>	<u>651,181</u>
Discoveries:					
Current year taxes	1,206,563	0.32	3,861	3,861	-
Penalties	-		601	601	-
Total	<u>1,206,563</u>		<u>4,462</u>	<u>4,462</u>	<u>-</u>
Abatements	<u>(12,118,125)</u>		<u>(38,778)</u>	<u>(12,218)</u>	<u>(26,560)</u>
Total property valuation	<u>\$ 8,311,802,189</u>				
Net levy			26,617,165 (a)	25,992,544	624,621
Uncollected taxes at June 30, 2012			<u>471,953 (c)</u>	<u>407,753</u>	<u>64,200</u>
Current year's taxes collected			<u>\$ 26,145,212 (b)</u>	<u>\$ 25,584,791</u>	<u>\$ 560,421</u>
Current levy collection percentage			<u>98.23%</u>	<u>98.43%</u>	<u>89.72%</u>

County of Currituck, North Carolina
Analysis of Current Tax Levy
County - wide Levy
For the Fiscal Year Ended June 30, 2012

Secondary Market Disclosures:

Assessed Valuation:

Assessment Ratio ¹	100 %
Real Property	\$ 7,859,862,179
Personal Property	375,840,736
Public Service Companies ²	76,099,274
Total Assessed Valuation	\$ 8,311,802,189
Tax Rate per \$100	0.32
Levy (includes discoveries, releases and abatements) ³	\$ 26,617,165

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

Guinea Mill watershed improvement district	11,861
Hog Ditch watershed improvement district	1,031
Moyock watershed improvement district	16,113
Northwest watershed improvement district	2,346
Whalehead solid waste district	144,757
Whalehead watershed improvement district	868,540
Moyock Commons sewer district	54,920
Total	\$ 27,716,733

¹ Percentage of appraised value has been established by statute.

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

³ The levy includes interest and penalties.

County of Currituck, North Carolina
Ten Largest Taxpayers
For the Fiscal Year Ended June 30, 2012

Taxpayer	Type of Business	2012 Assessed Valuation	Percentage of Total Assessed Valuation
Coastland Properties I LLC	Land Development	\$ 56,361,000	0.68 %
Dominion Power	Utility	56,332,542	0.68
Coastland Corporation	Land Development	39,151,900	0.47
Pine Island Properties LLC	Land Development	22,132,000	0.27
Pine Island Holdings LLC	Land Development	21,900,282	0.26
Corolla Bay LLC	Land Development	15,600,500	0.19
Carolina Telephone	Utility	11,350,578	0.14
Johnson, James E Jr	Real Estate Investor	10,608,449	0.13
Newman, Brian K	Real Estate Investor	8,685,945	0.10
Shaeffer, Forrest R	Real Estate Investor	8,449,006	0.10
Total		<u>\$ 250,572,202</u>	<u>3.02 %</u>

County of Currituck, North Carolina
Emergency Telephone System Unspent Balance
PSAP Reconciliation
June 30, 2012

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	\$ (270,186)
Adjustment to PSAP beginning balance for FY 2011 eligible costs that were included on the financial statements, but omitted from the PSAP report for June 30, 2011.	(119)
Ineligible 911 expenditures reported in Emergency Telephone System Fund	<u>-</u>
Beginning Balance, PSAP Revenue-Expenditure Report	<u>809,768</u>
Ending Balance, PSAP Revenue-Expenditure Report	<u><u>\$ 539,463</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 Assets by Component
(accrual basis of accounting)

	Fiscal Year									
	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
Governmental activities										
Invested in capital assets, net of related debt	\$ 26,693,349	\$ 34,106,089	\$ 37,925,033	\$ 40,388,334	\$ 51,299,094	\$ 56,558,162	\$ 73,367,483	\$ 74,064,100	\$ 81,090,434	\$ 96,265,950
Restricted	14,872	3,060	-	-	-	-	-	-	15,397,965	12,362,081
Unrestricted	34,760,360	41,852,873	51,159,760	62,050,122	62,303,803	62,010,794	49,182,688	48,227,525	29,175,234	21,792,937
Total governmental activities net assets	\$ 61,468,581	\$ 75,962,022	\$ 89,084,793	\$ 102,438,456	\$ 113,602,897	\$ 118,568,956	\$ 122,550,171	\$ 122,291,625	\$ 125,663,633	\$ 130,420,968
Business-type activities										
Invested in capital assets, net of related debt	\$ 9,308,414	\$ 9,729,712	\$ 14,459,467	\$ 15,878,837	\$ 17,290,296	\$ 22,735,808	\$ 21,244,084	\$ 22,524,024	\$ 23,516,216	\$ 28,802,477
Unrestricted	13,128,435	15,736,338	11,991,335	13,167,320	14,601,498	11,278,840	14,161,517	13,704,712	13,436,806	13,635,970
Total business-type activities net assets	\$ 22,436,849	\$ 25,466,050	\$ 26,450,802	\$ 29,046,157	\$ 31,891,794	\$ 34,014,648	\$ 35,405,601	\$ 36,228,736	\$ 36,953,022	\$ 42,438,447
Primary government										
Invested in capital assets, net of related debt	\$ 36,001,763	\$ 43,835,801	\$ 52,384,500	\$ 56,267,171	\$ 68,589,390	\$ 79,293,970	\$ 94,611,567	\$ 96,588,124	\$ 104,606,650	\$ 125,068,427
Restricted	14,872	3,060	-	-	-	-	-	-	15,397,965	12,362,081
Unrestricted	47,888,795	57,589,211	63,151,095	75,217,442	76,905,301	73,289,634	63,344,205	61,932,237	42,612,040	35,428,907
Total governmental activities net assets	\$ 83,905,430	\$ 101,428,072	\$ 115,535,595	\$ 131,484,613	\$ 145,494,691	\$ 152,583,604	\$ 157,955,772	\$ 158,520,361	\$ 162,616,655	\$ 172,859,415

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

	Fiscal Year									
	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
Expenses										
Governmental activities:										
General government	3,702,311	3,624,010	4,415,836	4,583,886	5,155,428	3,230,828	7,677,910	8,415,095	8,369,991	6,351,749
Public safety	6,256,770	10,348,741	9,519,057	11,311,450	14,759,626	15,490,648	17,202,362	17,211,595	17,159,996	18,160,689
Transportation	574,238	400,063	295,590	791,450	576,920	1,379,504	751,195	783,800	1,726,573	1,222,468
Economic and physical development	2,372,004	3,063,105	3,794,111	3,539,620	3,430,161	6,176,978	5,792,463	6,713,211	6,469,555	9,094,719
Environmental protection	154,180	173,025	295,732	238,502	303,871	385,879	390,630	568,900	424,447	385,902
Human services	3,010,850	3,207,729	3,682,371	4,168,102	4,236,355	4,550,718	4,462,531	4,155,112	4,156,265	4,351,492
Cultural and recreation	980,464	1,272,882	1,536,324	1,232,301	376,240	1,523,197	1,368,558	2,577,198	2,094,488	1,939,442
Education	8,361,774	7,422,207	8,956,381	12,281,089	13,869,357	18,420,509	11,758,442	10,330,209	10,098,107	9,810,904
Interest on long-term debt	654,140	555,056	404,700	354,100	325,600	418,693	492,453	449,982	456,783	359,601
Total governmental activities expenses	\$ 26,066,731	\$ 30,066,818	\$ 32,900,102	\$ 38,500,500	\$ 43,033,558	\$ 51,576,954	\$ 49,896,544	\$ 51,205,102	\$ 50,956,205	\$ 51,676,966
Business-type activities:										
Solid Waste	2,545,400	3,282,646	3,874,034	4,235,412	4,274,781	3,788,615	3,927,902	4,196,020	4,193,309	4,252,922
Water and Sewer	2,117,515	4,336,850	4,334,864	4,606,566	4,761,213	4,844,089	5,591,471	6,398,328	6,519,262	7,466,805
Total business-type activities expenses	4,662,915	7,619,496	8,208,898	8,841,978	9,035,994	8,632,704	9,519,373	10,594,348	10,712,571	11,719,727
Total primary government expenses	\$ 30,729,646	\$ 37,686,314	\$ 41,109,000	\$ 47,342,478	\$ 52,069,552	\$ 60,209,658	\$ 59,415,917	\$ 61,799,450	\$ 61,668,776	\$ 63,396,693
Program Revenues										
Governmental activities:										
Charges for services:										
General government	446,262	657,106	670,821	596,957	610,955	523,617	732,634	953,864	960,242	1,406,215
Public safety	398,375	411,296	1,534,985	1,592,122	1,074,519	1,250,083	1,122,524	1,013,183	1,392,245	1,417,775
Transportation	164,327	111,981	141,666	109,221	282,624	299,781	331,208	300,395	400,314	444,744
Economic and physical development	1,006,830	1,130,911	54,923	95,206	25,450	93,122	-	18,570	16,878	37,641
Environmental protection	-	16,025	-	5,100	-	-	-	-	-	9,400
Human services	-	6,950	-	-	-	-	16,314	-	-	-
Cultural and recreation	24,875	28,500	33,382	35,771	48,593	39,457	59,983	60,577	188,356	66,700
Operating grants and contributions:										
General government	31,569	315,380	53,482	11,715	898,407	433,683	9,392	854,484	40,909	316,482
Public safety	1,685,941	581,916	641,533	458,277	399,120	284,580	388,608	495,545	238,506	810,366
Transportation	-	-	-	-	-	262,251	-	-	-	-
Economic and physical development	73,441	346,227	183,018	-	85,302	141,865	40,000	-	-	16,020
Environmental protection	26,569	17,963	25,094	-	27,965	40,683	16,365	56,690	-	32,282
Human services	1,758,469	1,971,389	2,080,364	2,198,370	2,380,359	2,611,369	2,808,773	2,730,538	2,786,951	2,314,370
Cultural and recreation	-	25,959	-	-	21,826	21,345	-	28,098	-	22,978
Education	141,074	-	-	-	-	-	-	-	-	-
Capital grants and contributions:										
General government	1,012,800	-	-	147,671	-	-	-	-	-	-
Public safety	128,755	871,628	-	186,000	-	-	-	-	-	27,636
Transportation	261,117	1,209,511	369,256	139,590	888,757	722,136	740,232	-	1,016,192	682,120
Economic and physical development	-	-	-	80,000	-	-	-	-	-	5,000
Environmental protection	-	-	-	112,755	-	-	-	-	-	10,650
Human services	-	-	-	4,577	-	-	-	-	-	-
Cultural and recreation	-	-	-	-	-	-	-	294,155	288,824	158,156
Education	795,437	-	-	620,980	-	660,325	756,356	-	219,962	-
Total governmental activities program revenues	7,955,841	7,702,742	5,788,524	6,394,312	6,743,877	7,384,297	7,022,389	6,806,099	7,560,029	7,767,885
Business-type activities:										

	Fiscal Year									
	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
Charges for services:										
Solid Waste	1,605,206	1,717,826	1,818,615	2,791,799	2,792,248	2,510,093	2,568,346	2,562,992	2,458,693	2,956,155
Water and Sewer	2,028,159	6,195,098	3,967,236	5,690,977	6,103,389	5,564,520	5,978,335	5,884,552	6,620,476	7,732,900
Operating grants and contributions:										
Solid Waste	1,376,261	1,420,714	1,519,203	1,961,452	1,992,464	139,856	45,481	57,113	67,716	75,477
Water and Sewer	1,441,507	474,192	389,607	141,663	39,710	1,046	-	-	940	-
Capital grants and contributions:										
Solid Waste	-	-	-	57,583	-	-	-	-	-	-
Water and Sewer	42,250	-	-	106,464	-	-	-	329,144	540,000	-
Total business-type program revenues	<u>6,493,383</u>	<u>9,807,830</u>	<u>7,694,661</u>	<u>10,749,938</u>	<u>10,927,811</u>	<u>8,215,515</u>	<u>8,592,162</u>	<u>8,833,801</u>	<u>9,687,825</u>	<u>10,764,532</u>
Total primary government program revenues	<u>\$ 14,449,224</u>	<u>\$ 17,510,572</u>	<u>\$ 13,483,185</u>	<u>\$ 17,144,250</u>	<u>\$ 17,671,688</u>	<u>\$ 15,599,812</u>	<u>\$ 15,614,551</u>	<u>\$ 15,639,900</u>	<u>\$ 17,247,854</u>	<u>\$ 18,532,417</u>
Net (Expense)/Revenue										
Governmental activities	\$ (18,110,890)	\$ (22,364,076)	\$ (27,111,578)	\$ (32,106,188)	\$ (36,289,681)	\$ (44,192,657)	\$ (42,874,155)	\$ (44,399,003)	\$ (43,396,176)	\$ (43,909,081)
Business-type activities	<u>1,830,468</u>	<u>2,188,334</u>	<u>(514,237)</u>	<u>1,907,960</u>	<u>1,891,817</u>	<u>(417,189)</u>	<u>(927,211)</u>	<u>(1,760,547)</u>	<u>(1,024,746)</u>	<u>(955,195)</u>
Total primary government net expense	<u>\$ (16,280,422)</u>	<u>\$ (20,175,742)</u>	<u>\$ (27,625,815)</u>	<u>\$ (30,198,228)</u>	<u>\$ (34,397,864)</u>	<u>\$ (44,609,846)</u>	<u>\$ (43,801,366)</u>	<u>\$ (46,159,550)</u>	<u>\$ (44,420,922)</u>	<u>\$ (44,864,276)</u>
General Revenues and Other Changes in Net Assets										
Governmental activities:										
Property taxes	\$ 19,600,458	\$ 17,092,287	\$ 17,925,962	\$ 23,391,822	\$ 23,582,470	\$ 25,978,670	\$ 26,695,743	\$ 26,954,749	\$ 27,107,432	\$ 27,761,231
Intergovernmental	9,269,968	19,968,817	21,117,685	19,734,572	20,677,091	21,148,755	19,731,255	19,128,767	20,290,383	21,046,019
Investment earnings	791,107	460,406	1,147,418	2,459,638	3,475,928	3,795,801	2,141,772	678,816	806,637	537,109
Miscellaneous	55,687	-	395,381	92,859	-	-	-	-	-	-
Loss on disposal/sale of capital assets	-	(14,275)	-	-	-	(22,271)	-	-	-	-
Special item	-	-	-	-	-	-	-	(324,419)	-	-
Transfers	-	(649,718)	(379,513)	(219,040)	(281,367)	(1,742,239)	(1,713,400)	(2,297,456)	(1,436,268)	(677,943)
Total governmental activities	<u>29,717,220</u>	<u>36,857,517</u>	<u>40,206,933</u>	<u>45,459,851</u>	<u>47,454,122</u>	<u>49,158,716</u>	<u>46,855,370</u>	<u>44,140,457</u>	<u>46,768,184</u>	<u>48,666,416</u>
Business-type activities:										
Property taxes	-	-	-	-	-	57,943	109,907	138,053	135,889	131,174
Investment earnings	308,646	185,149	262,625	468,355	672,453	746,480	427,232	148,173	176,875	133,045
Miscellaneous	-	6,000	-	-	-	-	-	-	-	-
Loss on disposal/sale of capital assets	-	-	-	-	-	(6,619)	-	-	-	-
Special item	-	-	-	-	-	-	-	-	-	5,498,458
Transfers	-	649,718	379,513	219,040	281,367	1,742,239	1,713,400	2,297,456	1,436,268	677,943
Total business-type activities	<u>308,646</u>	<u>840,867</u>	<u>642,138</u>	<u>687,395</u>	<u>953,820</u>	<u>2,540,043</u>	<u>2,250,539</u>	<u>2,583,682</u>	<u>1,749,032</u>	<u>6,440,620</u>
Total primary government	<u>\$ 30,025,866</u>	<u>\$ 37,698,384</u>	<u>\$ 40,849,071</u>	<u>\$ 46,147,246</u>	<u>\$ 48,407,942</u>	<u>\$ 51,698,759</u>	<u>\$ 49,105,909</u>	<u>\$ 46,724,139</u>	<u>\$ 48,517,216</u>	<u>\$ 55,107,036</u>
Change in Net Assets										
Governmental activities	\$ 11,606,330	\$ 14,493,441	\$ 13,095,355	\$ 13,353,663	\$ 11,164,441	\$ 4,966,059	\$ 3,981,215	\$ (258,546)	\$ 3,372,008	\$ 4,757,335
Business-type activities	<u>2,139,114</u>	<u>3,029,201</u>	<u>127,901</u>	<u>2,595,355</u>	<u>2,845,637</u>	<u>2,122,854</u>	<u>1,323,328</u>	<u>823,135</u>	<u>724,286</u>	<u>5,485,425</u>
Total primary government	<u>\$ 13,745,444</u>	<u>\$ 17,522,642</u>	<u>\$ 13,223,256</u>	<u>\$ 15,949,018</u>	<u>\$ 14,010,078</u>	<u>\$ 7,088,913</u>	<u>\$ 5,304,543</u>	<u>\$ 564,589</u>	<u>\$ 4,096,294</u>	<u>\$ 10,242,760</u>

Schedule 3

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

	Fiscal Year									
	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
General Fund										
Reserved	964,081	2,585,457	1,860,239	3,274,084	2,582,266	2,561,068	1,761,527	2,148,111	-	-
Unreserved	17,787,660	19,739,626	22,297,036	24,165,647	21,068,742	22,509,248	8,854,501	6,419,039	-	-
Nonspendable	-	-	-	-	-	-	-	-	982	832
Restricted	-	-	-	-	-	-	-	-	4,398,634	2,897,830
Committed	-	-	-	-	-	-	-	-	23,214,936	1,132,486
Assigned	-	-	-	-	-	-	-	-	3,794,562	3,526,932
Unassigned	-	-	-	-	-	-	-	-	1,859,873	2,470,171
Total General Fund	<u>\$ 18,751,741</u>	<u>\$ 22,325,083</u>	<u>\$ 24,157,275</u>	<u>\$ 27,439,731</u>	<u>\$ 23,651,008</u>	<u>\$ 25,070,316</u>	<u>\$ 10,616,028</u>	<u>\$ 8,567,150</u>	<u>\$ 33,268,987</u>	<u>\$ 10,028,251</u>
All Other Governmental Funds										
Reserved	56,558	53,702	608,390	744,618	769,510	1,220,692	715,021	941,130	-	-
Unreserved										
Designated										
Special revenue funds	1,248,837	1,457,146	2,057,547	2,365,459	2,195,443	1,770,885	10,006,848	9,768,088	-	-
Capital project funds	24,757,080	27,121,787	32,751,680	39,038,133	42,182,550	33,655,022	33,931,204	36,934,559	-	-
Restricted	-	-	-	-	-	-	-	-	10,999,331	12,749,770
Committed	-	-	-	-	-	-	-	-	1,704,999	28,090,589
Assigned	-	-	-	-	-	-	-	-	1,894,695	279,105
Unassigned	-	-	-	-	-	-	-	-	5,445,286	33,140
Total all other governmental funds	<u>\$ 26,062,475</u>	<u>\$ 28,632,635</u>	<u>\$ 35,417,617</u>	<u>\$ 42,148,210</u>	<u>\$ 45,147,503</u>	<u>\$ 36,646,599</u>	<u>\$ 44,653,073</u>	<u>\$ 47,643,777</u>	<u>\$ 20,044,311</u>	<u>\$ 41,152,604</u>

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									
	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
Revenues										
Ad valorem taxes	\$ 16,011,134	\$ 17,193,047	\$ 18,059,472	\$ 23,402,553	\$ 23,611,381	\$ 25,939,378	\$ 26,163,466	\$ 27,292,183	\$ 27,107,432	\$ 27,766,186
Other taxes and licenses	15,624,113	19,821,148	21,063,030	19,369,494	20,677,091	21,148,755	19,766,673	19,128,767	20,290,383	21,327,091
Unrestricted										
intergovernmental	217,477	147,669	155,552	369,270	380,293	355,499	304,553	237,490	237,129	148,006
Restricted										
intergovernmental	2,569,567	4,678,096	3,611,061	4,139,479	3,903,127	4,681,893	3,855,575	3,804,759	4,496,639	4,052,379
Permits and fees	1,800,213	2,065,709	1,959,085	1,953,439	1,790,528	1,595,122	1,246,366	1,537,842	2,005,998	1,996,886
Sales and services	240,456	296,943	416,792	386,698	530,740	648,891	652,366	612,201	617,213	803,419
Investment earnings	1,049,079	460,406	1,147,418	2,459,527	3,475,928	3,795,801	2,158,155	678,816	806,637	537,109
Miscellaneous	65,904	669,244	313,648	113,654	205,215	102,892	934,262	661,855	346,796	558,250
Total revenues	<u>37,577,943</u>	<u>45,332,262</u>	<u>46,726,058</u>	<u>52,194,114</u>	<u>54,574,303</u>	<u>58,268,231</u>	<u>55,081,416</u>	<u>53,953,913</u>	<u>55,908,227</u>	<u>57,189,326</u>
Expenditures										
General government	4,298,172	8,302,780	5,039,224	5,290,398	5,215,589	5,385,330	5,291,527	5,893,190	5,806,881	5,633,808
Public safety	9,750,951	11,541,352	10,416,287	12,608,149	15,829,185	16,135,119	19,217,793	16,399,211	16,316,596	17,674,735
Transportation	770,532	1,799,434	581,917	884,938	1,049,293	1,077,529	4,081,199	624,425	2,236,988	958,277
Environmental protection	155,943	173,025	295,125	255,142	302,508	373,132	384,871	1,858,626	598,363	1,408,739
Economic and physical development	2,432,324	3,150,728	4,282,719	3,758,124	11,942,884	8,783,920	6,131,755	6,830,706	6,271,605	10,086,060
Human services	2,961,950	3,279,706	3,684,564	4,051,203	4,187,991	4,503,615	4,385,682	4,108,356	4,100,337	4,312,266
Cultural and recreation	1,080,901	1,284,754	3,207,252	1,528,882	1,429,959	2,021,669	3,387,383	3,462,977	8,552,159	10,573,236
Education	8,361,774	7,422,207	8,956,381	12,281,089	13,869,357	30,841,156	16,974,635	10,330,209	10,098,107	11,461,403
Capital outlay	20,023	-	-	-	-	-	-	-	-	-
Debt service										
Debt issuance cost	-	98,891	-	-	-	-	-	-	-	-
Principal	1,702,233	900,000	950,000	950,000	930,000	2,067,425	2,739,907	2,856,949	2,931,769	2,975,701
Interest	654,140	555,056	404,700	354,100	325,600	418,693	492,453	449,982	456,783	359,601
Total expenditures	<u>32,188,943</u>	<u>38,507,933</u>	<u>37,818,169</u>	<u>41,962,025</u>	<u>55,082,366</u>	<u>71,607,588</u>	<u>63,087,205</u>	<u>52,814,631</u>	<u>57,369,588</u>	<u>65,443,826</u>
Excess of revenues over (under) expenditures	5,389,000	6,824,329	8,907,889	10,232,089	(508,063)	(13,339,357)	(8,005,789)	1,139,282	(1,461,361)	(8,254,500)
Other Financing Sources (Uses)										
Bonds issued	-	-	-	-	-	-	-	-	-	-
Refunding bonds issued	-	8,770,000	-	-	-	-	-	-	-	-
Premium on debt issued	-	626,527	-	-	-	-	-	-	-	-
Payments to escrow agent	-	(9,427,636)	-	-	-	-	-	-	-	-
Transfers in	4,746,373	5,407,382	8,074,095	17,388,303	14,868,931	9,736,807	18,415,835	8,427,744	10,949,771	13,216,026
Transfers out	(4,746,373)	(6,057,100)	(8,453,608)	(17,607,343)	(4,628,944)	(11,479,046)	(20,129,235)	(10,725,200)	(12,386,039)	(13,893,969)
Installment purchase proceeds	-	-	-	-	-	8,000,000	3,271,375	2,100,000	-	6,800,000
Total other financing sources (uses)	<u>\$ -</u>	<u>\$ (680,827)</u>	<u>\$ (379,513)</u>	<u>\$ (219,040)</u>	<u>\$ 10,239,987</u>	<u>\$ 6,257,761</u>	<u>\$ 1,557,975</u>	<u>\$ (197,456)</u>	<u>\$ (1,436,268)</u>	<u>\$ 6,122,057</u>
Net change in fund balances	\$ 5,389,000	\$ 6,143,502	\$ 8,528,376	\$ 10,013,049	\$ 9,731,924	\$ (7,081,596)	\$ (6,447,814)	\$ 941,826	\$ (2,897,629)	\$ (2,132,443)
Debt service as a percent of noncapital expenditures	7.32%	3.78%	3.58%	3.11%	2.28%	4.64%	6.93%	6.88%	7.11%	5.98%

Schedule 5

Currituck County, North Carolina

Assessed Value and Estimated Actual Value of Taxable Property
Last Ten Years

Fiscal Year Ended 30-Jun	Real Property		Personal Property		Less: Tax Exempt Real Property	Total Taxable Assessed Value	Total Direct Tax Rate	Estimated Actual Taxable Value	Assessed Value ¹ as a Percentage of Actual Value
	Residential Property	Other	Motor Vehicles	Other					
2003	\$ 2,042,912,920	\$ 110,569,358	\$ 159,221,290	\$ 108,068,935	\$ 8,015,445	\$ 2,412,757,058	0.62	\$ 2,560,600,483	94.23%
2004	2,162,700,341	105,925,104	175,413,064	120,905,026	8,644,348	2,556,299,187	0.62	2,709,746,613	94.34%
2005	2,310,860,353	79,897,713	186,272,020	120,316,713	13,463,722	2,683,883,077	0.62	2,847,455,323	94.26%
2006	5,324,828,115	1,830,395,901	227,537,047	146,887,271	11,593,386	7,518,054,948	0.32	7,714,703,609	97.45%
2007	5,573,495,713	1,800,024,666	231,711,563	153,363,256	13,701,974	7,744,893,224	0.32	7,903,781,250	97.99%
2008	5,752,757,371	1,742,428,352	237,046,250	167,481,922	13,614,832	7,886,099,063	0.32	8,052,933,751	97.93%
2009	5,840,230,099	1,773,215,441	220,186,251	168,836,102	14,565,509	7,987,902,384	0.32	8,176,639,688	97.69%
2010	5,902,568,741	1,793,244,633	199,934,713	175,941,576	17,655,061	8,054,034,602	0.32	8,222,673,629	97.95%
2011	5,972,323,154	1,765,141,892	196,550,493	175,340,287	19,135,253	8,090,220,573	0.32	8,252,612,186	98.03%
2012	6,105,171,914	1,676,677,997	203,493,600	172,347,136	19,235,248	8,138,455,399	0.32	8,311,802,189	97.91%

Source: Currituck County Tax Department

Note: Property is the county is reassessed every 8 years. Tax rates are per \$100 of assessed value. The last revaluation was effective July 1, 2005.

¹ Includes tax-exempt property.

Schedule 6

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

	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>
County Direct Rates										
General	0.620	0.620	0.620	0.320	0.320	0.320	0.320	0.320	0.320	0.320
<u>Overlapping Rates</u> ¹										
Poplar Branch Fire District	0.040	0.040	0.040	-	-	-	-	-	-	-
Fruitville Fire District	0.080	0.080	0.080	-	-	-	-	-	-	-
Moyock Fire District	0.065	0.065	0.065	-	-	-	-	-	-	-
Crawford Fire District	0.060	0.060	0.060	-	-	-	-	-	-	-
Guinea Mill Watershed Improvement District	0.010	0.010	0.010	0.010	0.010	0.010	0.010	0.010	0.010	0.010
Hog Ditch Watershed Improvement District	-	-	-	0.010	0.010	0.010	0.010	0.010	0.010	0.010
Moyock Watershed Improvement District	0.030	0.030	0.030	0.015	0.015	0.015	0.015	0.015	0.015	0.015
Northwest Watershed Improvement District	-	0.070	0.070	0.020	0.020	0.020	0.020	0.020	0.020	0.020
Whalehead Watershed Improvement District	-	0.070	0.070	0.025	0.010	0.040	0.040	0.040	0.040	0.090
Whalehead Beach Solid Waste Collection & Disposal Service District	-	-	-	-	-	-	-	-	-	0.015
Ocean Sands Water and Sewer District	0.200	0.200	0.150	0.015	-	-	-	-	-	-
Moyock Commons Sewer District	0.500	0.500	0.500	0.245	0.245	0.245	0.245	0.245	0.245	0.245

Source: County of Currituck Budget Ordinance

¹ Overlapping rates are rates that apply specifically to special districts and do not apply to the entire County. Overlapping rates only apply to property located within the special district.

Schedule 7

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

Taxpayer	Type of Business	Fiscal Year 2012			Fiscal Year 2003		
		Assessed Value	Rank	Percentage of Total County Taxable Assessed Value	Assessed Value	Rank	Percentage of Total County Taxable Assessed Value
Coastland Properties 1, LLC	Land Development	\$ 56,361,000	1	0.68%	\$ 9,524,500	5	0.37%
Dominion Power	Utility	56,332,542	2	0.68%	34,291,931	1	1.34%
Coastland Corporation	Land Development	39,151,900	3	0.47%	8,448,540	7	0.33%
Pine Island Properties LLC	Land Development	22,132,000	4	0.27%			
Pine Island Holdings	Land Development	21,900,282	5	0.26%			
Corolla Bay LLC	Land Development	15,600,500	6	0.19%			
Carolina Telephone	Utility	11,350,578	7	0.14%	7,444,224	8	0.29%
Johnson, James E Jr	Real Estate Investor	10,608,449	8	0.13%			
Newman, Brian K	Real Estate Investor	8,685,945	9	0.10%			
Shaeffer, Forrest R	Real Estate Investor	8,449,006	10	0.10%			
Currituck Associates Residential Partners	Land Development				15,648,913	2	0.61%
Turnpike Properties	Land Development				13,144,896	3	0.51%
Beach Mar IV LLC	Land Development				10,668,899	4	0.42%
Sandler at Mill Run	Land Development				8,608,189	6	0.34%
Stewart, James A	Land Development				5,118,609	9	0.20%
Sputhpaw BVI, LLC	Land Development				4,400,706	10	0.17%
Total		\$ 250,572,202		3.02%	\$ 117,299,407		4.58%

Source: Currituck County Tax Department

Schedule 8

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

Fiscal Year	Taxes Levied for the Fiscal Year (Original Levy)		Total Adjusted Levy	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years	Total Collections to Date	
	Adjustments			Amount	Percentage of Original Levy		Amount	Percentage of Adjusted Levy
2003	15,916,809	(18,560)	15,898,249	15,411,378	96.82%	473,602	15,884,980	99.92%
2004	16,896,180	(89,367)	16,806,813	16,388,762	97.00%	401,589	16,790,351	99.90%
2005	17,729,373	41,325	17,770,698	17,253,685	97.32%	497,631	17,751,316	99.89%
2006	24,979,301	(150,306)	24,828,995	24,362,825	97.53%	452,929	24,815,754	99.95%
2007	25,399,676	(102,815)	25,296,861	24,940,030	98.19%	343,470	25,283,500	99.95%
2008	26,009,032	(212,921)	25,796,111	25,322,859	97.36%	451,914	25,774,773	99.92%
2009	26,235,228	(47,282)	26,187,946	25,209,211	96.09%	939,086	26,148,297	99.85%
2010	26,378,391	(40,299)	26,338,092	25,734,726	97.56%	522,666	26,257,392	99.69%
2011	26,474,753	(45,696)	26,429,057	25,941,806	97.99%	331,992	26,273,798	99.41%
2012	26,651,481	(34,316)	26,617,165	26,145,212	98.10%	-	26,145,212	98.23%

Note: The information in this schedule relates to the county-wide tax levy and does not include special district taxes.

Schedule 9

Currituck County, North Carolina
Ratios of Debt Outstanding by Type
Last Ten Fiscal Years

Fiscal Year	Governmental Activities		Business-Type Activities			Total Primary Government	Percentage of Personal Income ^a	Percentage of Actual Value ^b of Taxable Property	Bonded Debt Per Capita ^a	Total Debt Per Capita ^a
	General Obligation Bonds	Installment Purchase Contracts	General Obligation Bonds	Revenue Bonds	Installment Purchase Contracts					
2003	10,700,000	-	4,141,750	-	-	14,841,750	2.37%	0.62%	\$ 712	\$ 712
2004	9,670,000	-	3,920,000	-	9,386,321	22,976,321	3.25%	0.90%	\$ 601	\$ 1,016
2005	8,720,000	-	3,690,000	-	8,537,182	20,947,182	2.77%	0.78%	\$ 526	\$ 888
2006	7,770,000	-	3,445,000	-	7,658,149	18,873,149	2.31%	0.25%	\$ 473	\$ 795
2007	6,840,000	-	3,195,000	-	6,748,170	16,783,170	1.99%	0.22%	\$ 422	\$ 706
2008	5,920,000	6,852,575	2,935,000	19,000,000	5,806,155	40,513,730	4.80%	0.51%	\$ 1,101	\$ 1,601
2009	5,020,000	8,284,043	2,670,000	18,500,000	4,830,977	39,305,020	4.66%	0.49%	\$ 1,112	\$ 1,669
2010	4,145,000	8,402,094	2,395,000	18,025,000	3,821,469	36,788,563	4.36%	0.46%	\$ 1,041	\$ 1,559
2011	3,280,000	6,342,471	2,110,000	17,525,000	2,776,422	32,033,893	3.79%	0.40%	\$ 971	\$ 1,357
2012	2,425,000	11,021,610	1,805,000	17,015,000	10,775,000	43,041,610	5.10%	0.53%	\$ 899	\$ 1,820

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

^aSee Schedule 12 for personal income and population data.

^bSee Schedule 5 for property values.

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

	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
Assessed Value of Property	\$2,560,600,483	\$2,709,746,613	\$2,847,455,323	\$7,714,703,609	\$7,903,781,250	\$8,052,933,751	\$8,176,639,688	\$8,222,673,629	\$8,252,612,186	\$8,311,802,189
Debt Limit, 8% of Assessed Value (Statutory Limitation)	204,848,039	216,779,729	227,796,426	617,176,289	632,302,500	644,234,700	654,131,175	657,813,890	660,208,975	664,944,175
Amount of Debt Applicable to Limit										
General Obligation Bonds	14,841,750	13,590,000	12,410,000	11,215,000	10,035,000	9,923,550	7,690,000	6,540,000	5,390,000	4,230,000
Revenue Bonds	-	-	-	-	-	19,000,000	18,500,000	18,025,000	17,525,000	17,015,000
Installment Purchase Agreements	-	9,386,321	8,537,182	7,658,149	6,748,170	12,658,730	13,115,021	12,230,653	9,118,893	21,796,610
Less: General Obligation Bonds paid from Enterprise Funds	(4,141,750)	(3,920,000)	(3,690,000)	(3,445,000)	(3,195,000)	(2,935,000)	(2,670,000)	(2,395,000)	(2,110,000)	(1,805,000)
Revenue Bonds from Enterprise Funds	-	-	-	-	-	(19,000,000)	(18,500,000)	(18,025,000)	(17,525,000)	(17,015,000)
Total net debt applicable to limit	10,700,000	19,056,321	17,257,182	15,428,149	13,588,170	19,647,280	18,135,021	16,375,653	12,398,893	24,221,610
Legal Debt Margin	<u>\$ 194,148,039</u>	<u>\$ 197,723,408</u>	<u>\$ 210,539,244</u>	<u>\$ 601,748,140</u>	<u>\$ 618,714,330</u>	<u>\$ 624,587,420</u>	<u>\$ 635,996,154</u>	<u>\$ 641,438,237</u>	<u>\$ 647,810,082</u>	<u>\$ 640,722,565</u>
Total net debt applicable to the limit as a percentage of debt limit	0.42%	0.70%	0.61%	0.20%	0.17%	0.24%	0.22%	0.20%	0.15%	0.29%

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

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

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

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

Schedule 12

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

Year	Population ^a	Personal Income (thousands of dollars) ^d	Per Capita Personal Income ^d	Public School Enrollment ^b	Unemployment Rate ^c
2003	19,653	567,165	27,587	3,427	1.80%
2004	20,834	626,832	28,733	3,685	2.40%
2005	22,617	707,359	30,947	3,854	2.90%
2006	23,580	757,409	32,284	4,156	2.40%
2007	23,731	815,543	34,167	4,120	2.80%
2008	23,773	844,131	34,939	4,070	3.60%
2009	25,305	861,341	35,569	3,961	6.20%
2010	23,547	904,438	38,239	3,913	4.90%
2011	23,602	*	21,219**	4,175	5.60%
2012	23,644	*		3,923	4.70%

* Information not yet available

** Projected

Sources:

^a North Carolina Department of Commerce

^b Currituck County Board of Education

^c North Carolina Employment Security Commission

^d Bureau of Economic Analysis

Schedule 13

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

Function	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
General government	38.22	40.22	44.92	52.50	53.50	56.60	58.00	58.00	59.00	59.00
Public safety	123.22	133.62	146.62	162.42	164.92	181.92	189.92	189.92	189.92	189.92
Transportation	-	1.00	1.00	1.00	2.00	2.00	2.00	2.00	2.00	2.00
Environmental protection	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00
Community development	21.42	25.42	25.42	28.42	28.42	27.42	25.42	24.00	24.00	24.00
Cultural & recreation	9.79	9.79	10.79	14.15	17.60	12.85	16.85	19.10	19.10	19.10
Human services	35.75	38.75	39.75	43.00	42.75	43.75	42.75	42.75	42.75	42.75
Proprietary operations	12.70	17.70	20.10	20.00	20.00	22.00	22.00	23.00	23.00	26.00
	243.10	268.50	290.60	323.49	331.19	348.54	358.94	360.77	361.77	364.77

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>2012</u>			<u>2003</u>		
	<u>Employees^a</u>	<u>Rank</u>	<u>Percentage of Total County Employment^b</u>	<u>Employees^a</u>	<u>Rank</u>	<u>Percentage of Total County Employment^b</u>
Currituck County Board of Education	500-999	1	16.56%	500-999	1	16.96%
County of Currituck	365	2	9.26%	243	3	8.47%
Food Lion LLC	100-249	3	3.85%	100-249	6	3.95%
Sentara Health Center	100-249	4	3.85%	100-249	5	3.95%
Wells Fargo Insurance Inc.	100-249	5	3.85%	----		----
Twiddy & Co. of Duck Inc.	100-249	6	3.85%	----		----
Southland Trade Corp.	50-99	7	1.65%	50-99	8	1.69%
Corolla Classic Vacations	50-99	8	1.65%	----		----
Brindley Beach Vacations & Sales	50-99	9	1.65%	----		----
Hardee's	50-99	10	1.65%	----		----
Brindley & Brindley Realty & Development	----		----	250-499	2	8.47%
Griggs Lumber & Produce Co. Inc.	----		----	100-249	4	3.95%
H & R Block	----		----	100-249	7	3.95%
NC Dept. of Transportation	----		----	50-99	9	1.69%
OSC-Central Payroll	----		----	50-99	10	1.69%
Total	<u>1465-2810</u>		<u>47.82%</u>	<u>1543-3290</u>		<u>54.77%</u>

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

^b Percentage of total employment is based upon means of ranges.

Schedule 15
 Currituck County, North Carolina
 Operating Indicators by Function

Function	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
Governmental Activities:										
Public Safety										
Law Enforcement ¹										
Deputies	44	49	52	59	59	59	63	63	63	63
Emergency Medical Services ²										
Emergency Medical Technicians	43	45	49	55	56	71	71	72	72	72
Human Services³										
Number of Physicians	6	*	*	3	7	6	*	9	*	*
Population/physician ratio	3,288	*	*	7,910	3,396	4,218	*	2,616	*	*
Education⁴										
Schools	8	8	8	8	8	8	10	10	10	10
Teachers	273	257	254	346	314	315	295	264	264	260
Student Enrollment	3,729	3,685	3,854	4,156	4,120	4,070	3,961	3,913	4,175	4,175
SAT Scores	988	1,003	1,013	1,502 ^a	1,466	1,465	1,459	1,414	1,471	1,440
Enterprise Activities:										
Newtown Road Sewer⁵										
Treatment capacity (MGD)	*	*	*	*	0.025	0.025	0.025	0.025	0.025	0.115
Annual engineering maximum										
plant capacity (millions of gallons)	*	*	*	*	0.025	0.025	0.025	0.025	0.025	0.115
Amount treated annually										
(millions of gallons)	*	*	*	*	*	*	*	3.898	3.898	3.898
Unused capacity (millions of gallons)	*	*	*	*	*	*	*	0.014	0.014	0.104
Percentage of capacity utilized	*	*	*	*	*	*	*	42.72%	42.72%	9.57%
Residential sewer customers	*	*	*	*	24	28	28	27	27	27
Commercial sewer customers	*	*	*	*	-	1	1	1	1	1
Maple Commerce Park Sewer⁵										
Treatment capacity (MGD)	*	*	*	*	*	*	*	*	*	0.080
Annual engineering maximum										
plant capacity (millions of gallons)	*	*	*	*	*	*	*	*	*	0.080
Amount treated annually										
(millions of gallons)	*	*	*	*	*	*	*	*	*	1.380
Unused capacity (millions of gallons)	*	*	*	*	*	*	*	*	*	0.076
Percentage of capacity utilized	*	*	*	*	*	*	*	*	*	5.00%
Number of residential customers	*	*	*	*	*	*	*	*	*	-
Number of commercial customers	*	*	*	*	*	*	*	*	*	7
Moyock Commons Sewer⁵										
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)	*	*	*	*	*	*	*	2.720	4.560	3.450
Unused capacity (millions of gallons)	*	*	*	*	*	*	*	0.033	0.025	0.031
Percentage of capacity utilized	*	*	*	*	*	*	*	18.68%	37.50%	23.75%
Number of residential customers	*	*	*	*	-	-	-	-	-	-
Number of commercial customers	*	*	*	*	23	21	23	23	25	25

Walnut Island Sewer ⁵										
Treatment capacity (MGD)	*	*	*	*	*	*	*	*	*	0.120
Annual engineering maximum plant capacity (millions of gallons)	*	*	*	*	*	*	*	*	*	0.012
Amount treated annually (millions of gallons)	*	*	*	*	*	*	*	*	*	6
Unused capacity (millions of gallons)	*	*	*	*	*	*	*	*	*	0.102
Percentage of capacity utilized	*	*	*	*	*	*	*	*	*	15.00%
Number of residential customers	*	*	*	*	*	*	*	*	*	257
Number of commercial customers	*	*	*	*	*	*	*	*	*	-
Southern Outer Banks Water ⁵										
Average daily usage (in 1,000 gallons)	*	*	*	*	240	615	333	437	555	668
Water storage capacity (MGD)	*	*	*	*				1,500	1,500	4,200
Number of water pumping stations	*	*	*	*				1	1	5
Number of residential customers	*	*	*	*	1,181	1,179	1,179	1,183	1,217	3,764
Number of commercial customers	*	*	*	*	2	2	20	22	23	200
Ocean Sands Water and Sewer ⁵										
Average daily water usage (in 1,000 gallons)	*	*	*	*	160	180	171	190	189	166
Water storage capacity (MGD)	*	*	*	*	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
Annual engineering maximum sewer plant capacity (millions of gallons)	*	*	*	*	0.600	0.600	0.600	0.600	0.600	0.600
Amount sewer treated annually (millions of gallons)	*	*	*	*	*	*	*	57	59	61
Unused sewer capacity (millions of gallons)	*	*	*	*	*	*	*	0.100	0.100	0.433
Percentage of sewer capacity utilized	*	*	*	*	*	*	*	83.33%	83.33%	27.85%
Number of residential water customers	*	*	*	*	954	954	955	954	957	959
Number of commercial water customers	*	*	*	*	-	-	8	8	8	8
Number of residential sewer customers	*	*	*	*	953	954	955	954	957	959
Number of commercial sewer customers	*	*	*	*	-	-	8	8	8	8
Mainland Water ⁵										
Water storage capacity (MGD)	*	*	*	*	*	*	*	3,600	3,600	3,600
Residential water customers	*	*	*	*	4,891	4,559	4,594	4,686	4,686	4,856
Commercial water customers	*	*	*	*	*	397	374	385	385	394
Solid Waste ⁶										
Total number of households served	11,460	11,971	12,591	13,217	13,813	14,176	14,192	14,192	14,362	14,469
Total tonnage disposed	34,592	41,298	37,234	34,878	31,374	26,300	26,977	24,602	22,536	22,531
Recycling Program:										
Households served by program	11,460	11,971	12,591	13,217	13,813	14,176	14,192	14,192	14,362	14,469
Tonnage recovered	1,032	728	2,009	1,392	1,516	1,713	1,725	1,849	2,186	2,869
Mulching/composting program										
Households served by program	11,460	11,971	12,591	13,217	10,097	10,462	10,477	10,477	14,362	14,469
Tonnage recovered	1,065	12,800	1,780	1,323	1,746	1,023	1,055	1,335	1,405	2,869
Total cost of solid waste program	\$ 2,264,910	\$ 2,901,485	\$ 3,747,674	\$ 4,015,956	\$ 3,804,292	\$ 3,521,710	\$ 3,600,877	\$ 3,960,588	\$ 3,742,527	\$ 3,912,428
Cost per household	\$ 198	\$ 242	\$ 298	\$ 304	\$ 377	\$ 337	\$ 344	\$ 378	\$ 261	\$ 270
Cost per ton	\$ 65	\$ 70	\$ 101	\$ 115	\$ 121	\$ 134	\$ 133	\$ 161	\$ 166	\$ 174

Sources:

¹Currituck County Sheriff's Department

²Currituck County Emergency Medical Services Department

³NC Department of Commerce

⁴Currituck County Schools

⁵Currituck County Utilities Department

⁶Currituck County Public Works Department

⁹The SAT scores include a new writing test this year.

*Data not available

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

Function	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
Governmental Activities:										
General Government										
Buildings ³	44	52	53	54	54	57	58	61	61	61
Public Safety										
Law Enforcement ¹										
Stations	1	1	1	1	1	1	1	1	1	1
Satellite Stations	3	3	3	3	3	3	3	3	3	3
Emergency Medical Services ²										
Stations	6	6	8	11	11	11	11	11	11	11
Cultural and Recreation										
Libraries	2	2	2	2	2	2	2	3	3	3
Parks	1	1	2	2	2	2	3	3	3	3
Community Recreation Facility	-	-	-	-	-	-	-	-	-	1
Enterprise Activities:										
Newtown Road Sewer ⁴										
Miles of sewer lines	*	*	*	*	1	1	1	1	1	1
Number of treatment plants	*	*	*	*	1	1	1	1	1	1
Maple Commerce Park Sewer ⁴										
Miles of sewer lines	*	*	*	*	*	*	*	*	*	1.4
Number of treatment plants	*	*	*	*	*	*	*	*	*	1
Moyock Commons Sewer ⁴										
Miles of sewer lines	*	*	*	*	1	1	1	1	4	8.1
Number of treatment plants	*	*	*	*	1	1	1	1	1	1
Walnut Island Sewer ⁴										
Miles of sewer lines	*	*	*	*	*	*	*	*	*	3.6
Number of treatment plants	*	*	*	*	*	*	*	*	*	1
Southern Outer Banks Water ⁴										
Miles of water lines	*	*	*	*	27.07	27.07	27.07	27.57	27.57	75.00
Number of water wells	*	*	*	*	47	47	47	47	47	113
Ocean Sands Water and Sewer ⁴										
Miles of water lines	*	*	*	*	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
Number of sewer treatment plants	*	*	*	*	1	1	1	1	1	1
Mainland Water ⁴										
Miles of water lines	*	*	*	*	*	*	*	261	261	261
Number of water wells	*	*	*	*	*	*	*	31	31	31
Number of water pumping stations	*	*	*	*	*	*	*	7	7	7

Sources:

- ¹Currituck County Sheriff's Department
- ²Currituck County Emergency Medical Services Department
- ³Currituck County Public Works Department
- ⁴Currituck County Utilities Department
- *Data not available



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

To the Board of County Commissioners
Currituck County, North Carolina

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregated remaining fund information of the County of Currituck, North Carolina, as of and for the year ended June 30, 2012, which collectively comprises the County of Currituck's basic financial statements, and have issued our report thereon dated December 7, 2012. We did not audit the financial statements of the Currituck County ABC Board, or The Whalehead Preservation Trust and The Currituck Wildlife Museum. Those financial statements were audited by other auditors whose reports thereon have been furnished to us, and our opinion, insofar as it relates to the amounts included for the Currituck County ABC Board and The Whalehead Preservation Trust and The Currituck Wildlife Museum is based solely on the reports of the other auditors. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

Management of the County of Currituck is responsible for establishing and maintaining effective internal control over financial reporting. In planning and performing our audit, we considered Currituck County's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the County of Currituck's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the County's internal control over financial reporting.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect and correct misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the County's financial statements will not be prevented or detected and corrected on a timely basis.

Our consideration of the internal control over financial reporting was for limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Currituck County's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance that are required to be reported under *Government Auditing Standards*.

This report is intended solely for the information and use of management, others within the organization, members of the Board of County Commissioners, and federal and State awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specific parties.

Pittard Perry & Crone, Inc.

December 7, 2012



Report On Compliance With Requirements Applicable To Each Major Federal Program And Internal Control Over Compliance In Accordance With OMB Circular A-133 and the State Single Audit Implementation Act

To the Board of County Commissioners
Currituck County, North Carolina

Compliance

We have audited the County of Currituck, North Carolina, compliance with the types of compliance requirements described in OMB *Circular A-133 Compliance Supplement* and the *Audit Manual for Governmental Auditors in North Carolina*, issued by the Local Government Commission, that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2012. Currituck County's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal programs is the responsibility of Currituck County's management. Our responsibility is to express an opinion on Currituck County's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and the State Single Audit Implementation Act. Those standards, OMB Circular A-133, and the State Single Audit Implementation Act require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about Currituck County's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination on Currituck County's compliance with those requirements.

In our opinion, Currituck County complied, in all material respects, with the requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2012.

Internal Control Over Compliance

Management of Currituck County is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts and grants applicable to federal programs. In planning and performing our audit, we considered internal control over compliance with requirements that could have a direct and material effect on a major federal program to determine the auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the County's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A material weakness in internal control over compliance is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis.

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

This report is intended solely for the information and use of management, others within the County, members of the Board of County Commissioners, and federal and State awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specific parties.

-Pittard Perry + Crane, Inc.

December 7, 2012

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CURRITUCK COUNTY, NORTH CAROLINA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the Fiscal Year Ended June 30, 2012

Section I Summary of Auditor's Results

Financial Statements

Type of auditor's report issued: Unqualified

Internal control over financial reporting:

- Material weakness(es) identified? _____ yes __X__ no
- Reportable condition(s) identified that are not considered to be material weaknesses _____ yes __X__ none reported

Noncompliance material to financial statements noted _____ yes __X__ no

Federal Awards

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

Internal control over major federal programs

- Material weakness(es) identified? _____ yes __X__ no
- Reportable condition(s) identified that are not considered to be material weaknesses _____ yes __X__ none reported

Noncompliance material to federal awards _____ yes __X__ no

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

Identification of major federal programs:

CFDA Numbers	Names of Federal Program or Cluster
93.778	Medical Assistance Program
93.558	Temporary Assistance for Needy Families
20.106	Airport Grant
93.558 93.596 93.575 93.667	Child Care Cluster

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

\$379,294

Auditee qualified as low-risk auditee?

yes no

Section II Financial Statement Findings

None Reported

Section III Federal Award Findings and Questioned Costs

None Reported

COUNTY OF CURRITUCK
SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS
For the Fiscal Year Ending June 30, 2012

GRANTOR, PASS THROUGH GRANTOR PROGRAM TITLE	CFDA	AMOUNT EXPENDED		COUNTY
		FEDERAL	STATE	
FEDERAL AWARDS -				
U.S. Department of Agriculture				
North Carolina Department of Health Human Resources: Division of Social Services				
Food Stamps Administrative Match for the Supplemental Nutrition Assistance Program	10.561	176,514	-	-
Total U.S. Department of Agriculture		<u>176,514</u>	<u>-</u>	<u>-</u>
U.S. Department of Transportation				
State aid to airports passed through NC Dept of Transportation				
Airport Grant	20.106	278,810	-	27,881
Total U.S. Department of Transportation		<u>278,810</u>	<u>-</u>	<u>27,881</u>
U. S. Elections Assistance Commission				
Passed through NC Department of Administration HAVA grant				
	90.401	4,058	-	-
Total Elections Assistance Commission		<u>4,058</u>	<u>-</u>	<u>-</u>
U.S. Department of Health and Human Services				
North Carolina Department of Health and Human Services				
Division of Social Services:				
TANF Benefit Payments	93.558	64,908	-	-
Work First - Services	93.558	317,205	-	-
Low Income Home Energy Assistance				
Administration	93.568	39,457	-	-
Crisis Intervention Program	93.568	98,084	-	-
Family Violence	93.671	578	-	-
Family Preservation	93.556	2,146	-	-
Permanency Planning	93.645	6,737	-	-
SSBG	93.667	57,098	4,323	-
LINKS	93.674	1,311	328	-
LINKS - Benefit Payments	93.674	3,668	-	-
NC Health Choice	93.767	17,984	527	-
Title IV-D	93.563	163,348	-	-
Foster Care and Adoption				
Title IV-E Foster Care - Administration	93.658	119,244	18,545	-
Foster Care - Direct Benefit Payments	93.658	12,850	3,329	-
Adoption - Administration	93.659	14,318	-	-
Adoption Assistance - Direct Payments	93.659	68,586	18,352	-
Total Foster Care and Adoption Cluster		<u>214,998</u>	<u>40,226</u>	<u>-</u>

continued

COUNTY OF CURRITUCK
SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS
For the Fiscal Year Ending June 30, 2012

GRANTOR, PASS THROUGH GRANTOR PROGRAM TITLE	CFDA	AMOUNT EXPENDED		COUNTY
		FEDERAL	STATE	
Division of Child Development: <u>Child Care Development Fund Cluster</u>				
Division of Social Services				
Child Care Development Fund - Administration	93.596	80,000	-	-
Division of Child Development:				
Child Care and Development Block Grant	93.575	248,554	-	-
Child Care and Development Fund - Mandatory	93.596	93,216	-	-
Child Care and Development Fund - Match	93.596	29,262	-	-
Total Child Care Development Fund Cluster		451,032	-	-
Foster Care Title IV-E	93.658	3,595	-	-
TANF	93.558	110,542	-	-
ARRA Emergency Contingency Fund for TANF	93.714	10,278	-	-
State Appropriations		-	173,043	-
Total Subsidized Child Care		575,447	173,043	-
Centers for Medicare and Medicaid Services: Passed-through NC Department of Health and Human Services, Division of Medical Assistance:				
Direct Benefit Payments	93.778	9,984,305	5,741,875	-
Administration	93.778	331,082	11,669	-
Total U.S. Department of Health and Human Services		11,878,356	5,971,991	-
U.S. Department of Homeland Security				
Passed through NC Department of Public Safety				
Emergency Management	97.042	35,959	-	-
Public Assistance Grant for Infrastructure (FEMA)	97.036	269,436	89,812	-
Total U.S. Department of Homeland Security		305,395	89,812	-
TOTAL FEDERAL AWARDS		12,643,133	6,061,803	27,881
STATE AWARDS -				
North Carolina Department of Health and Human Services				
Division of Social Services:				
State/County Special Assistance for Adults		-	132,176	-
State Foster Care Benefits		-	21,289	-
State Aid to Counties		-	137,544	-
Total North Carolina Department of Health and Human Services		-	291,009	-
NC Department of Public Safety				
Juvenile Crime Prevention Programs		-	73,897	20,558
Total North Carolina Department of Public Safety		-	73,897	20,558

continued

COUNTY OF CURRITUCK
SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS
For the Fiscal Year Ending June 30, 2012

GRANTOR, PASS THROUGH GRANTOR PROGRAM TITLE	CFDA	AMOUNT EXPENDED		COUNTY
		FEDERAL	STATE	
Public Transportation Division: State Aid to Airports		-	391,531	39,153
Total North Carolina Department of Transportation		<u>-</u>	<u>391,531</u>	<u>39,153</u>
North Carolina Division of Parks and Recreation Parks and Recreation Trust Fund		-	158,156	
Total North Carolina Department of Administration		<u>-</u>	<u>158,156</u>	<u>-</u>
TOTAL STATE AWARDS		<u>-</u>	<u>914,593</u>	<u>59,711</u>
TOTAL FEDERAL AND STATE AWARDS		<u>12,643,133</u>	<u>6,976,396</u>	<u>87,592</u>

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

1

Basis of Presentation - The accompanying schedule of expenditures of federal and State awards includes the federal and State grant activity of Currituck County and is presented on the modified accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of OMB Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the presentation of the basic financial statements. Benefit payments are paid directly to recipients and are not included in the County's general purpose financial statements. However, due to the County's involvement in determining eligibility, they are considered federal awards to the County and are included on this schedule.

2

Subrecipients - Of the federal and State expenditures presented in the schedule, Currituck County provided federal and State awards to subrecipients as follows:

Program Title	CFDA	Federal Expenditures	State Expenditures
Partnership of Adolescents and Support Services		-	52,822
Teen Court		-	19,361
JCPC Council Administration		-	14,231

3

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

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