

COMPREHENSIVE ANNUAL FINANCIAL REPORT
For the Fiscal Year Ended June 30, 2017



County of Currituck, North Carolina

Prepared by the Currituck County Finance Department

County of Currituck, North Carolina
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June 30, 2017

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

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

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

January 31, 2018

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, 2017. The financial statements and supplemental schedules contained herein have been audited by the independent, certified public accounting firm of Carr, Riggs & Ingram, LLC, and that firm's unmodified opinion is included in the Financial Section of this report. The report itself, however, is presented by the County, which is responsible for the accuracy of the data and for the completeness and fairness of its presentation including all disclosures. We believe the data presented is accurate in all material respects; that it is presented in a manner designed to set forth fairly the financial position and results of operations of the County as measured by the financial activity of its various funds; and that all disclosures necessary to enable the reader to gain the maximum understanding of the County's financial affairs have been included.

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

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

DESCRIPTION OF THE COUNTY

Founded in 1668, Currituck (Indian for "land of the wild goose") is the most northeastern county in North Carolina. Currituck County is one of the state's four original counties. In addition to the more than 22 miles of beaches along the Atlantic Ocean, the County has numerous sounds, rivers, and creeks that provide some of

the most memorable game fishing, waterfowl hunting, and other recreational activities that can be experienced. The County has a permanent population of approximately 25,627; although, the strong tourism industry produces a large seasonal population that results in an average daily population from mid-April through September estimated to be approximately 45,000 to 55,000. There are no incorporated areas located within Currituck County.

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

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

ECONOMIC CONDITIONS AND OUTLOOK

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

Currituck County is in the Hampton Roads Metropolitan Statistical Area (MSA). Currituck, located within sixteen miles of Interstate 64 and the Chesapeake Expressway, makes the county convenient to the Norfolk International Airport and to the deepwater ports in Hampton Roads. This favorable location continues to attract residents and the population has increased 7.80 percent from 2008 to 2017.

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

During the past year, the ad valorem tax base increased from \$5,995,996,462 to \$6,111,443,899, an increase of 1.93 percent, which reflects an increase in construction within the County. The octennial revaluation as required by the North Carolina General Statutes became effective on January 1, 2013. The county-wide tax rate for the fiscal year ending June 30, 2017 was \$0.48 per \$100, which is favorable for new residents and businesses.

Currituck County continues its commitment to expand the Parks and Recreation facilities within the County. The County is currently designing a recreation facility for the Moyock area. Continued expansion of the multi-use paths and NC 12 beautification projects are in process on the Currituck Outer Banks. The Ocean Sands water and sewer district is undergoing major renovations and expansion of the Ocean Sands sewer plant to accommodate existing customers and anticipated growth.

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

MAJOR INITIATIVES

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

The Board of Commissioners and the Currituck County Board of Education continue their joint commitment of providing adequate school facilities. Both of the above boards are working together to meet the needs to maintain quality education for the children of our County. Although there are no major public school capital projects at this time, the County continues to work with the Board of Education to maintain the current facilities. The primary focus has been to maintain the current school facilities through upgrades of HVAC systems, energy management and roof replacements in existing facilities. (The Currituck County Board of Education is a separate reporting entity apart from the County; a detailed discussion of their activities and initiatives can be found in their Comprehensive Annual Financial Report.)

The County also had several initiatives in process throughout this year. Expansion of the airport runways continued to be a priority and design was underway at the end of this fiscal year. Design of a public safety facility in Maple and park in Moyock, connection of the Detention Center to the Maple Commerce Park sewer, and completion of the bulkhead and park renovations at Veteran's Park are the major County governmental projects for the upcoming year.

Factors Affecting Financial Condition

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

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

County management is responsible for the accounting system and for establishing and maintaining an internal control structure. The internal control structure is designed to provide reasonable, but not absolute, assurance regarding (1) the safeguarding of assets against loss from unauthorized use or disposition; (2) the reliability of financial records for preparing financial statements in conformity with generally accepted accounting

principles and maintaining accountability for assets; and (3) compliance with applicable laws and regulations related to federal and State financial assistance programs. The concept of reasonable assurance recognizes that (1) the cost of a control should not exceed the benefits likely to be derived and (2) the evaluation of costs and benefits require estimates and judgments by management.

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

Local Economy. Currituck County enjoys a favorable economic environment due to the tourism industry. The County recognizes the importance of tourism to our economy and in an effort to assist potential visitors to have more access to information on the area, the County established a Visitor's Center in Corolla and a Welcome Center, located on the North Carolina and Virginia state lines.

In addition to tourism, the County is also focusing on several Economic Development priorities and projects. The Currituck Station Mega-Site is a long-term economic development plan developed for Currituck County to bring residential and commercial opportunities to the county over the next three decades. The 3,000-acre site in Moyock will include retail stores, medical offices, and even locations for high-tech industrial warehouse distribution and advanced manufacturing businesses with a variety of residential areas.

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

Also worth noting are the continued development of the Maple Commerce Park and the addition of a new College of the Albemarle Public Safety Center to the Regional Aviation and Technical Training Center in Maple.

Long-term Financial Planning. The governing board has developed a long-term construction plan for both County governmental facilities and education facilities, which are funded by the County even though they are assets of the school. The County and the Ocean Sands Water and Sewer District have committed to replacement and expansion of the wastewater treatment plant in Ocean Sands and construction of a Public Safety facility in cooperation with the College of the Albemarle to provide fire and rescue training for Northeastern North Carolina. In addition, within the next ten years, the County anticipates continued demands for additional recreational, emergency response facilities, utility expansion and schools.

Cash management policies and practices. Cash temporarily idle during the year was invested in savings accounts, certificates of deposit, obligations of the U. S. Treasury, commercial paper and the North Carolina Cash Management Trust throughout the year. The maturities range from 245 days to three years. The average yield on investments was 0.650% for savings accounts, 1.454% for commercial paper and 1.145% for federal agencies.

Risk management. The County participates in the North Carolina Association of County Commissioners (NCACC) property and general liability, worker's compensation. The pools provide coverage for property, general liability, vehicle, crime, professional liability, environmental impairment, and worker's compensation benefits. The County contracts with CIGNA to provide health insurance benefits to full-time employees. The County also maintains flood insurance on structures located in flood prone areas. As of June 30, 2017 the Whalehead Club and the Moyock Library were covered by flood insurance.

OTHER INFORMATION

Currituck County is required by State law (G.S. 159-34) to have an annual independent financial audit. A compliance audit on federal and State financial assistance programs is also required under the federal Single Audit Act of 1996 and the State Single Audit Implementation Act. The County's auditors, Carr, Riggs and Ingram, LLC., were selected through a formal request for proposals process. The Auditors' report on the General Purpose Financial Statements is included in the Financial Section of this report. The auditors' reports required as a part of the single audit are found in the Compliance Section of this report. The findings and questioned costs reported in the Compliance Section are subject to a subsequent review by the appropriate grantor agencies. This review could result in reimbursements to grantor agencies if some expenditures are deemed inappropriate. However, every effort has been made to insure that all disbursements are made in compliance with the applicable financial assistance program provisions. Required refunds, if any, should be immaterial.

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

AWARDS AND ACKNOWLEDGEMENTS

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the County of Currituck for its comprehensive annual financial report for the fiscal year ended June 30, 2016. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized comprehensive annual financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

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

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

Respectfully submitted,

Daniel F. Scanlon II

Daniel F. Scanlon II
County Manager

Sandra L. Hill

Sandra L. Hill
Finance Director



Government Finance Officers Association

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

Presented to

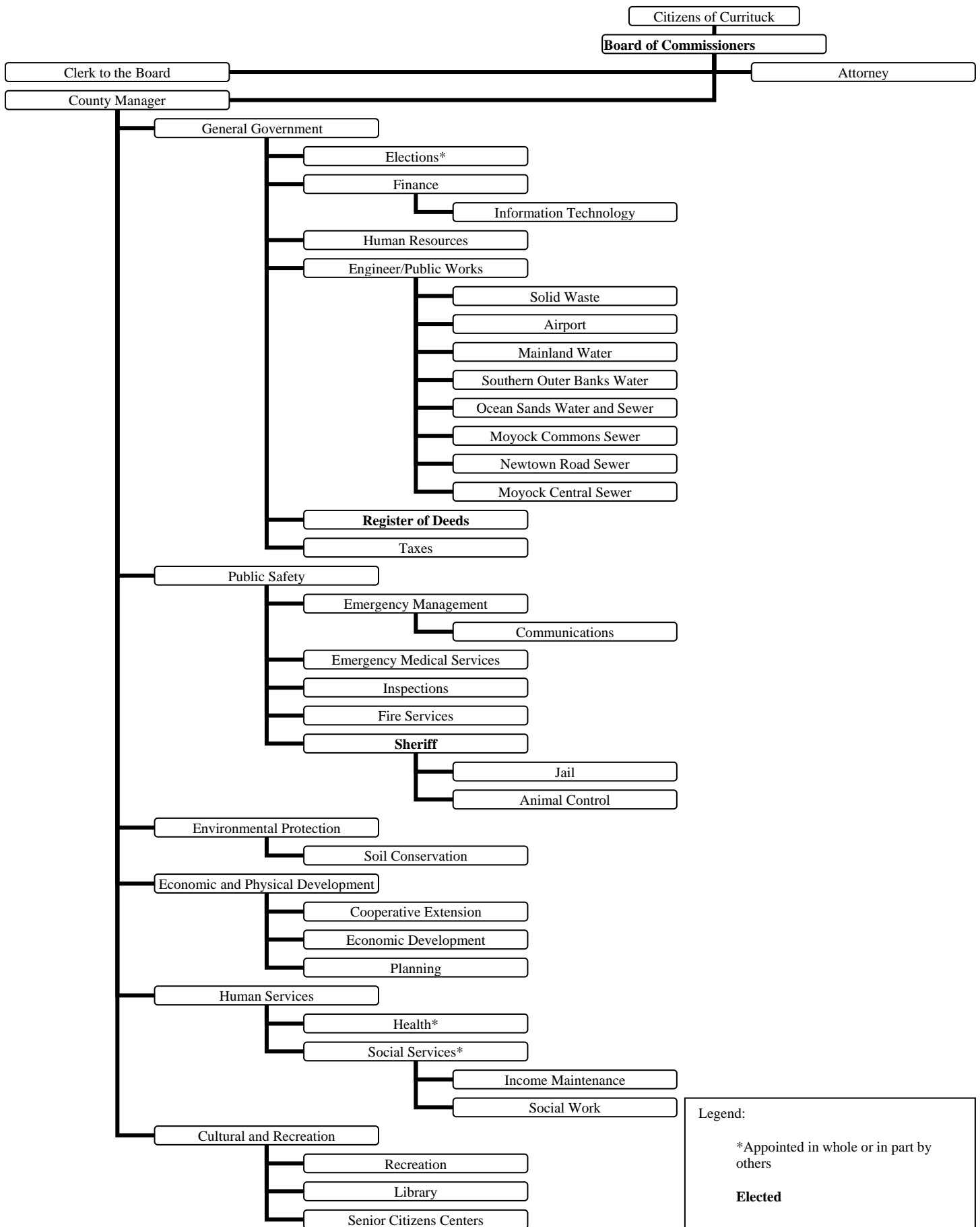
**County of Currituck
North Carolina**

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

June 30, 2016

Christopher P. Morrill

Executive Director/CEO



COUNTY OF CURRITUCK, NORTH CAROLINA

BOARD OF COUNTY COMMISSIONERS

Bobby Hanig, Chairman

Michael H. Payment, Vice Chairman

Paul Beaumont

Mary “Kitty” Etheridge

Marion Gilbert

Mike D. Hall

Bob White

COUNTY OFFICIALS

Daniel F. Scanlon, II

County Manager

Leeann Walton

Clerk to the Board

Donald I. McRee Jr.

County Attorney

Rachel B. Raper

Elections Supervisor

Susan D. Johnson

Sheriff

Denise A. Hall

Register of Deeds

Cameron S. Lowe

Cooperative Extension Director

Peter Bishop

Economic Development Director

Mary Beth Newns

Emergency Management Director

Eric Weatherly

Engineer

Ralph Melton

Fire and EMS Director

Sandra L. Hill

Finance Director

Sarah Tyson

Human Resources Director

Tina I. Scanlon

Information Technology Director

William Newns

Chief Building Inspector

Ben E. Woody

Planning Director

Jason S. Weeks

Recreation Director

Kathlyn S. Romm

Social Services Director

Tracy L. Sample

Tax Administrator

Tameron Kugler

Tourism Director

Laura Salmons

Librarian



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Independent Auditors' Report

To the Board of County Commissioners
Currituck County, North Carolina

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component unit, each major fund, and the aggregate remaining fund information of Currituck County, North Carolina as of and for the year then ended June 30, 2017, and the related notes to the financial statements, which collectively comprise Currituck County's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditors consider internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not

for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, based on our audit and the report of the other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Currituck County, North Carolina as of June 30, 2017, and the respective changes in financial position and cash flows, where applicable, thereof and the respective budgetary comparison for the General Fund and the Tourism Development Authority for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

As discussed in Note I and Note VIII to the financial statements, Currituck County, North Carolina adopted Governmental Accounting Standards Board Statement No. 73, *Accounting and Financial Reporting for Pensions and Related Assets That Are Not within the Scope of GASB 68, and Amendments to Certain Provisions of GASB Statements 67 and 68*. Our opinions are not modified with respect to that matter.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis, the Other Postemployment Benefits' Schedules of Funding Progress and Employer Contributions, the Local Government Employee's Retirement System Schedules of the County's Proportionate Share of Net Pension Liability and County Contributions, the Register of Deeds' Supplemental Pension Fund Schedule of the County's Proportionate Share of the Net Pension Asset and Schedule of County Contributions and the Firefighters' and Rescue Squad Workers' Pension Fund Schedule of the County's Proportionate Share of the Net Pension Asset and County Contributions on pages 19 through 29, 100, 101, 102, and 104, the Law Enforcement Officers' Special Separation Allowance Schedules of the Changes in Total Pension Liability and Total Pension Liability as a Percentage of Covered Payroll, page 103, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We and other auditors have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary and Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements of Currituck County, North Carolina. The combining and individual fund statements, budgetary schedules, other schedules as well as the accompanying Schedule of Expenditures of Federal and State Awards, as required by *Title 2 U.S. Code of Federal Regulations (CFR) Part 200*, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards are presented for purposes of additional analysis and are not a required part of the basic financial statements.

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated January 31, 2018 on our consideration of Currituck County's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of the report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Currituck County's internal control over financial reporting and compliance.

Carr, Riggs & Ingram LLC

New Bern, NC
January 31, 2018

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Management's Discussion and Analysis

As management of Currituck County, we offer readers of Currituck County's financial statements this narrative overview and analysis of the financial activities of Currituck County for the fiscal year ended June 30, 2017. We encourage readers to read the information presented here in conjunction with additional information that we have furnished in the County's financial statements which follow this narrative.

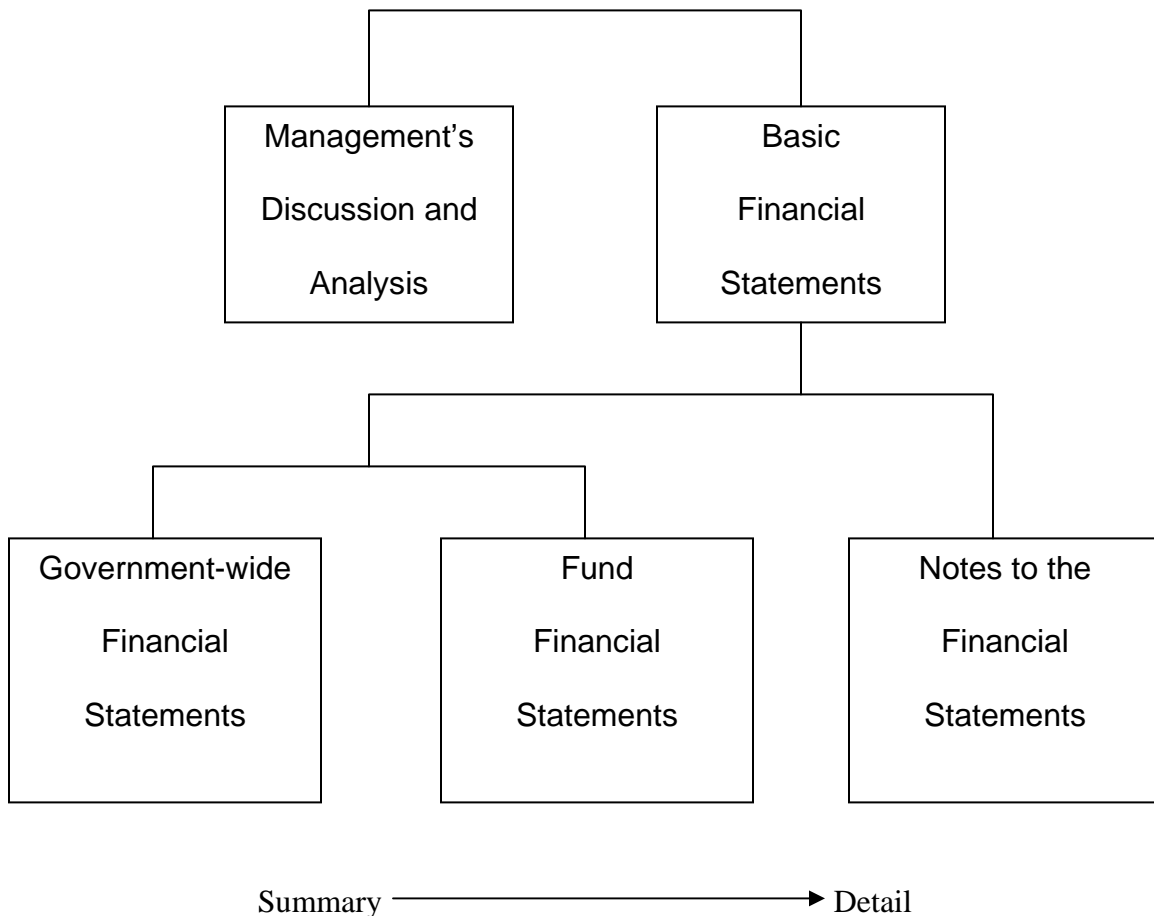
Financial Highlights

- The assets and deferred outflows of resources of Currituck County exceeded its liabilities and deferred inflows of resources at the close of the fiscal year by \$188,889,757 (*net position*).
- The government's total net position increased by \$5,822,874 after restatement due to increases in the governmental completion of capital projects funded in prior years and increases in tax collections.
- As of the close of the current fiscal year, Currituck County's governmental funds reported combined ending fund balances of \$64,518,941, after a net increase in fund balance of \$5,234,529 . Approximately 58.73% of this total amount, or \$37,893,345, is restricted or nonspendable.
- At the end of the current fiscal year, unassigned fund balance for the General Fund was \$8,783,320 or 18.25% of total general fund expenditures for the fiscal year.
- Currituck County's total debt decreased by \$3,608,089 or 12.80% during the current fiscal year.

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

Required Components of Annual Financial Report

Figure 1



Basic Financial Statements

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

The next statements (Exhibits 3 through 11) are **Fund Financial Statements**. These statements focus on the activities of the individual parts of the County's government. These statements provide more detail than the government-wide statements. There are four parts to the Fund Financial Statements: 1) the governmental funds statements; 2) the budgetary comparison statements; 3) the proprietary fund statements; and 4) the fiduciary fund statements.

The next section of the basic financial statements is the **notes**. The notes to the financial statements explain in detail some of the data contained in those statements. After the notes, supplemental information is provided to show details about the County's non-

major governmental funds, all of which are added together in one column on the basic financial statements. Budgetary information required by the General Statutes also can be found in this part of the statements.

Following the notes is the required supplemental information. This section contains funding information about the County's pension plans.

Government-wide Financial Statements

The government-wide financial statements are designed to provide the reader with a broad overview of the County's finances, similar in format to a financial statement of a private-sector business. The government-wide statements provide short and long-term information about the County's financial status as a whole.

The two government-wide statements report the County's net position and how it has changed. Net position is the difference between the County's total assets and deferred outflows of resources and total liabilities and deferred inflows of resources. Measuring net position is one way to gage the County's financial condition.

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

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

Fund Financial Statements

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

Governmental Funds – Governmental funds are used to account for those functions reported as governmental activities in the government-wide financial statements. Most of the County's basic services are accounted for in governmental funds. These funds focus on how assets can readily be converted into cash flow in and out, and what monies are left at year-end that will be available for spending in the next year. Governmental funds

are reported using an accounting method called *modified accrual accounting*. This method also has a current financial resources focus. As a result, the governmental fund financial statements give the reader a detailed short-term view that helps him or her determine if there are more or fewer financial resources available to finance the County's programs. The relationship between government activities (reported in the Statement of Net Position and the Statement of Activities) and governmental funds is described in a reconciliation that is a part of the fund financial statements.

Currituck County adopts an annual budget for its General Fund, as required by the General Statutes. The budget is a legally adopted document that incorporates input from the citizens of the County, the management of the County, and the decisions of the Board about which services to provide and how to pay for them. It also authorizes the County to obtain funds from identified sources to finance these current period activities. The budgetary statement provided for the General Fund demonstrates how well the County complied with the budget ordinance and whether or not the County succeeded in providing the services as planned when the budget was adopted. The budgetary comparison statement uses the budgetary basis of accounting and is presented using the same format, language, and classifications as the legal budget document. The statement shows four columns: 1) the original budget as adopted by the board; 2) the final budget as amended by the board; 3) the actual resources, charges to appropriations, and ending balances in the General Fund; and 4) the difference or variance between the final budget and the actual resources and charges. To account for the difference between the budgetary basis of accounting and the modified accrual basis, a reconciliation showing the differences in the reported activities is shown at the end of the budgetary statement.

Proprietary Funds – Currituck County has one kind of proprietary fund. *Enterprise Funds* are used to report the same functions presented as business-type activities in the government-wide financial statements. Currituck County uses enterprise funds to account for its water and sewer activity and for its solid waste operations. These funds are the same as those separate activities shown in the business-type activities in the Statement of Net Position and the Statement of Activities.

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

Notes to the Financial Statements – The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements start on page 47 of this report.

Other Information – In addition to the basic financial statements and accompanying notes, this report includes certain required supplementary information concerning Currituck County's progress in funding its obligation to provide pension benefits to its employees. Required supplementary information can be found beginning on page 100 of this report.

Government-Wide Financial Analysis

As noted earlier, net position may serve over time as one useful indicator of a government's financial condition. The County's assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$188,889,757 as of June 30, 2017. The County's net position increased by \$7,517,321 before restatement for the fiscal year ended June 30, 2017. One of the largest portions \$133,069,222 (70.45%) reflects the County's net investment in capital assets (e.g. land, buildings, machinery, and equipment). As of June 30, 2017, long-term debt in governmental activities was for the College of the Albemarle Technical and Training Facility and stormwater drainage for the Whalehead subdivision. Currituck County uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although Currituck County's investment in its capital assets is reported net of the outstanding related debt, the resources needed to repay that debt must be provided by other sources, since the capital assets cannot be used to liquidate these liabilities. An additional portion of Currituck County's net position \$36,645,981 (19.40%) represents resources that are subject to external restrictions on how they may be used. The remaining balance of \$19,174,554 (10.15%) is unrestricted.

Currituck County's Net Position

Figure 2

	Governmental Activities		Business-type Activities		Total	
	2017	2016	2017	2016	2017	2016
Current and other assets	\$ 67,668,547	\$ 64,251,935	\$ 12,556,255	\$ 13,461,188	\$ 80,224,802	\$ 77,713,123
Capital assets	103,400,478	101,392,443	54,256,551	54,599,142	157,657,029	155,991,585
Total assets	171,069,025	165,644,378	66,812,806	68,060,330	237,881,831	233,704,708
Total deferred outflows of resources	5,147,516	1,097,129	287,375	64,879	5,434,891	1,162,008
Long-term liabilities outstanding	29,717,340	23,465,532	21,079,594	22,731,721	50,796,934	46,197,253
Other liabilities	2,537,143	4,283,631	695,491	493,629	3,232,634	4,777,260
Total liabilities	32,254,483	27,749,163	21,775,085	23,225,350	54,029,568	50,974,513
Total deferred inflows of resources	375,360	777,114	22,037	48,206	397,397	825,320
Net position:						
Net investment in capital assets	98,607,671	95,026,547	34,461,551	32,769,142	133,069,222	127,795,689
Restricted	36,645,981	22,905,623	-	-	36,645,981	22,905,623
Unrestricted	8,333,046	20,283,060	10,841,508	12,082,511	19,174,554	32,365,571
Total net position	\$ 143,586,698	\$ 138,215,230	\$ 45,303,059	\$ 44,851,653	\$ 188,889,757	\$ 183,066,883

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

- Continued diligence in the collection of property taxes by maintaining a collection percentage of 99.01%, higher than the statewide average of 98.78%.
- Management's proactive stance on monitoring spending across County departments to ensure compliance with the budget.
- Continued low cost of debt due to the County's high bond rating.

Currituck County Changes in Net Position
Figure 3

	Governmental Activities		Business-type Activities		Total	Total
	2017	2016	2017	2016	2017	2016
Revenues:						
Program revenues:						
Charges for services	\$ 3,520,424	\$ 3,620,375	\$ 11,466,948	\$ 12,129,031	\$ 14,987,372	\$ 15,749,406
Operating grants and contributions	4,110,916	3,535,944	79,088	55,401	4,190,004	3,591,345
Capital grants and contributions	1,288,142	2,018,107	500,000	-	1,788,142	2,018,107
General revenues:						
Property taxes	30,779,191	29,969,020	319,865	320,358	31,099,056	30,289,378
Other taxes	26,128,515	24,796,096	-	-	26,128,515	24,796,096
Other , Unrestricted	1,177,139	679,606	356,003	267,231	1,533,142	946,837
Investment earnings, unrestricted	526,677	450,673	98,154	97,040	624,831	547,713
Total revenues	67,531,004	65,069,821	12,820,058	12,869,061	80,351,062	77,938,882
Expenses:						
General government	7,605,726	7,316,823	-	-	7,605,726	7,316,823
Public safety	22,184,580	20,237,291	-	-	22,184,580	20,237,291
Transportation	878,356	1,864,818	-	-	878,356	1,864,818
Economic and physical development	6,919,571	7,059,866	-	-	6,919,571	7,059,866
Environmental protection	1,304,616	1,112,071	-	-	1,304,616	1,112,071
Human services	5,135,697	4,821,314	-	-	5,135,697	4,821,314
Cultural and recreation	3,649,685	2,337,746	-	-	3,649,685	2,337,746
Education	11,223,471	11,078,398	-	-	11,223,471	11,078,398
Interest on long-term debt	106,219	133,147	-	-	106,219	133,147
Solid Waste	-	-	4,814,409	4,285,157	4,814,409	4,285,157
Water and sewer	-	-	8,900,685	8,669,910	8,900,685	8,669,910
Total expenses	59,007,921	55,961,474	13,715,094	12,955,067	72,723,015	68,916,541
Increase in net position before transfers, special item and capital contributions	8,523,083	9,108,347	(895,036)	(86,006)	7,628,047	9,022,341
Gain (Loss) on sale of capital assets	-	(110,726)	(110,726)	(152,432)	(110,726)	(263,158)
Special item - transfer of asset to Board of Education	-	(13,655,028)	-	-	-	(13,655,028)
Transfers	(1,457,168)	(1,430,895)	1,457,168	1,430,895	-	-
Increase in net position	7,065,915	(6,088,302)	451,406	1,192,457	7,517,321	(4,895,845)
Net position, beginning	138,215,230	45,303,059	44,851,653	43,659,196	183,066,883	88,962,255
Net position, beginning, restated	136,520,783	144,303,532	44,851,653	43,659,196	181,372,436	187,962,728
Net position, ending	\$ 143,586,698	\$ 138,215,230	\$ 45,303,059	\$ 44,851,653	\$ 188,889,757	\$ 183,066,883

Governmental activities. Governmental activities increased the County's net position by \$5,371,468 after restatement. Key elements of this increase are as follows:

- Increased revenues from property and other taxes
- Increased revenues from grant funds; primarily related to FEMA payments from Hurricane Matthew

Business-type activities: Business-type activities increased Currituck County's net position by \$451,406. The main element of this increase is from subdivision contributions of sewer lift station in two areas of the Currituck Mainland Sewer system.

Financial Analysis of the County's Funds

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

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

The General Fund is the chief operating fund of Currituck County. At the end of the current fiscal year, Currituck County's unassigned fund balance available in the General Fund was \$8,783,320, while total fund balance reached \$18,190,436. The County currently has an available fund balance of 23.99% of general fund expenditures, while total fund balance represents 37.80% of that same amount.

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

Figure 4
Changes in Fund Balances for Governmental Funds

	2017 Total	2016 Total	Change in Fund Balances
General	\$ 18,190,436	\$ 15,879,387	\$ 2,311,049
County Governmental Facilities	8,849,010	10,263,122	(1,414,112)
School Facilities	5,300,280	5,070,306	229,974
Tourism Development Authority	12,071,938	10,785,751	1,286,187
Transfer Tax Capital Fund	10,639,622	9,424,292	1,215,330
Other Governmental	9,467,655	7,861,554	1,606,101
	<u>\$ 64,518,941</u>	<u>\$ 59,284,412</u>	<u>\$ 5,234,529</u>

Increased revenues from property and other taxes, as well as conservative spending account for the increased fund balance in the General fund. The total fund balance for the County Governmental Facilities reflects a \$1,414,112 decrease over the prior year due to completion of construction projects funded in prior years. Fund balances in the Tourism Development Authority Fund, which increased due to increases in visitors to our beaches, are for tourism promotion and tourism related expenditures, which funds a portion of the recreation expansion projects. Increases in fund balance for the Transfer Tax Capital Fund is from an increase in property transfers and a decrease in new capital projects for the current year. The increase in fund balance for the other governmental funds is the result of receipt of hazard mitigation grant funds received for projects completed in the prior year as well as increases in sales taxes that are restriction to governmental and school capital construction.

At June 30, 2017, the governmental funds of Currituck County reported a combined fund balance of \$64,518,941, an 8.83% increase over last year. This increase is primarily due to increases in revenues from property taxes and other taxes.

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

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

	Revised Budget	Actual	Variance
Revenues:			
Ad valorem taxes	\$ 28,372,419	\$ 29,526,701	\$ 1,154,282
Other taxes and licenses	6,013,050	6,695,231	682,181
Restricted intergovernmental	155,200	169,703	14,503
Unrestricted intergovernmental	3,772,692	3,516,129	(256,563)
Permits and fees	2,387,473	2,661,949	274,476
Sales and services	629,509	641,470	11,961
Investment earnings	78,000	119,866	41,866
Miscellaneous	580,413	777,780	197,367
Total revenues	<u>41,988,756</u>	<u>44,108,829</u>	<u>2,120,073</u>
Expenditures:			
General government	7,119,020	6,119,332	999,688
Public safety	21,218,044	19,758,081	1,459,963
Transportation	541,804	323,932	217,872
Environmental protection	217,884	176,968	40,916
Economic and physical development	1,905,081	1,645,174	259,907
Human services	5,524,802	5,003,830	520,972
Cultural and recreational	2,598,094	2,399,471	198,623
Education	10,996,679	10,976,491	20,188
Debt service	1,679,309	1,679,307	2
Total expenditures	<u>51,800,717</u>	<u>48,082,586</u>	<u>3,718,131</u>
Revenues over (under) expenditures	(9,811,961)	(3,973,757)	5,838,204
Other financing sources (uses):			
Transfers to other funds	(1,664,069)	(1,648,801)	15,268
Transfers from other funds	7,644,058	7,621,625	(22,433)
Total other financing sources (uses)	<u>5,979,989</u>	<u>5,972,824</u>	<u>(7,165)</u>
Revenues and other financing sources over expenditures and other financing uses	(3,831,972)	1,999,067	5,831,039
Appropriated fund balance	<u>3,831,972</u>	<u>-</u>	<u>(3,831,972)</u>
Revenues, appropriated fund balance, and other financing sources over expenditures and other financing uses	<u>\$ -</u>	<u>\$ 1,999,067</u>	<u>\$ 1,999,067</u>

Total amendments to the General Fund increased revenues by \$1,216,647. General fund revenues recognized modest increases over the prior year, with a total revenue increase of \$1,229,678. The overall actual General fund revenues were \$2,120,073 greater than budget, primarily due to increased property tax collections and other tax revenues. The final budget for expenditures was \$51,800,717, which was a \$2,099,177 increase over the original budget. The increase from the original budget is primarily due to the carry-

forward of funds from the prior year for projects that were not completed by year end and increased costs for public safety.

Proprietary Funds. Currituck County’s proprietary funds provide the same type of information found in the government-wide statements but in more detail. Unrestricted net position of the Solid Waste Fund at the end of the fiscal year amounted to \$2,859,356, and those for the Water and Sewer Districts totaled \$7,982,152. The total change in net position for the proprietary funds is shown in Figure 6.

Figure 6
Changes in Net Position for Proprietary Funds

	June 30 2017	June 30 2016	Change in Net Position
Solid Waste	\$ 3,330,709	\$ 3,977,358	\$ (646,649)
Ocean Sands Water and Sewer	8,218,120	8,204,303	13,817
Mainland Water	7,653,360	7,858,590	(205,230)
Southern Outer Banks Water	17,959,924	17,099,075	860,849
Moyock Central Sewer	2,891,701	2,298,725	592,976
Non-Major Proprietary Funds			
Newtown Road Sewer	178,274	195,228	(16,954)
Maple Commerce Park Sewer	1,607,065	1,676,931	(69,866)
Moyock Commons Sewer	305,085	323,108	(18,023)
Walnut Island Sewer	3,158,821	3,218,335	(59,514)
Total	<u>\$ 45,303,059</u>	<u>\$ 44,851,653</u>	<u>\$ 451,406</u>

Capital Asset and Debt Administration

Capital assets. Currituck County’s capital assets for its governmental and business – type activities as of June 30, 2017, totals \$157,657,029, 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:

- Design and construction of taxiway at the Currituck Regional Airport
- Improvements to the dock and bulkhead at Veteran’s Park
- Expansion of the Ocean Sands Sewer
- Completion of baseball/softball fields and associated amenities at Maple Park

Figure 7

CURRITUCK COUNTY'S CAPITAL ASSETS
(net of depreciation)

	Governmental		Business-type		Total			
	Activities		Activities		Total			
	2017		2017		2016			
Land	\$	20,706,716	\$	1,970,953	\$	22,677,669	\$	21,003,084
Buildings and system		48,920,848		39,382,713		88,303,561		89,882,264
Computer Equipment		531,968		510,708		1,042,676		720,505
Furniture & Fixtures		23,522,591		518,050		24,040,641		29,037,235
Equipment		6,143,172		9,481,386		15,624,558		8,601,959
Vehicles and motorized equipment		1,949,216		230,066		2,179,282		2,174,588
Construction in progress		1,625,967		2,162,675		3,788,642		4,571,950
Total	\$	103,400,478	\$	54,256,551	\$	157,657,029	\$	155,991,585

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

Long-term Debt. As of June 30, 2017, Currituck County had total bonded debt outstanding of \$14,170,000, which is backed by certain revenues of the Mainland Water System. The County also had installment purchase agreements for stormwater improvements in the Whalehead Subdivision Watershed Service District, College of the Albemarle Technical and Training Facility, Moyock Sewer System and for Southern Outer Banks Water System, with outstanding balances of \$2,849,950, \$1,942,857, \$1,800,000, and \$3,825,000, respectively. These debt instruments are backed by their respective assets.

Figure 8

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

	Governmental		Business-type		Total	
	Activities		Activities		Total	
	2017	2016	2017	2016	2017	2016
Installment Purchase	\$ 4,792,807	\$ 6,365,896	\$ 5,625,000	\$ 6,655,000	\$ 10,417,807	\$ 13,020,896
Revenue bonds	-	-	13,900,000	14,635,000	13,900,000	14,635,000
General obligation bonds	-	-	270,000	540,000	270,000	540,000
Compensated absences	996,681	1,335,493	77,566	78,799	1,074,247	1,414,292
Net pension liability (LGERS)	5,940,113	1,198,892	339,455	68,951	6,279,568	1,267,843
Total pension liability (LEOSSA)	1,849,311	44,726	-	-	1,849,311	44,726
OPEB	16,138,428	14,420,525	867,573	753,971	17,006,001	15,174,496
Total debt	\$ 29,717,340	\$ 23,365,532	\$ 21,079,594	\$ 22,731,721	\$ 50,796,934	\$ 46,097,253

Currituck County's total debt decreased by \$3,608,089 (14.67%) during the past fiscal year. This reduction is due to scheduled debt payments.

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

The State of North Carolina limits the amount of general obligation debt that a unit of government can issue to 8 percent of the total assessed value of taxable property located within that government's boundaries. The legal debt margin for Currituck County is \$478,497,705. The County has no bonds authorized but un-issued at June 30, 2017.

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

Economic Factors and Next Year's Budgets and Rates

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

- As of June 30, 2017, Currituck County had one of the lowest unemployment rates in the State with a rate of 4.00%, compared to the State average of 6.3%.

Budget Highlights for the Fiscal Year Ending June 30, 2018

Governmental Activities: Currituck County's octennial revaluation became effective for the 2014 fiscal year. Governmental fund revenues in the general funds are budgeted conservatively with a 5.97% decrease from the actual revenues received for the year ended June 30, 2017 due to collections of motor vehicle taxes for overlapping years and increases in permits and fees realized after the budget was adopted.

Budgeted expenditures in the General Fund are anticipated to be \$52,174,731 before transfers to other funds, approximately 2.62% decrease over the prior year, due to conservative spending, completion of one time capital projects and increases incurred in the current year due to Hurricane Matthew.

Business – type Activities: For the upcoming fiscal year, the County will continue to evaluate the operations of all business-type activities. Expansion of the Ocean Sands Sewer system replacement will continue construction for the next several years. The sewer systems on the Currituck Mainland were combined on July 1, 2017. Although there will now be only one sewer system on the mainland, there are no significant projects and the operations will remain at the current level.

Requests for Information

This report is designed to provide an overview of the County's finances for those with an interest in this area. This document is also available online at www.currituckgovernment.com under the Finance Department. Questions concerning any of the information found in this report or requests for additional information should be directed to the Currituck County Finance Director, Currituck County Finance Department, 153 Courthouse Road, Suite 101, Currituck, North Carolina 27929 or e-mail Sandra.Hill@CurrituckCountyNC.gov.

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County of Currituck, North Carolina
Statement of Net Position
June 30, 2017

	Primary Government			Component Unit
	Governmental Activities	Business-type Activities	Total	Currituck County ABC Board
ASSETS				
Cash and cash equivalents	\$ 21,303,885	\$ 11,248,940	\$ 32,552,825	\$ 1,057,777
Restricted Cash	1,205,291	94,377	1,299,668	-
Investments	40,211,428	-	40,211,428	-
Receivables (net)	482,460	176	482,636	-
Other receivables (net)	243,176	1,264,122	1,507,298	-
Due from other governments	3,855,025	-	3,855,025	-
Due from component unit	201,322	-	201,322	-
Due from other funds	51,360	(51,360)	-	-
Inventories	37,883	-	37,883	748,848
Prepaid items	-	-	-	29,247
Net pension asset	76,717	-	76,717	-
Capital assets:				
Land, improvements, non-depreciable collections and construction in progress	22,332,683	2,200,989	24,533,672	425,900
Other capital assets, net of depreciation	81,067,795	52,055,562	133,123,357	1,533,514
Total capital assets	103,400,478	54,256,551	157,657,029	1,959,414
Total assets	171,069,025	66,812,806	237,881,831	3,795,286
DEFERRED OUTFLOWS OF RESOURCES	5,147,516	287,375	5,434,891	86,145
LIABILITIES				
Accounts payable and accrued expenses	2,537,143	601,114	3,138,257	478,706
Customer deposits	-	94,377	94,377	-
Due to primary government	-	-	-	201,322
Long-term liabilities:				
Net pension liability - LGERS	5,940,113	339,455	6,279,568	101,235
Total pension liability - LEOSSA	1,849,311	-	1,849,311	-
Due within one year	1,576,671	2,075,000	3,651,671	-
Due in more than one year	20,351,245	18,665,139	39,016,384	-
Total long-term liabilities	29,717,340	21,079,594	50,796,934	101,235
Total liabilities	32,254,483	21,775,085	54,029,568	781,263
DEFERRED INFLOWS OF RESOURCES	375,360	22,037	397,397	5,469
NET POSITION				
Net investment in capital assets	98,607,671	34,461,551	133,069,222	1,959,414
Restricted for:				
Stabilization by State Statute	4,266,605	-	4,266,605	-
Public Safety	279,713	-	279,713	-
Education	3,312,086	-	3,312,086	-
Tourism	11,962,287	-	11,962,287	-
Working capital	-	-	-	149,888
Capital assets	16,825,290	-	16,825,290	-
Unrestricted (deficit)	8,333,046	10,841,508	19,174,554	985,397
Total net position	\$ 143,586,698	\$ 45,303,059	\$ 188,889,757	\$ 3,094,699

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

County of Currituck County, North Carolina
Statement of Activities
For the Year Ended June 30, 2017

Program Revenues

Functions/Programs	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Primary government:				
Governmental Activities:				
General government	\$ 7,605,726	\$ 1,082,865	\$ 174,988	\$ -
Public safety	22,184,580	1,751,361	640,816	235,000
Transportation	878,356	326,746	3,383	867,286
Economic and physical development	6,919,571	271,933	575,805	-
Environmental protection	1,304,616	\$ -	110,808	-
Human services	5,135,697	249	2,605,116	-
Cultural and recreation	3,649,685	87,270	-	-
Education	11,223,471	-	-	185,856
Interest on long-term debt	106,219	-	-	-
Total governmental activities	<u>59,007,921</u>	<u>3,520,424</u>	<u>4,110,916</u>	<u>1,288,142</u>
Business-type activities:				
Solid Waste	4,814,409	2,862,539	51,846	-
Water and Sewer	8,900,685	8,604,409	27,242	500,000
Total business-type activities	<u>13,715,094</u>	<u>11,466,948</u>	<u>79,088</u>	<u>500,000</u>
	<u>\$ 72,723,015</u>	<u>\$ 14,987,372</u>	<u>\$ 4,190,004</u>	<u>\$ 1,788,142</u>
Component units:				
ABC Board	4,400,363	4,399,840	-	-
Total component units	<u>\$ 4,400,363</u>	<u>\$ 4,399,840</u>	<u>\$ -</u>	<u>\$ -</u>

General revenues:

Taxes:

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

Transfers

Total general revenues and transfers
Change in net position

Net position, beginning, previously reported
Restatement

Net position, beginning, as restated
Net position-ending

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

Exhibit 2

Net (Expense) Revenue and Changes in Net Position			Component Unit	
Primary Government			Currituck County ABC Board	
Governmental Activities	Business-type Activities	Total		
\$ (6,347,873)	\$ -	\$ (6,347,873)	\$ -	-
(19,557,403)	-	(19,557,403)	-	-
319,059	-	319,059	-	-
(6,071,833)	-	(6,071,833)	-	-
(1,193,808)	-	(1,193,808)	-	-
(2,530,332)	-	(2,530,332)	-	-
(3,562,415)	-	(3,562,415)	-	-
(11,037,615)	-	(11,037,615)	-	-
(106,219)	-	(106,219)	-	-
<u>(50,088,439)</u>	<u>-</u>	<u>(50,088,439)</u>		
-	(1,900,024)	(1,900,024)	-	-
-	230,966	230,966	-	-
<u>-</u>	<u>(1,669,058)</u>	<u>(1,669,058)</u>		
<u>(50,088,439)</u>	<u>(1,669,058)</u>	<u>(51,757,497)</u>		
			(523)	
			(523)	
29,467,384	-	29,467,384	-	-
-	319,865	319,865	-	-
1,311,807	-	1,311,807	-	-
9,875,092	-	9,875,092	-	-
3,790,324	-	3,790,324	-	-
11,511,034	-	11,511,034	-	-
768,290	-	768,290	-	-
338,679	-	338,679	-	-
154,904	-	154,904	-	-
526,677	98,154	624,831	523	-
867,331	212,099	1,079,430	-	-
-	33,178	33,178	-	-
-	-	-	-	-
-	-	-	-	-
<u>58,611,522</u>	<u>663,296</u>	<u>59,274,818</u>	<u>523</u>	
(1,457,168)	1,457,168	-	-	-
<u>57,154,354</u>	<u>2,120,464</u>	<u>59,274,818</u>	<u>523</u>	
7,065,915	451,406	7,517,321	-	-
138,215,230	-	138,215,230	3,094,699	-
(1,694,447)	-	(1,694,447)	-	-
<u>136,520,783</u>	<u>44,851,653</u>	<u>181,372,436</u>	<u>3,094,699</u>	
<u>\$ 143,586,698</u>	<u>\$ 45,303,059</u>	<u>\$ 188,889,757</u>	<u>\$ 3,094,699</u>	

County of Currituck, North Carolina
Balance Sheet
Governmental Funds
June 30, 2017

	Major					Nonmajor	
	General	County Governmental Facilities Fund	School Facilities Fund	Tourism Development Authority Fund	Transfer Tax Capital Fund	Other Governmental Funds	Total Governmental Funds
ASSETS							
Cash and cash equivalents	\$ 3,106,083	\$ 1,202,673	\$ -	\$ 12,152,301	\$ 2,639,622	\$ 2,203,206	\$ 21,303,885
Restricted Cash	1,040,070	-	165,221	-	-	-	1,205,291
Investments	13,576,316	7,500,000	5,135,112	-	8,000,000	6,000,000	40,211,428
Taxes receivable, net	474,901	-	-	-	-	7,559	482,460
Other receivables, net	243,176	-	-	-	-	-	243,176
Due from other governments	2,363,527	161,570	2,457	24,312	-	1,303,159	3,855,025
Due from component unit	201,322	-	-	-	-	-	201,322
Due from other funds	51,360	-	-	-	-	-	51,360
Inventories	936	-	-	36,947	-	-	37,883
Total assets	<u>\$ 21,057,691</u>	<u>\$ 8,864,243</u>	<u>\$ 5,302,790</u>	<u>\$ 12,213,560</u>	<u>\$ 10,639,622</u>	<u>\$ 9,513,924</u>	<u>\$ 67,591,830</u>
LIABILITIES AND FUND BALANCES							
Liabilities:							
Accounts payable and accrued liabilities	\$ 2,339,068	\$ 15,233	\$ 2,510	\$ 141,622	\$ -	\$ 38,710	\$ 2,537,143
Total liabilities	<u>2,339,068</u>	<u>15,233</u>	<u>2,510</u>	<u>141,622</u>	<u>-</u>	<u>38,710</u>	<u>2,537,143</u>
DEFERRED INFLOWS OF RESOURCES							
Property taxes receivable	474,901	-	-	-	-	7,559	482,460
Prepaid taxes	53,286	-	-	-	-	-	53,286
Total deferred inflows (outflows) of resources	<u>528,187</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>7,559</u>	<u>535,746</u>
Fund balances:							
Nonspendable:							
Inventories	936	-	-	36,947	-	-	37,883
Restricted:							
Stabilization by State Statute	2,859,385	161,570	2,457	24,312	-	1,218,881	4,266,605
Emergency Telephone System	-	-	-	-	-	279,713	279,713
County Governmental Assets	3,142,503	-	-	-	10,639,622	3,043,165	16,825,290
School Capital Assets	-	-	165,221	-	-	3,146,865	3,312,086
Tourism	-	-	-	11,962,287	-	-	11,962,287
Watershed Improvements	-	-	-	-	-	975,104	975,104
Whalehead Beach Solid Waste	-	-	-	-	-	234,377	234,377
Committed:							
Carova Beach Service District	-	-	-	48,392	-	-	48,392
Fire Protection	33,819	-	-	-	-	-	33,819
Fire Equipment Replacement	-	-	-	-	-	167,948	167,948
County Governmental Assets	-	8,687,440	-	-	-	-	8,687,440
School Capital Assets	-	-	5,132,602	-	-	-	5,132,602
Tax Revaluation	608,350	-	-	-	-	-	608,350
Assigned:							
Subsequent year's expenditures	2,762,123	-	-	-	-	401,602	3,163,725
Unassigned:	8,783,320	-	-	-	-	-	8,783,320
Total fund balances	<u>18,190,436</u>	<u>8,849,010</u>	<u>5,300,280</u>	<u>12,071,938</u>	<u>10,639,622</u>	<u>9,467,655</u>	<u>64,518,941</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 21,057,691</u>	<u>\$ 8,864,243</u>	<u>\$ 5,302,790</u>	<u>\$ 12,213,560</u>	<u>\$ 10,639,622</u>	<u>\$ 9,513,924</u>	

continued

**County of Currituck, North Carolina
Reconciliation of the Governmental Funds Balance Sheet
to the Statement of Net Position
June 30, 2017**

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

Total Fund Balance, Governmental Funds	\$	64,518,941
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.		103,400,478
Net pension asset - Register of Deeds		76,717
Contributions to pension plans in the current fiscal year are deferred outflows of resources on the Statement of Net Position		1,297,930
Contributions to pension paln subsequent to the measurement date for LEOSSA are deferred outflow of resources on the Statement of Net Position		6,855
Net pension liability		(5,940,113)
Total pension liability		(1,849,311)
Deferred inflows of resources for taxes and special assessments receivable		482,460
Pension related deferrals		3,520,657
Some liabilities, including bonds payable and other postemployment benefits, are not due and payable in the current period and therefore are not reported in the funds.		<u>(21,927,916)</u>
Net position of governmental activities	\$	<u><u>143,586,698</u></u>

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

County of Currituck, North Carolina
Statement of Revenues, Expenditures, and Changes in Fund Balance
Governmental Funds
For the Year Ended June 30, 2017

	Major					Nonmajor	
	General Fund	County Governmental Facilities Fund	School Facilities Fund	Tourism Development Authority Fund	Transfer Tax Capital Fund	Other Governmental Funds	Total Governmental Funds
REVENUES							
Ad valorem taxes	\$ 29,526,701	\$ -	\$ -	\$ -	\$ -	\$ 1,311,807	\$ 30,838,508
Other taxes and licenses	6,695,231	-	-	11,511,034	3,790,324	4,441,734	26,438,323
Unrestricted intergovernmental	169,703	-	-	-	-	-	169,703
Restricted intergovernmental	3,516,129	867,286	185,856	504,229	-	155,854	5,229,354
Permits and fees	2,661,949	-	-	11,116	-	-	2,673,065
Sales and services	641,470	-	-	239,436	-	-	880,906
Investment earnings	148,189	73,588	41,098	117,610	80,390	65,802	526,677
Miscellaneous	777,780	-	-	36,326	-	-	814,106
Total revenues	<u>44,137,152</u>	<u>940,874</u>	<u>226,954</u>	<u>12,419,751</u>	<u>3,870,714</u>	<u>5,975,197</u>	<u>67,570,642</u>
EXPENDITURES							
Current:							
General government	6,119,332	-	-	-	-	106,131	6,225,463
Public safety	19,758,081	93,389	-	-	-	577,445	20,428,915
Transportation	323,932	951,026	-	-	-	-	1,274,958
Environmental protection	176,968	-	-	-	-	292,376	469,344
Economic and physical development	1,682,515	-	-	6,480,231	-	84,278	8,247,024
Human services	5,003,830	-	-	-	-	-	5,003,830
Cultural and recreational	2,399,471	3,927,163	-	-	-	-	6,326,634
Intergovernmental:							
Education	10,976,491	-	246,980	-	-	-	11,223,471
Debt service:							
Principal	1,573,088	-	-	-	-	-	1,573,088
Interest	106,219	-	-	-	-	-	106,219
Total expenditures	<u>48,119,927</u>	<u>4,971,578</u>	<u>246,980</u>	<u>6,480,231</u>	<u>-</u>	<u>1,060,230</u>	<u>60,878,946</u>
Excess (deficiency) of revenues over expenditures	<u>(3,982,775)</u>	<u>(4,030,704)</u>	<u>(20,026)</u>	<u>5,939,520</u>	<u>3,870,714</u>	<u>4,914,967</u>	<u>6,691,696</u>
OTHER FINANCING SOURCES (USES)							
Transfers from other funds	7,821,625	2,616,592	250,000	-	-	315,250	11,003,467
Transfers to other funds	<u>(1,527,801)</u>	<u>-</u>	<u>-</u>	<u>(4,653,333)</u>	<u>(2,655,384)</u>	<u>(3,624,116)</u>	<u>(12,460,634)</u>
Total other financing sources and uses	<u>6,293,824</u>	<u>2,616,592</u>	<u>250,000</u>	<u>(4,653,333)</u>	<u>(2,655,384)</u>	<u>(3,308,866)</u>	<u>(1,457,167)</u>
Net change in fund balance	2,311,049	(1,414,112)	229,974	1,286,187	1,215,330	1,606,101	5,234,529
Fund balances-beginning	15,879,387	10,263,122	5,070,306	10,785,751	9,424,292	7,861,554	59,284,412
Fund balances-ending	<u>\$ 18,190,436</u>	<u>\$ 8,849,010</u>	<u>\$ 5,300,280</u>	<u>\$ 12,071,938</u>	<u>\$ 10,639,622</u>	<u>\$ 9,467,655</u>	<u>\$ 64,518,941</u>

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

County of Currituck, North Carolina
Reconciliation of the Statement of Revenues, Expenditures, and Changes
in Fund Balances of Governmental Funds to the Statement of Activities
For the Year Ended June 30, 2017

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

Net changes in fund balances - total governmental funds	\$ 5,234,529
Governmental funds report capital outlays as expenditures. However, in the Statement of Activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which depreciation exceeded capital outlay in the current period	2,471,690
Cost of capital asset disposed of during the year, not recognized on modified accrual basis	(463,653)
Benefit payments and pension administration costs for LEOSA are deferred outflows of resources on the Statement of Net Position	6,855
Contributions to the pension plan in the current fiscal year are not included on the Statement of Activities	1,297,930
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds	(59,318)
The issuance of long-term debt (e.g., bonds, leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. This amount is the net effect of these differences in the treatment of long-term debt and related items.	1,573,089
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>(2,995,207)</u>
Total changes in net position of governmental activities	<u><u>\$7,065,915</u></u>

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

County of Currituck, North Carolina
General Fund and Annually Budgeted Major Special Revenue Fund
Statement of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
For the Fiscal Year Ended June 30, 2017
(With Comparative Actual Amounts for the Fiscal Year Ended June 30, 2016)

	General Fund				
	2017			Variance With Final Positive (Negative)	2016
	Original Budget	Final Budget	Actual		Actual
Revenues:					
Ad valorem taxes	\$ 28,271,988	\$ 28,372,419	\$ 29,526,701	\$ 1,154,282	\$ 28,915,031
Other taxes and licenses	5,952,850	6,013,050	6,695,231	682,181	6,297,876
Unrestricted intergovernmental	155,200	155,200	169,703	14,503	160,144
Restricted intergovernmental	3,058,660	3,772,692	3,516,129	(256,563)	3,212,315
Permits and fees	2,387,473	2,387,473	2,661,949	274,476	3,021,772
Sales and services	611,938	629,509	641,470	11,961	640,584
Investment earnings	75,000	78,000	119,866	41,866	88,069
Miscellaneous	259,000	580,413	777,780	197,367	543,360
Total revenues	<u>40,772,109</u>	<u>41,988,756</u>	<u>44,108,829</u>	<u>2,120,073</u>	<u>42,879,151</u>
Expenditures					
Current:					
General government	6,771,828	7,119,020	6,119,332	999,688	5,895,290
Public safety	20,402,681	21,218,044	19,758,081	1,459,963	18,528,436
Transportation	544,036	541,804	323,932	217,872	358,041
Environmental protection	217,884	217,884	176,968	40,916	179,208
Economic and physical development	1,748,179	1,905,081	1,645,174	259,907	1,563,028
Human services	5,323,570	5,524,802	5,003,830	520,972	4,690,256
Cultural and recreational	2,050,294	2,598,094	2,399,471	198,623	2,198,840
Intergovernmental:					
Education	10,963,759	10,996,679	10,976,491	20,188	10,694,056
Debt service	1,679,309	1,679,309	1,679,307	2	1,702,708
Total expenditures	<u>49,701,540</u>	<u>51,800,717</u>	<u>48,082,586</u>	<u>3,718,131</u>	<u>45,809,863</u>
Revenues over (under) expenditures	<u>(8,929,431)</u>	<u>(9,811,961)</u>	<u>(3,973,757)</u>	<u>5,838,204</u>	<u>(2,930,712)</u>
Other financing sources (uses):					
Transfers to other funds	(1,560,644)	(1,664,069)	(1,648,801)	15,268	(1,495,852)
Transfers from other funds	7,459,058	7,644,058	7,621,625	(22,433)	6,592,986
Total other financing sources (uses)	<u>5,898,414</u>	<u>5,979,989</u>	<u>5,972,824</u>	<u>(7,165)</u>	<u>5,097,134</u>
Revenues and other financing sources over expenditures and other financing uses	<u>(3,031,017)</u>	<u>(3,831,972)</u>	<u>1,999,067</u>	<u>5,831,039</u>	<u>2,166,422</u>
Appropriated fund balance	<u>3,031,017</u>	<u>3,831,972</u>	<u>-</u>	<u>(3,831,972)</u>	<u>-</u>
Revenues, appropriated fund balance, and other financing sources over expenditures and other financing uses	<u>\$ -</u>	<u>\$ -</u>	<u>1,999,067</u>	<u>\$ 1,999,067</u>	<u>2,166,422</u>
Fund balances:					
Beginning of year, July 1			12,440,516		10,274,094
End of year, June 30			<u>\$ 14,439,583</u>		<u>\$ 12,440,516</u>

Tourism Development Authority				
2017			2016	
Original Budget	Final Budget	Actual	Variance With Final Positive (Negative)	Actual
\$ -	\$ -	\$ -	\$ -	\$ -
10,184,854	10,352,754	11,511,034	1,158,280	11,065,242
-	-	-	-	-
-	35,000	504,229	469,229	-
30,040	30,040	11,116	(18,924)	12,704
173,500	173,500	239,436	65,936	198,250
60,000	60,000	103,096	43,096	70,907
476,231	476,231	36,326	(439,905)	66,275
<u>10,924,625</u>	<u>11,127,525</u>	<u>12,405,237</u>	<u>1,277,712</u>	<u>11,413,378</u>
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
6,905,324	7,469,729	6,462,381	1,007,348	5,498,028
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
<u>6,905,324</u>	<u>7,469,729</u>	<u>6,462,381</u>	<u>1,007,348</u>	<u>5,498,028</u>
4,019,301	3,657,796	5,942,856	2,285,060	5,915,350
(4,550,750)	(4,693,750)	(4,673,333)	20,417	(7,141,952)
-	-	-	-	-
<u>(4,550,750)</u>	<u>(4,693,750)</u>	<u>(4,673,333)</u>	<u>20,417</u>	<u>(7,141,952)</u>
(531,449)	(1,035,954)	1,269,523	2,305,477	(1,226,602)
531,449	1,035,954	-	(1,035,954)	-
<u>\$ -</u>	<u>\$ -</u>	1,269,523	<u>\$ 1,269,523</u>	(1,226,602)
		10,754,023		11,980,625
		<u>\$ 12,023,546</u>		<u>\$ 10,754,023</u>

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

	General Fund			
	2017		Variance With Final Positive (Negative)	2016
	Original Budget	Final Budget		Actual
General Fund ending fund balance, June 30			\$ 14,439,583	\$ 12,440,516
Revaluation Fund				
Investment earnings			4,394	2,696
Transfer-in from General Fund			121,000	121,000
Expenditures			-	-
Beginning Fund Balance, Revaluation			482,956	359,260
Land Banking Fund				
Investment earnings			23,929	17,718
Transfer-out to General Fund			-	-
Transfer-out to Moyock Central Sewer Fund			-	-
Transfer-in from Transfer Tax Capital Fund			200,000	200,000
Expenditures			(37,341)	-
Beginning Fund Balance, Land Banking Fund			2,955,915	2,738,197
Carova Beach Service District Fund				
Revenues			-	-
Transfer-in from Tourism Development Authority Fund			-	-
Expenditures			-	-
Beginning Fund Balance, School Capital Construction Fund			-	-
Ending Fund Balance, June 30 (Exhibit 4)			<u>\$ 18,190,436</u>	<u>\$ 15,879,387</u>

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

Tourism Development Authority				
2017			2016	
Original Budget	Final Budget	Actual	Variance With Final Positive (Negative)	Actual
		\$ 12,023,546		\$ 10,754,023
		-		-
		-		-
		-		-
		-		-
		-		-
		-		-
		-		-
		14,514		16,319
		20,000		20,000
		(17,850)		(6,500)
		31,728		1,909
		<u>\$ 12,071,938</u>		<u>\$ 10,785,751</u>

County of Currituck, North Carolina
Statement of Net Position
Proprietary Funds
June 30, 2017
(With Comparative Amounts as of June 30, 2016)

	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 Fund	Non-Major Proprietary Funds	June 30, 2017	June 30, 2016
ASSETS								
Current assets:								
Cash and cash equivalents	\$ 3,036,913	\$ 1,625,603	\$ 4,377,587	\$ 1,814,061	\$ 297,529	\$ 97,247	\$ 11,248,940	\$ 12,831,228
Restricted cash	-	150	83,450	10,277	-	500	94,377	94,000
Taxes receivable, net	51	125	-	-	-	-	176	557
Receivables, net	110,670	167,171	517,393	342,639	16,144	110,105	1,264,122	1,513,835
Total current assets	<u>3,147,634</u>	<u>1,793,049</u>	<u>4,978,430</u>	<u>2,166,977</u>	<u>313,673</u>	<u>207,852</u>	<u>12,607,615</u>	<u>14,439,620</u>
Noncurrent assets:								
Restricted cash, cash equivalents, and investments								
Capital assets:								
Land, improvements, and construction in progress	78,987	1,177,023	5,150	42,600	688,914	208,315	2,200,989	4,606,701
Other capital assets, net of depreciation	392,366	5,464,942	17,509,332	20,086,958	3,755,726	4,846,238	52,055,562	49,992,441
Total capital assets	<u>471,353</u>	<u>6,641,965</u>	<u>17,514,482</u>	<u>20,129,558</u>	<u>4,444,640</u>	<u>5,054,553</u>	<u>54,256,551</u>	<u>54,599,142</u>
Total noncurrent assets	<u>471,353</u>	<u>6,641,965</u>	<u>17,514,482</u>	<u>20,129,558</u>	<u>4,444,640</u>	<u>5,054,553</u>	<u>54,256,551</u>	<u>54,599,142</u>
Total assets	<u>3,618,987</u>	<u>8,435,014</u>	<u>22,492,912</u>	<u>22,296,535</u>	<u>4,758,313</u>	<u>5,262,405</u>	<u>66,864,166</u>	<u>69,038,762</u>
DEFERRED OUTFLOWS OF RESOURCES	-	20,986	145,495	120,894	-	-	287,375	64,879
LIABILITIES								
Current liabilities:								
Accounts payable	288,278	183,177	30,099	41,733	15,252	12,660	571,199	320,842
Due to other funds	-	-	-	-	51,360	-	51,360	978,432
Customer deposits	-	150	83,450	10,277	-	500	94,377	94,000
Accrued salaries	-	2,381	17,802	9,732	-	-	29,915	78,787
General obligation bonds payable	-	-	270,000	-	-	-	270,000	270,000
Revenue bonds payable	-	-	775,000	-	-	-	775,000	735,000
Notes payable	-	-	-	850,000	180,000	-	1,030,000	1,030,000
Total current liabilities	<u>288,278</u>	<u>185,708</u>	<u>1,176,351</u>	<u>911,742</u>	<u>246,612</u>	<u>13,160</u>	<u>2,821,851</u>	<u>3,507,061</u>
Noncurrent liabilities:								
Liabilities payable from restricted assets:								
Accrued vacation	-	4,601	46,601	26,364	-	-	77,566	78,799
Due to other funds	-	-	-	-	-	-	-	-
General obligation bonds payable	-	-	-	-	-	-	-	270,000
Revenue bonds payable	-	-	13,125,000	-	-	-	13,125,000	13,900,000
Notes payable	-	-	-	2,975,000	1,620,000	-	4,595,000	5,625,000
Net pension liability	-	25,401	169,562	144,492	-	-	339,455	68,951
Other postemployment benefits	-	21,307	452,997	393,269	-	-	867,573	753,971
Total noncurrent liabilities	<u>-</u>	<u>51,309</u>	<u>13,794,160</u>	<u>3,539,125</u>	<u>1,620,000</u>	<u>-</u>	<u>19,004,594</u>	<u>20,696,721</u>
Total liabilities	<u>288,278</u>	<u>237,017</u>	<u>14,970,511</u>	<u>4,450,867</u>	<u>1,866,612</u>	<u>13,160</u>	<u>21,826,445</u>	<u>24,203,782</u>
DEFERRED INFLOWS OF RESOURCES	-	863	14,536	6,638	-	-	22,037	48,206
NET POSITION								
Net investment in capital assets	471,353	6,641,965	3,344,482	16,304,558	2,644,640	5,054,553	34,461,551	32,769,142
Unrestricted	2,859,356	1,576,155	4,308,878	1,655,366	247,061	194,692	10,841,508	12,082,511
Total net position	<u>\$ 3,330,709</u>	<u>\$ 8,218,120</u>	<u>\$ 7,653,360</u>	<u>\$ 17,959,924</u>	<u>\$ 2,891,701</u>	<u>\$ 5,249,245</u>	<u>\$ 45,303,059</u>	<u>\$ 44,851,653</u>

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

County of Currituck, North Carolina
Statement of Revenues, Expenses, and Changes in Fund Net Position
Proprietary Funds
For the Year Ended June 30, 2017
(With Comparative Amounts for the Fiscal Year Ended June 30, 2016)

	Enterprise Funds						Totals	
	Solid Waste Fund	Ocean Sands Water and Sewer Fund	Mainland Water Fund	Southern Outer Banks Water System Fund	Moyock Central Sewer Construction Fund	Non-Major Proprietary Funds	June 30, 2017	June 30, 2016
OPERATING REVENUES								
Charges for services	\$ 2,862,539	\$ 1,212,513	\$ 3,026,169	\$ 2,963,892	\$ 97,293	\$ 175,189	\$ 10,337,595	\$ 10,540,163
Water and sewer taps	-	-	601,276	219,722	304,525	-	1,125,523	1,585,953
Miscellaneous	-	3,830	-	-	-	-	3,830	2,915
Total operating revenues	<u>2,862,539</u>	<u>1,216,343</u>	<u>3,627,445</u>	<u>3,183,614</u>	<u>401,818</u>	<u>175,189</u>	<u>11,466,948</u>	<u>12,129,031</u>
OPERATING EXPENSES								
Administration	195,456	87,689	462,850	427,928	38,787	31,128	1,243,838	1,210,903
Water operations	-	547,106	1,062,530	872,314	-	-	2,481,950	2,503,899
Sewer operations	-	510,115	-	-	121,523	103,081	734,719	709,312
Landfill operations	4,568,849	-	-	-	-	-	4,568,849	4,065,837
Depreciation	50,104	338,027	1,931,777	1,091,702	391,390	250,601	4,053,601	3,748,687
Total operating expenses	<u>4,814,409</u>	<u>1,482,937</u>	<u>3,457,157</u>	<u>2,391,944</u>	<u>551,700</u>	<u>384,810</u>	<u>13,082,957</u>	<u>12,238,638</u>
Operating income (loss)	<u>(1,951,870)</u>	<u>(266,594)</u>	<u>170,288</u>	<u>791,670</u>	<u>(149,882)</u>	<u>(209,621)</u>	<u>(1,616,009)</u>	<u>(109,607)</u>
NONOPERATING REVENUES (EXPENSES)								
Tax revenue	81,833	238,006	-	-	-	26	319,865	320,358
Contributed capital	-	-	-	-	500,000	-	500,000	-
Grant	-	-	-	-	-	-	-	-
Sale of capital assets	-	-	30,337	2,841	-	-	33,178	-
Rent	-	-	-	177,947	-	3,600	181,547	170,707
Unrestricted intergovernmental revenues	51,846	27,242	-	-	-	-	79,088	55,401
Restricted intergovernmental revenues	-	-	-	-	-	-	-	-
Investment earnings	28,110	14,106	33,051	20,830	1,531	526	98,154	97,040
Interest expenses	-	-	(439,906)	(132,439)	(59,792)	-	(632,137)	(716,429)
Insurance recovery	1,056	1,057	1,000	-	1,327	26,112	30,552	96,524
Loss on disposition of assets	-	-	-	-	-	-	-	(152,432)
Total nonoperating revenue (expenses)	<u>162,845</u>	<u>280,411</u>	<u>(375,518)</u>	<u>69,179</u>	<u>443,066</u>	<u>30,264</u>	<u>610,247</u>	<u>(128,831)</u>
Income (loss) before contributions and	<u>(1,789,025)</u>	<u>13,817</u>	<u>(205,230)</u>	<u>860,849</u>	<u>293,184</u>	<u>(179,357)</u>	<u>(1,005,762)</u>	<u>(238,438)</u>
Transfers from (to) other funds	<u>1,142,376</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>299,792</u>	<u>15,000</u>	<u>1,457,168</u>	<u>1,430,895</u>
Change in net position	<u>(646,649)</u>	<u>13,817</u>	<u>(205,230)</u>	<u>860,849</u>	<u>592,976</u>	<u>(164,357)</u>	<u>451,406</u>	<u>1,192,457</u>
Total net position, beginning	<u>3,977,358</u>	<u>8,204,303</u>	<u>7,858,590</u>	<u>17,099,075</u>	<u>2,298,725</u>	<u>5,413,602</u>	<u>44,851,653</u>	<u>43,659,196</u>
Total net position - ending	<u>\$ 3,330,709</u>	<u>\$ 8,218,120</u>	<u>\$ 7,653,360</u>	<u>\$ 17,959,924</u>	<u>\$ 2,891,701</u>	<u>\$ 5,249,245</u>	<u>\$ 45,303,059</u>	<u>\$ 44,851,653</u>

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

County of Currituck, North Carolina
Statement of Cash Flows
Enterprise Fund
For The Fiscal Year Ended June 30, 2017
(With Comparative Amounts for the Fiscal Year Ended June 30, 2016)

							Totals	
	Solid Waste Fund	Ocean Sands Water and Sewer Fund	Mainland Water Fund	Southern Outer Banks Water System Fund	Moyock Central Sewer Fund	Non-Major Proprietary Funds	June 30, 2017	June 30, 2016
Cash flows from operating activities:								
Cash received from customers	\$ 2,843,793	\$ 1,325,571	\$ 3,638,924	\$ 3,348,928	\$ 400,829	\$ 155,218	\$ 11,713,263	\$ 12,454,820
Cash paid for goods and services	(4,580,538)	(900,149)	(776,722)	(610,064)	(147,083)	(127,780)	(7,142,336)	(7,546,704)
Cash paid to employees for services	-	(118,626)	(782,280)	(655,022)	-	-	(1,555,928)	(1,372,070)
Customer deposits received	-	1,625	5,715	5,953	-	-	13,293	5,745
Customer deposits returned	-	(1,925)	(3,265)	(3,176)	-	-	(8,366)	(3,590)
Other operating revenue	-	3,830	-	-	-	-	3,830	2,915
Net cash provided (used) by operating activities	(1,736,745)	310,326	2,082,372	2,086,619	253,746	27,438	3,023,756	3,541,116
Cash flows from noncapital financing activities:								
Tax revenues	81,833	238,006	-	-	-	26	319,865	322,292
Rental Income	-	-	-	177,947	-	3,600	181,547	170,707
Transfer from (to) other funds	1,142,376	-	-	-	299,792	15,000	1,457,168	1,491,441
Net cash provided by noncapital financing	1,224,209	238,006	-	177,947	299,792	18,626	1,958,580	1,984,440
Cash flows from capital and related financing activities:								
Acquisition and construction of capital assets	(99,610)	(2,424,209)	(189,552)	(478,564)	(19,075)	-	(3,211,010)	(2,868,315)
Principal paid on bond maturities and installment purchase contracts	-	-	(1,005,000)	(1,777,072)	(180,000)	-	(2,962,072)	(3,286,783)
Interest paid on bond maturities and installment purchase contracts	-	-	(439,906)	(132,439)	(59,792)	-	(632,137)	(716,429)
Transfer from (to) other funds	-	-	-	-	-	-	-	(60,546)
Grants	51,846	27,242	-	-	-	-	79,088	55,401
Sale of capital assets	-	-	30,337	2,841	-	-	33,178	-
Insurance recovery	1,056	1,057	1,000	-	1,327	26,112	30,552	96,524
Net cash provided (used) by capital and related financing activities	(46,708)	(2,395,910)	(1,603,121)	(2,385,234)	(257,540)	26,112	(6,662,401)	(6,780,148)
Cash flows from investing activities:								
Interest on investments	28,110	14,106	33,051	20,830	1,531	526	98,154	97,040
Net increase (decrease) in cash and cash equivalents	(531,134)	(1,833,472)	512,302	(99,838)	297,529	72,702	(1,581,911)	(1,157,552)
Cash and cash equivalents, July 1	3,568,047	3,459,225	3,948,735	1,924,176	-	25,045	12,925,228	14,082,780
Cash and cash equivalents, June 30	<u>\$ 3,036,913</u>	<u>\$ 1,625,753</u>	<u>\$ 4,461,037</u>	<u>\$ 1,824,338</u>	<u>\$ 297,529</u>	<u>\$ 97,747</u>	<u>\$ 11,343,317</u>	<u>\$ 12,925,228</u>
Reconciliation of operating income to net cash provided by operating activities:								
Operating income (loss)	\$ (1,951,870)	\$ (266,594)	\$ 170,288	\$ 791,670	\$ (149,882)	\$ (209,621)	\$ (1,616,009)	\$ (109,607)
Adjustments to reconcile operating income to net cash provided (used) by operating activities:								
Depreciation	50,104	338,027	1,931,777	1,091,702	391,390	250,601	4,053,601	3,748,687
Changes in assets and liabilities:								
(Increase) decrease in accounts receivable	(18,746)	113,058	11,479	165,314	(989)	(19,971)	250,145	325,789
(Increase) decrease in net pension asset	-	-	-	-	-	-	-	95,057
(Increase) decrease in deferred outflows of resources for pensions	-	(16,616)	(112,448)	(93,432)	-	-	(222,496)	(733)
Increase (decrease) in accounts payable and accrued liabilities	183,767	116,516	(70,937)	1,531	13,227	6,429	250,533	(549,497)
(Increase) decrease in due to other funds	-	-	-	-	-	-	-	51,360
(Increase) decrease in accrued salaries	-	(2,559)	(25,848)	(20,466)	-	-	(48,873)	13,247
(Increase) decrease in accrued vacation	-	1,539	(1,055)	(1,718)	-	-	(1,234)	9,313
(Increase) decrease in deferred outflows of resources for pensions	-	(2,229)	(12,919)	(10,896)	-	-	(26,044)	(190,962)
Increase (decrease) in net pension liability	-	20,595	135,566	114,343	-	-	270,504	68,951
Increase in OPEB payable	-	8,889	58,919	45,794	-	-	113,602	75,439
Increase (decrease) in customer deposits	-	(300)	(2,450)	2,777	-	-	27	4,072
Total adjustments	<u>215,125</u>	<u>576,920</u>	<u>1,912,084</u>	<u>1,294,949</u>	<u>403,628</u>	<u>237,059</u>	<u>4,639,765</u>	<u>3,650,723</u>
Net cash provided (used) by operating activities	<u>\$ (1,736,745)</u>	<u>\$ 310,326</u>	<u>\$ 2,082,372</u>	<u>\$ 2,086,619</u>	<u>\$ 253,746</u>	<u>\$ 27,438</u>	<u>\$ 3,023,756</u>	<u>\$ 3,541,116</u>

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

County of Currituck, North Carolina
Statement of Fiduciary Net Position
Fiduciary Funds
June 30, 2017

	Pension Trust Fund	Agency Funds
Assets		
Cash and cash equivalents	\$ 1,408,397	\$ 30,776
Due from other governments	-	17,836
Total assets	1,408,397	48,612
Liabilities and Net Position		
Liabilities:		
Accounts payable	79,406	28,091
Due to other governments	-	20,521
Total liabilities	79,406	48,612
Net position restricted for postemployment benefits other than pensions:	\$ 1,328,991	\$ -

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

County of Currituck, North Carolina
Statement of Changes in Fiduciary Net Position
Fiduciary Funds
For The Fiscal Year Ended June 30, 2017
(With Comparative Amounts for the Fiscal Year Ended June 30, 2016)

	Post-employment	Benefits Fund
	June 30	June 30
	2017	2016
Additions:		
Employer contributions		
Law enforcement separation allowance	\$ 69,245	\$ 50,466
Postemployment benefits	208,269	194,417
	<u>277,514</u>	<u>244,883</u>
Investment income:		
Interest	10,937	7,673
Total additions	<u>288,451</u>	<u>252,556</u>
Deductions:		
Benefits		
Law enforcement separation allowance	13,529	15,745
Postemployment benefits	165,169	151,667
Administrative expense	262	5,806
Total deductions	<u>178,960</u>	<u>173,218</u>
Change in net position	109,491	79,338
Net position restricted for postemployment benefits other than pensions:		
Beginning of year, July 1		
Law enforcement separation allowance	577,640	547,344
Postemployment benefits	641,860	592,818
Beginning of year, totals	<u>1,219,500</u>	<u>1,140,162</u>
End of year, June 30		
Law enforcement separation allowance	635,063	577,640
Postemployment benefits	693,928	641,860
Net position - end of year, totals	<u>\$ 1,328,991</u>	<u>\$ 1,219,500</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, 2017

I. Summary of Significant Accounting Policies

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

A. Reporting Entity

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

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

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

Component Unit	Reporting Method	Criteria for Inclusion	Separate Financial Statements
Currituck County Alcoholic Beverage Control Board	Discrete	The Currituck County Alcoholic Beverage Control Board (ABC Board) is a corporate body with powers outlined by North Carolina General Statute 18B-701. The County Board of Commissioners appoints the members of the ABC Board's governing board. The ABC Board is required by state statute to distribute its surpluses, after other required distributions, to the General Fund of the County. The ABC Board, which has a June 30 year-end, is presented as a proprietary fund.	Currituck County ABC Board 6664 Caratoke Highway Grandy, NC 27939
The Whalehead Preservation Trust and Currituck Wildlife Museum	Dissolved	The Whalehead Preservation Trust and The Currituck Wildlife Museum (the Whalehead Trust) was established by the County Board of Commissioners. The members of the Whalehead Trust's governing board are appointed by the County Board of Commissioners. The County assumed the operations of the facility on April 7, 2015. On June 14, 2016, Articles of Dissolution were filed and the Whalehead Trust has turned over all asset to the County. Financial Statements for June 30, 2016 were the closing statements.	None issued.

B. Basis of Presentation, Basis of Accounting

Basis of Presentation, Measurement Focus – Basis of Accounting

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

The statement of activities presents a comparison between direct expenses and program revenues for the different business-type activities of the County and for each function of the County's governmental activities. Direct expenses are those that are specifically associated with a program or function and, therefore, are clearly identifiable to a particular function. Indirect expense allocations that have been made in the funds have been reversed for the statement of activities. Program revenues include (a) fees and charges paid by the recipients of goods or services offered by the programs and (b) grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues that are not classified as program revenues, including all taxes, are presented as general revenues.

Fund Financial Statements: The fund financial statements provide information about the County's funds, including its fiduciary funds and blended component units. Separate statements for each fund category – *governmental, proprietary, and fiduciary* – are presented. The emphasis of fund financial

statements is on major governmental and enterprise funds, each displayed in a separate column. All remaining governmental and enterprise funds are aggregated and reported as non-major funds.

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

The County reports the following major governmental funds:

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

Tourism Development Authority Fund. This fund accounts for all financial resources associated with Occupancy Tax. House Bill 555, ratified on May 18, 1987, established an Occupancy Tax for the County. There have been amendments throughout the years and the latest amendment to this legislation was House Bill 1721, ratified July 13, 2004. This names the sitting Board of Commissioners as the Tourism Development Authority Board with the Director of Travel and Tourism and the County Finance Director as ex officio members and is also presented as a blended component unit. The Carova Beach Service District is a legally budgeted fund under North Carolina General Statutes; however, for statement presentation in accordance with GASB Statement No. 54 it is consolidated in the Tourism Development Authority Fund.

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

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

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

The County reports the following major enterprise funds:

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

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

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

Moyock Central Sewer Fund. This fund is used to account for the operations of the sewer system which will run from the Moyock Welcome Center to the Moyock Commons Sewer Plant.

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

The County reports the following fiduciary fund types:

Pension Agency Fund. Pension trust funds are used to report resources that are required to be held in trust for the members and beneficiaries of define benefit pension plans, defined contribution plans, or other postemployment benefit plans. The Other Postemployment Benefits Fund accounts for the County's contribution for healthcare coverage provided to qualified retirees.

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

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

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

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

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

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

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

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

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

The County considers all revenues available if they are collected within 90 days after year-end, except for property taxes. Ad valorem property taxes are not accrued as revenue because the amount is not susceptible to accrual. At June 30, taxes receivable for property other than motor vehicles are materially past due and are not considered to be an available resource to finance the operations of the current year. As of September 1, 2013, State law altered the procedures for the assessment and collection of property taxes on registered motor vehicles in North Carolina. Effective with this change in the law, the State of North Carolina is responsible for billing and collecting the property taxes on registered motor vehicles on behalf of all municipalities and special tax districts. Property taxes are due when vehicles are registered. The billed taxes are applicable to the fiscal year in which they are received. Uncollected taxes that were billed in periods prior to September 1, 2013 and for limited registration plates are shown as a receivable in these financial statements and are offset by deferred inflows of resources.

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

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

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

C. Budgetary Data

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

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

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

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

D. Assets, Liabilities, Deferred Inflows and Outflows of Resources, and Fund Equity

1. Deposits and Investments

All deposits of the County and the Currituck County ABC Board are made in board-designated official depositories and are secured as required by G.S. 159-31. The County and the ABC Board may designate, as an official depository, any bank or savings association whose principal office is located in North Carolina. Also, the County, the ABC Board, 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 majority of the County and the ABC Board's investments are carried at fair value. Non-participating interest earning contracts are accounted for at cost. The NC Capital Management Trust Government Portfolio, a SEC-registered 2a-7 external investment pool, is measured at amortized cost, which is the NCCMT's share price.

2. Cash and Cash Equivalents

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

3. Restricted Assets

Customer deposits held by the County before any services are supplied are restricted to the service for which the deposit was collected. Money in the Tax Revaluation Fund is classified as restricted per North Carolina General Statute 153A-150. Money in the School Facilities Fund is classified as restricted because its use is restricted per North Carolina General Statute 159-18 through 22.

Currituck County Restricted Cash

Governmental Activities		
General Fund	Tax Revaluation	\$ 608,350
General Fund	Deposits Held in Trust	431,720
School Facilities Fund	Grant Funds	165,221
Total Governmental Activities		<u>\$ 1,205,291</u>
Business-Type Activities		
Ocean Sands Water & Sewer District	Customer deposits	\$ 150
Mainland Water Fund	Customer deposits	83,450
Southern Outer Banks Water Fund	Customer deposits	10,277
Moyock Commons Sewer Fund	Customer deposits	500
Total Business-Type Activities		<u>\$ 94,377</u>
Total Restricted Cash		<u><u>\$ 1,299,668</u></u>

4. Ad Valorem Taxes Receivable

In accordance with State law [G.S. 105-347 and G.S. 159-13(a)], the County levies ad valorem taxes on property other than motor vehicles on July 1, the beginning of the fiscal year. The taxes are due on September 1 (lien date); however, penalties and interest do not accrue until the following January 6. These taxes are based on the assessed values as of January 1, 2016. As allowed by State law, the County has established a schedule of discounts that apply to taxes that are paid prior to the due date. In the County's General Fund, ad valorem tax revenues are reported net of such discounts.

5. Allowances for Doubtful Accounts

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

6. Inventories and Prepaid Items

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

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

7. Capital Assets

Purchased or constructed capital assets are reported at cost or estimated historical cost. Donated capital assets received prior to July 1, 2015 are recorded at their estimated fair value at the date of donation. Donated capital assets, donated works of art and similar items, and capital assets received in a service concession arrangement received after July 1, 2015 are recorded at acquisition cost rather than fair value. Certain items acquired before July 1, 1970 are recorded at an estimated historical cost. The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend assets' lives are not capitalized.

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

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

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

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

8. Deferred outflows/inflows of resources

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflow of resources. This separate financial statement element, Deferred Outflows of Resources, represents a consumption of net position that applies to a future period and so will not be recognized as an expense or expenditure until then. The County has several items that meet this criterion - pension related deferrals, and contributions made to the pension plan in the current fiscal year. In addition to liabilities, the statement of financial position can also report a separate section for deferred inflows of resources. This separate financial statement element, Deferred Inflows of Resources, represents an acquisition of net position that applies to a future period and so will not be recognized as revenue until then. The County has only three items that meet the criterion for this category - prepaid taxes, special assessments receivable and other pension related deferrals.

9. Long-term Obligations

In the government-wide financial statements and in the proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities on the statement of net position.

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

The ABC Board had no long-term liabilities as of June 30, 2017.

10. Compensated Absences

The vacation policy of the County provides for the accumulation of up to Two Hundred Forty (240) hours of earned vacation leave with such leave being fully vested when earned. For the County's governmental funds, the current portion of the accumulated vacation pay is not considered to be material; therefore, no expenditure or liability has been reported. For the County's proprietary funds an expense and a liability for compensated absences and the salary-related payments are recorded as the leave is earned. The ABC Board employees earn one week of vacation in the first year, two weeks per year at completion of one year until fifteen years of service are completed and three weeks per year for additional years of service. Employees may choose to take the vacation time or be compensated for it. Accumulated earned vacation at June 30, 2017 and 2016 amounted to approximately \$4,453 and \$3,246, respectively, and is all considered current.

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

11. Net Position/Fund Balances

Net Position

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

Fund Balances

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

The governmental fund types classify fund balances as follows:

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

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

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

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

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

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

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

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

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

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

Committed Fund Balance – Portion of fund balance that can only be used for specific purpose imposed by majority vote of the County of Currituck’s governing body. The governing body approves the appropriation through the annual budget ordinance; any changes of specific purposes requires majority action by the governing body.

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

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

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

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

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

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

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

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

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

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

12. Defined Benefit Pension Plans

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

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

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

F. Future Accounting Pronouncements – The Governmental Accounting Standards Board has issued statements that will become effective in 2018. The statements address:

- OPEB – accounting and financial reporting by employers;
- Split-interest agreements;
- Various practice issues (Omnibus); and
- Certain debt extinguishment issues.

Currituck County is currently evaluating the effects that these statements will have on its 2018 financial statements.

G. Reconciliation of Government-wide and Fund Financial Statements

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

The governmental fund balance sheet includes a reconciliation between fund balance - total governmental funds and net position – governmental activities as reported in the government-wide statement of net position. The net adjustment of \$79,067,757 consists of several elements as follows:

<u>Description</u>	<u>Amount</u>
Capital assets used in governmental activities are not financial resources and are therefore not reported in the funds (total capital assets on government-wide statement in governmental activities column)	\$ 161,081,502
Less accumulated depreciation	(57,681,024)
Net capital assets	<u>103,400,478</u>
Net pension asset	76,717
Contributions to the pension plan in the current fiscal year	1,297,930
Benefit payments and pension administration costs for LEOSSA	6,855
Net pension liability	(5,940,113)
Total pension liability	(1,849,311)
Deferred inflows of resources for taxes and special assessments receivable	482,460
Pension related deferrals	3,520,657
Liabilities that, because they are not due and payable in the current period, do not require current resources to pay and are therefore not reported in the fund statements:	
Bonds, leases, and installment financing	(4,792,807)
Compensated absences	(996,681)
Other postemployment benefits	<u>(16,138,428)</u>
Total adjustment	<u>\$ 79,067,757</u>

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

The governmental fund statement of revenues, expenditures, and changes in fund balances includes a reconciliation between net changes in fund balances – total governmental funds and changes in net position of governmental activities as reported in the government-wide statement of activities. There are several elements of that total adjustment of \$1,831,386 as follows:

Description	Amount
Capital outlay expenditures recorded in the fund statements but capitalized as assets in the statement of activities	\$ 8,761,782
Cost of disposed capital asset not recorded on fund statement	(463,653)
Depreciation expense, the allocation of those assets over their useful lives, that is recorded on the statement of activities but not in the fund statements.	(6,290,092)
Principal payments on debt owed are recorded as a use of funds on the fund statements but again affect only the statement of net position in the government-wide statements	1,573,089
Contributions to the pension plan in the current fiscal year are not included on the Statement of Activities	1,297,930
Benefit payments and administration costs for LEOSSA are deferred outflows of resources on the Statement of Net Position	6,855
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	338,812
Other postemployment benefits	(1,617,903)
County's portion of collective pension expense	(1,716,117)
Revenues reported in the statement of activities that do not provide current resources are not recorded as revenues in the fund statements.	
Decrease in deferred inflows of resources - taxes receivable - at end of year	
Reversal of deferred tax revenue recorded at 7/1/15	(541,777)
Recording of tax receipts deferred in the fund statements as of 6/30/16	482,460
Total adjustment	<u>\$ 1,831,386</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, the Whalehead Preservation Trust, or the ABC Board or with the escrow agent. Because of the inability to measure the exact amount of collateral pledged for the County or the ABC Board under the Pooling Method, the potential exists for undercollateralization, and this risk may increase in periods of high cash flows. However, the State Treasurer of North Carolina enforces strict standards of financial stability for each depository that collateralizes public deposits under the Pooling Method.

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

At June 30, 2017, the County's deposits had a carrying amount of \$33,849,758 and a bank balance of \$36,052,483. Of the bank balance, \$562,634 was covered by federal depository insurance and \$35,489,849 in interest bearing deposits were covered by collateral held under the Pooling Method.

At June 30, 2017, the County had \$2,735 cash on hand.

At June 30, 2017, the carrying amount of deposits for Currituck County ABC Board was \$1,057,777. At June 30, 2017 the ABC Board's deposits had a bank balance of \$1,275,144. Of this amount, \$250,000 was covered by federal depository insurance and the remainder was covered by collateral held under the Pooling Method.

2. Investments

As of June 30, 2017, the County had the following investments and maturities:

Investment Type	Valuation Measurement Method	Fair Value	Less Than		
			6 Months	6-12 Months	1-5 Years
Commercial Paper	Fair Value - Level 2	\$ 17,070,541	\$ -	\$ 16,072,291	\$ 998,250
Federal agencies	Fair Value - Level 1	22,996,580	-	-	22,996,580
NC Capital Management Trust: Government Portfolio	Amortized Cost	144,307	N/A	N/A	N/A
Total Investments		\$ 40,211,428	\$ -	\$ 16,072,291	\$ 23,994,830

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

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

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

Credit Risk. The County limits investments to the provisions of G.S. 159-30 and restricts the purchase of securities to the highest possible ratings whenever particular types of securities are rated. State law limits investments in commercial paper to the top rating issued by nationally recognized statistical rating organizations (NRSROs); however, the County had no formal policy on managing credit risk. As of June 30, 2017, the County's investments in commercial paper were rated P1 by Standard & Poor's, F1 by Fitch Ratings, and A1 by Moody's Investors Service. The County's investments in the NC Capital Management Trust Government Portfolio carried a credit rating of AAAM by Standard & Poor's as of June 30, 2017.

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, 2017, the County had no investments held by a counter-party that were not in the County's name. The County had no policy on custodial credit risk.

Concentration of Credit Risk. The County places no limit on the amount that the County may invest in any one issuer. More than 5 percent of the County's investments are in Federal Home Loan Mortgage Corporation, Federal National Mortgage Association, Federal Home Loan Bank and Commercial Paper from Credit Suisse First Boston Bank of New York, NATAXIS, and Bank of Tokyo. These investments are 34.94%, 9.98%, 7.48%, 14.81%, 9.89% and 5.56%, 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
2014	\$ 1,092,522	\$ 357,801	\$ 1,450,323
2015	1,077,979	256,020	1,333,999
2016	1,082,689	159,697	1,242,386
2017	1,089,923	62,671	1,152,594
Total	\$ 4,343,113	\$ 836,189	\$ 5,179,302

4. Receivables

Receivables at the government-wide level at June 30, 2017, were as follows:

	Taxes and			Total
	Accounts	Related Accrued Interest	Due from Other Governments	
Governmental Activities:				
General	\$ 243,176	\$ 492,035	\$ 2,363,527	\$ 3,098,738
County Governmental Facilities	-	-	161,570	161,570
School Facilities	-	-	2,457	2,457
Tourism Development Authority	-	-	24,312	24,312
Other Governmental Funds	-	7,559	1,303,159	1,310,718
Total receivables	243,176	499,594	3,855,025	4,597,795
Allowance for doubtful accounts	-	(17,134)	-	(17,134)
Total-governmental activities	\$ 243,176	\$ 482,460	\$ 3,855,025	\$ 4,580,661
Business-type Activities				
Solid Waste	\$ 110,670	\$ 51	\$ -	\$ 110,721
Ocean Sands Water and Sewer	177,669	125	-	177,794
Mainland Water	549,261	-	-	549,261
Southern Outer Banks Water	364,339	-	-	364,339
Moyock Central Sewer	16,144	-	-	16,144
Other Proprietary Funds	110,105	-	-	110,105
Total receivables	1,328,188	176	-	1,328,364
Allowance for doubtful accounts	(64,066)	-	-	(64,066)
Total - business-type activities	\$ 1,264,122	\$ 176	\$ -	\$ 1,264,298

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

Albemarle Commission; HCCBG	\$4,579
Currituck County Board of Education; School Resource Officers	162,164
NC Department of Public Safety; Hurricane Matthew	6,427
NC Department of Public Safety; Sheriff Grants	56,137
NC Department of Transportation; DMV taxes	127,889
NC Department of Transportation; Div of Aviation State aide to airport	104,018
NC Department of Revenue; Franchise taxes	85,243
NC Department of Revenue; Sales and Use tax distribution	2,709,472
NC Department of Revenue; Sales and Use tax refund	353,404
NC DHHS; Child Support Enforcement	683
NC DHHS; Child Daycare	41,066
NC DHHS; Ambulance Fees	2,222
NC DENR; CAMA minor permits	1,300
College of the Albemarle; refund for operations	19,690
NC Office of State Controller; 911 funds	13,496
US Department of Interior; payment in lieu of taxes	42,897
Other	124,338
Total	<u><u>\$3,855,025</u></u>

5. Capital Assets

Capital asset activity for the year ended June 30, 2017, was as follows:

	Beginning Balances	Increases	Decreases	Reclassifications	Ending Balances
Governmental activities:					
Capital assets not being depreciated:					
Land	\$ 19,721,045	\$ 985,671	\$ -	\$ -	\$ 20,706,716
Construction in progress	1,247,288	1,602,967	-	(1,224,288)	1,625,967
Total capital assets not being depreciated	<u>20,968,333</u>	<u>2,588,638</u>	<u>-</u>	<u>(1,224,288)</u>	<u>22,332,683</u>
Capital assets being depreciated:					
Buildings	75,227,100	794,319	236,868	673,315	76,457,866
Computer equipment	4,009,494	153,258	201,033	-	3,961,719
Furniture and fixtures	29,581,024	3,969,343	357,274	4,254,787	37,447,880
Equipment	13,926,060	269,203	203,380	(3,703,814)	10,288,069
Vehicles and motor equipment	10,496,920	987,019	890,654	-	10,593,285
Total capital assets being depreciated	<u>133,240,598</u>	<u>6,173,142</u>	<u>1,889,209</u>	<u>1,224,288</u>	<u>138,748,819</u>
Less accumulated depreciation for:					
Buildings	25,396,774	2,257,148	119,852	2,948	27,537,018
Computer equipment	3,434,799	195,985	201,033	-	3,429,751
Furniture and fixtures	9,883,362	2,171,306	67,419	1,938,040	13,925,289
Equipment	5,589,186	646,943	150,244	(1,940,988)	4,144,897
Vehicles and motor equipment	8,512,367	1,018,710	887,008	-	8,644,069
Total accumulated depreciation	<u>52,816,488</u>	<u>6,290,092</u>	<u>1,425,556</u>	<u>-</u>	<u>57,681,024</u>
Total capital assets being depreciated, net	<u>80,424,110</u>				<u>81,067,795</u>
Governmental activity capital assets, net	\$ <u>101,392,443</u>				\$ <u>103,400,478</u>

Primary Government

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

General government	\$ 1,350,704
Public safety	2,112,164
Transportation	551,881
Environmental protection	789,055
Economic and physical development	5,998
Human services	80,128
Cultural and recreational	1,400,162
Total depreciation expense	<u>\$ 6,290,092</u>

continued

Proprietary Funds

	Beginning Balances	Increases	Decreases	Reclassifications	Ending Balances
Business-type activities:					
Solid Waste					
Capital assets not being depreciated:					
Land	\$ 62,962	\$ -	\$ -	\$ -	\$ 62,962
Construction in process	16,025	-	-	-	16,025
Total capital assets not being depreciated	<u>78,987</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>78,987</u>
Capital assets being depreciated:					
Buildings	835,907	17,070	-	-	852,977
Equipment	230,957	82,540	-	-	313,497
Vehicles and motor equipment	12,736	-	-	-	12,736
Total capital assets being depreciated	<u>1,079,600</u>	<u>99,610</u>	<u>-</u>	<u>-</u>	<u>1,179,210</u>
Less accumulated depreciation for:					
Buildings	579,535	40,224	-	-	619,759
Equipment	144,469	9,880	-	-	154,349
Vehicles and motor equipment	12,736	-	-	-	12,736
Total accumulated depreciation	<u>736,740</u>	<u>50,104</u>	<u>-</u>	<u>-</u>	<u>786,844</u>
Total capital assets being depreciated, net	<u>342,860</u>				<u>392,366</u>
Solid Waste capital assets, net	\$ <u>421,847</u>				\$ <u>471,353</u>
Ocean Sands Water and Sewer District					
Capital assets not being depreciated:					
Land	\$ 963,012	\$ -	\$ -	\$ -	\$ 963,012
Construction in process	2,619,723	214,011	-	(2,619,723)	214,011
Total capital assets not being depreciated	<u>3,582,735</u>	<u>214,011</u>	<u>-</u>	<u>(2,619,723)</u>	<u>1,177,023</u>
Capital assets being depreciated:					
Plant and distribution systems	4,197,363	1,761,648	-	2,619,723	8,578,734
Computer equipment	547,804	8,094	-	-	555,898
Furniture and maintenance equipment	654,885	440,456	-	-	1,095,341
Vehicles and motor equipment	86,405	-	-	-	86,405
Total capital assets being depreciated	<u>5,486,457</u>	<u>2,210,198</u>	<u>-</u>	<u>2,619,723</u>	<u>10,316,378</u>
Less accumulated depreciation for:					
Plant and distribution systems	3,423,968	231,656	-	-	3,655,624
Computer equipment	524,727	21,594	-	-	546,321
Furniture and maintenance equipment	509,075	68,216	-	-	577,291
Vehicles and motor equipment	55,639	16,561	-	-	72,200
Total accumulated depreciation	<u>4,513,409</u>	<u>338,027</u>	<u>-</u>	<u>-</u>	<u>4,851,436</u>
Total capital assets being depreciated, net	<u>973,048</u>				<u>5,464,942</u>
Ocean Sands Water and Sewer District capital assets, net	\$ <u>4,555,783</u>				\$ <u>6,641,965</u>
Mainland Water					
Capital assets not being depreciated:					
Land	\$ 5,150	\$ -	\$ -	\$ -	\$ 5,150
Total capital assets not being depreciated	<u>5,150</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>5,150</u>
Capital assets being depreciated:					
Buildings	18,635,881	7,487	-	(625,000)	18,018,368
Computer equipment	160,385	-	-	-	160,385
Equipment	20,556,669	94,245	30,704	625,000	21,245,210
Vehicles	391,959	87,820	117,271	-	362,508
Total capital assets being depreciated	<u>39,744,894</u>	<u>189,552</u>	<u>147,975</u>	<u>-</u>	<u>39,786,471</u>
Less accumulated depreciation for:					
Buildings	6,056,289	584,356	-	(9,456)	6,631,189
Computer equipment	106,889	15,320	-	-	122,209
Equipment	14,048,684	1,278,347	30,704	9,456	15,305,783
Vehicles	281,475	53,754	117,271	-	217,958
Total accumulated depreciation	<u>20,493,337</u>	<u>1,931,777</u>	<u>147,975</u>	<u>-</u>	<u>22,277,139</u>
Total capital assets being depreciated, net	<u>19,251,557</u>				<u>17,509,332</u>
Mainland Water capital assets, net	\$ <u>19,256,707</u>				\$ <u>17,514,482</u>

continued

	Beginning Balances	Increases	Decreases	Reclassifications	Ending Balances
Newtown Road Sewer District					
Capital assets not being depreciated:					
Land	\$ 87,000	\$ -	\$ -	\$ -	\$ 87,000
Total capital assets not being depreciated	87,000	-	-	-	87,000
Capital assets being depreciated:					
Equipment	508,622	-	-	-	508,622
Total capital assets being depreciated	508,622	-	-	-	508,622
Less accumulated depreciation for:					
Equipment	404,072	16,954	-	-	421,026
Total accumulated depreciation	404,072	16,954	-	-	421,026
Total capital assets being depreciated, net	104,550				87,596
Newtown Road Sewer District capital assets, net	\$ 191,550				\$ 174,596

	Beginning Balances	Increases	Decreases	Reclassifications	Ending Balances
Maple Commerce Park Sewer Fund					
Capital assets being depreciated:					
Buildings	\$ 1,932,639	\$ -	\$ -	\$ -	\$ 1,932,639
Total capital assets being depreciated	1,932,639	-	-	-	1,932,639
Less accumulated depreciation for:					
Buildings	257,685	64,422	-	-	322,107
Total accumulated depreciation	257,685	64,422	-	-	322,107
Total capital assets being depreciated, net	1,674,954				1,610,532
Maple Commerce Park Sewer Fund capital assets, net	\$ 1,674,954				\$ 1,610,532

	Ending Balances	Increases	Decreases	Reclassifications	Ending Balances
Moyock Commons Sewer District					
Capital assets not being depreciated:					
Land	\$ 67,625	\$ -	\$ -	\$ -	\$ 67,625
Total capital assets not being depreciated	67,625	-	-	-	67,625
Capital assets being depreciated:					
Buildings	346,055	-	-	-	346,055
Equipment	44,622	-	-	-	44,622
Total capital assets being depreciated	390,677	-	-	-	390,677
Less accumulated depreciation for:					
Buildings	99,393	10,292	-	-	109,685
Equipment	39,675	7,757	-	-	47,432
Total accumulated depreciation	139,068	18,049	-	-	157,117
Total capital assets being depreciated, net	251,609				233,560
Moyock Commons Sewer District capital assets, net	\$ 319,234				\$ 301,185

	Ending Balances	Increases	Decreases	Reclassifications	Ending Balances
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	25,738,505	-	-	-	25,738,505
Computer equipment	465,286	371,467	-	-	836,753
Other equipment	3,114,822	73,389	-	-	3,188,211
Vehicles	311,868	33,708	21,979	-	323,597
Total capital assets being depreciated	29,630,481	478,564	21,979	-	30,087,066
Less accumulated depreciation for:					
Buildings	6,938,276	857,950	-	-	7,796,226
Computer equipment	276,774	97,024	-	-	373,798
Other equipment	1,452,252	125,546	-	-	1,577,798
Vehicles	263,083	11,182	21,979	-	252,286
Total accumulated depreciation	8,930,385	1,091,702	21,979	-	10,000,108
Total capital assets being depreciated, net	20,700,096				20,086,958
Southern Outer Banks Water Fund capital assets, net	\$ 20,742,696				\$ 20,129,558

continued

	Ending Balances	Increases	Decreases	Reclassifications	Ending Balances
Moyock Central Sewer System					
Capital assets not being depreciated:					
Land	\$ 688,914	\$ -	\$ -	\$ -	\$ 688,914
Total capital assets not being depreciated	688,914	-	-	-	688,914
Capital assets being depreciated:					
Buildings	3,365,558	-	-	(505,700)	2,859,858
Equipment	1,511,811	519,075	-	505,700	2,536,586
Total capital assets being depreciated	4,877,369	519,075	-	-	5,396,444
Less accumulated depreciation for:					
Buildings	439,098	95,329	-	-	534,427
Equipment	810,230	296,061	-	-	1,106,291
Total accumulated depreciation	1,249,328	391,390	-	-	1,640,718
Total capital assets being depreciated, net	3,628,041				3,755,726
Moyock Central Sewer System capital assets, net	\$ 4,316,955				\$ 4,444,640
	Ending Balances	Increases	Decreases	Reclassifications	Ending Balances
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	-	31,100	-	3,193,227
Other equipment	441,517	31,100	-	-	472,617
Total capital assets being depreciated	3,665,844	31,100	31,100	-	3,665,844
Less accumulated depreciation for:					
Plant and distribution systems	430,053	105,941	-	-	535,994
Other equipment	170,065	45,235	-	-	215,300
Total accumulated depreciation	600,118	151,176	-	-	751,294
Total capital assets being depreciated, net	3,065,726				2,914,550
Walnut Island Sewer System capital assets, net	\$ 3,119,416				\$ 2,968,240
Business-type activities capital assets, net	\$ 54,599,142				\$ 54,256,551

Construction commitments

Currituck County has active construction projects as of June 30, 2017, as listed below. At June 30, 2017 the government's commitments with contractors are as follows:

Project	Spent-to-date	Remaining Commitment
Airport Corp Apron Phase II	\$ 74,738	\$ 811,167
Airport Taxiway	836,638	268,843
Health Department Roof	34,602	202,494
Park - Shingle Landing Road	24,300	981,100
Veteran's Park Dock Improvements	655,689	17,928
Total	<u>\$ 1,625,967</u>	<u>\$ 2,281,532</u>

Discretely presented component unit

Activity for the ABC Board for the year ended June 30, 2017, was as follows:

	Beginning Balances	Increases	Decreases	Ending Balances
Capital assets not being depreciated:				
Land	\$ 425,900	\$ -	\$ -	\$ 425,900
Total capital assets not being depreciated	<u>425,900</u>	<u>-</u>	<u>-</u>	<u>425,900</u>
Capital assets being depreciated:				
Buildings	2,182,928	-	-	2,182,928
Furniture and equipment	304,676	3,177	-	307,853
Vehicles	34,827	-	-	34,827
Leasehold improvements	26,706	-	-	26,706
Total capital assets being depreciated	<u>2,549,137</u>	<u>3,177</u>	<u>-</u>	<u>2,552,314</u>
Less accumulated depreciation:				
Buildings	672,096	66,966	-	739,062
Furniture and equipment	214,367	23,244	-	237,611
Vehicles	34,827	-	-	34,827
Leasehold improvements	6,773	527	-	7,300
Total accumulated depreciation	<u>928,063</u>	<u>90,737</u>	<u>-</u>	<u>1,018,800</u>
ABC capital assets, net	<u>\$ 2,046,974</u>			<u>\$ 1,959,414</u>

B. Liabilities

1. Payables

Payables at the government-wide level at June 30, 2017, were as follows:

	<u>Vendors</u>	<u>Other</u>	<u>Total</u>
Governmental Activities:			
General	\$ 1,917,813	\$ 421,255	\$ 2,339,068
County Governmental Facilities	15,233	-	15,233
School Facilities	2,510	-	2,510
Tourism Development Authority	85,344	56,278	141,622
Other Governmental Funds	38,710	-	38,710
	<hr/>		
Total-governmental activities	\$ 2,059,610	\$ 477,533	\$ 2,537,143
	<hr/>		
Business-type Activities			
Solid Waste	\$ 288,278	\$ -	\$ 288,278
Ocean Sands Water and Sewer	183,177	2,381	185,558
Mainland Water	30,099	17,802	47,901
Southern Outer Banks Water	41,733	9,732	51,465
Moyock Central Sewer	15,252	-	15,252
Other Proprietary Funds	12,660	-	12,660
	<hr/>		
Total - business-type activities	\$ 571,199	\$ 29,915	\$ 601,114
	<hr/>		

2. Pension Plan and Other Post Employment Obligations

a. Local Governmental Employees' Retirement System

Plan Description. The County and the ABC Board are participating employers in the statewide Local Governmental Employees' Retirement System (LGERS), a cost-sharing multiple-employer defined benefit pension plan administered by the State of North Carolina. LGERS membership is comprised of general employees and local law enforcement officers (LEOs) of participating local governmental entities. Article 3 of G.S. Chapter 128 assigns the authority to establish and amend benefit provisions to the North Carolina General Assembly. Management of the plan is vested in the LGERS Board of Trustees, which consists of 13 members – nine appointed by the Governor, one appointed by the state Senate, one appointed by the state House of Representatives, and the State Treasurer and State Superintendent, who serve as ex-officio members. The Local Governmental Employees' Retirement System is included in the Comprehensive Annual Financial Report (CAFR) for the State of North Carolina. The State's CAFR includes financial statements and required supplementary information for LGERS. That report may be obtained by writing to the Office of the State Controller, 1410 Mail Service Center, Raleigh, North Carolina 27699-1410, by calling (919) 981-5454, or at www.osc.nc.gov.

Benefits Provided. LGERS provides retirement and survivor benefits. Retirement benefits are determined as 1.85% of the member's average final compensation times the member's years of creditable service. A member's average final compensation is calculated as the average of a

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

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

Contributions. Contribution provisions are established by General Statute 128-30 and may be amended only by the North Carolina General Assembly. County employees are required to contribute 6% of their compensation. Employer contributions are actuarially determined and set annually by the LGERS Board of Trustees. The County's contractually required contribution rate for the year ended June 30, 2017, was 8.00% of compensation for law enforcement officers and 7.25% for general employees and firefighters, actuarially determined as an amount that, when combined with employee contributions, is expected to finance the costs of benefits earned by employees during the year. Contributions to the pension plan from the County were \$1,363,286 and contributions to the pension plan from the ABC Board were \$18,921 for the year ended June 30, 2017.

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

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

At June 30, 2017, the County reported a liability of \$6,279,568 for its proportionate share of the net pension liability. The ABC Board reported a liability of \$101,235 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2016. The total pension liability used to calculate the net pension liability was determined by an actuarial

valuation as of December 31, 2015. The total pension liability was then rolled forward to the measurement date of June 30, 2016 utilizing update procedures incorporating the actuarial assumptions. The County's proportion of the net pension liability was based on a projection of the County's long-term share of future payroll covered by the pension plan, relative to the projected future payroll covered by the pension plan of all participating LGERS employers, actuarially determined. At June 30, 2016, the County's proportion was .296%, which was an increase of .013% from its proportion measured as of June 30, 2015. The ABC Board's proportion was 0.00477%, which was an increase of 0.00003% from its proportion measured as of June 30, 2015.

For the year ended June 30, 2017, the County recognized pension expense of \$1,647,194 and the ABC Board recognized pension expense of \$27,442. At June 30, 2017, the County and ABC Board reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	COUNTY		ABC BOARD	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 117,982	\$ 220,043	\$ 1,902	\$ 3,547
Changes of assumptions	430,094	-	6,934	-
Net difference between projected and actual earnings on pension plan investments	3,471,809	-	55,970	-
Changes in proportion and differences between County contributions and proportionate share of contributions	17,190	81,579	2,418	1,922
County contributions subsequent to the measurement date	1,363,286	-	18,921	-
Total	\$ 5,400,361	\$ 301,622	\$ 86,145	\$ 5,469

\$1,363,286 reported as deferred outflows of resources related to pensions resulting from County contributions and \$18,921 reported as deferred outflows of resources related to pensions resulting from ABC Board contributions subsequent to the measurement date will be recognized as decreases of the net pension liability in the year ended June 30, 2018. Other amounts reported as deferred inflows of resources related to pensions will be recognized in pension expense as follows:

		COUNTY	ABC BOARD
Year ended June 30:			
2018		\$ 542,662	\$ 9,657
2019		543,470	9,664
2020		1,648,024	26,779
2021		1,001,297	15,655
2022		-	-
Thereafter		-	-

Actuarial Assumptions. The total pension liability in the December 31, 2015 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	3.0 percent
Salary increases	3.50 to 7.75 percent, including inflation and productivity factor
Investment rate of return	7.25 percent, net of pension plan investment expense, including inflation

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

The actuarial assumptions used in the December 31, 2015 valuation were based on the results of an actuarial experience study for the period January 1, 2010 through December 31, 2014.

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

The projected long-term investment returns and inflation assumptions are developed through review of current and historical capital markets data, sell-side investment research, consultant whitepapers, and historical performance of investment strategies. Fixed income return projections reflect current yields across the U.S. Treasury yield curve and market expectations of forward yields projected and interpolated for multiple tenors and over multiple year horizons. Global public equity return projections are established through analysis of the equity risk premium and the fixed income return projections. Other asset categories and strategies' return projections reflect the foregoing and historical data analysis. These projections are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target allocation and best estimates of arithmetic real rates of return for each major asset class as of June 30, 2016 are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Fixed Income	29.0%	1.4%
Global Equity	42.0%	5.3%
Real Estate	8.0%	4.3%
Alternatives	8.0%	8.9%
Credit	7.0%	6.0%
Inflation Protection	6.0%	4.0%
Total	<u>100%</u>	

The information above is based on 30 year expectations developed with the consulting actuary for the 2016, asset, liability, and investment policy study for the North Carolina Retirement Systems, including LGERS. The long-term nominal rates of return underlying the real rates of return are arithmetic annualized figures. The real rates of return are calculated from nominal rates by multiplicatively subtracting a long-term inflation assumption of 3.00%. All rates of return and inflation are annualized.

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

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

	<u>1% Decrease (6.25%)</u>	<u>Discount Rate (7.25%)</u>	<u>1% Increase (8.25%)</u>
County's proportionate share of the net pension liability (asset)	\$ 14,904,337	\$ 6,279,568	\$ (924,486)
ABC Board's proportionate share of the net pension liability (asset)	\$ 240,279	\$ 101,235	\$ (14,904)

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

b. Law Enforcement Officers' Special Separation Allowance

1. Plan Description.

Currituck County administers a public employee retirement system (the *Separation Allowance*), a single-employer defined benefit pension plan that provides retirement benefits to the County's qualified sworn law enforcement officers under the age of 62 who have completed at least 30 years of creditable service or have attained 55 years of age and have completed five or more years of creditable service. The Separation Allowance is equal to 0.85 percent of the annual equivalent of the base rate of compensation most recently applicable to the officer for each year of creditable service. The retirement benefits are not subject to any increases in salary or retirement allowances that may be authorized by the General Assembly. Article 12D of G.S. Chapter 143 assigns the authority to establish and amend benefit provisions to the North Carolina General Assembly.

All full-time County law enforcement officers are covered by the Separation Allowance. At December 31, 2016, the Separation Allowance's membership consisted of:

Retirees receiving benefits	1
Active plan members	63
Total	<u>64</u>

2. Summary of Significant Accounting Policies.

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

The Separation Allowance has no assets accumulated in a trust that meets the following criteria which are outlined in GASB Statement 73.

3. Actuarial Assumptions

The Entry Age Normal actuarial cost method was used in the December 31, 2015 valuation. The total pension liability (TPL) was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	3.0 percent
Projected salary increases	3.50 to 7.35 percent, including inflation and productivity factor
Discount rate	3.86 percent

The discount rate used to measure the TPL is the weekly average of the Bond Buyer General Obligation 20-year Municipal Bond Index determined at the end of each month.

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

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

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

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

4. Contributions.

The County is required by Article 12D of G.S. Chapter 143 to provide these retirement benefits and has chosen to fund the amounts necessary to cover the benefits earned on a pay as you go basis through appropriations made in the Post-Employment Benefits Fund operating budget. There were no contributions made by employees. The County’s obligation to contribute to this plan is established and may be amended by the North Carolina General Assembly. Administration costs of the Separation Allowance are financed through investment earnings. The County paid \$14,938 as benefits came due for the reporting period.

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

At June 30, 2017, the County reported a total pension liability of \$1,849,311. The total pension liability was measured as of December 31, 2016 based on a December 31, 2015 actuarial valuation. The total pension liability was rolled forward to December 31, 2016 utilizing update procedures incorporating the actuarial assumptions. For the year ended June 30, 2017, the County recognized pension expense of \$151,633.

	Deferred Outflows of Resources	Deferred Inflows of Resources
	<u> </u>	<u> </u>
Differences between expected and actual experience	\$ -	\$ -
Changes of assumptions	-	41,495
County benefit payments and plan administrative expense made subsequent to the measurement date	6,855	-
Total	<u>\$ 6,855</u>	<u>\$ 41,495</u>

\$6,855 reported as deferred outflows of resources related to pensions resulting from benefit payments made and administrative expenses incurred subsequent to the measurement date will be recognized as a decrease of the total pension liability in the year ended June 30, 2018. Other

amounts reported as deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended June 30:

2018	\$	(7,217)
2019		(7,217)
2020		(7,217)
2021		(7,217)
2022		(7,217)
Thereafter		(5,410)

\$6,855 paid as benefits came due subsequent to the measurement date are reported as deferred outflows of resources.

Sensitivity of the County's total pension liability to changes in the discount rate. The following presents the County's total pension liability calculated using the discount rate of 3.86 percent, as well as what the County's total pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (2.86 percent) or 1-percentage-point higher (4.86 percent) than the current rate:

	1% Decrease (2.86%)	Discount Rate (3.86%)	1% Increase (4.86%)
Total pension liability	\$ 2,022,914	\$ 1,849,311	\$ 1,691,177

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

	2017
Beginning balance	\$ 1,754,373
Service Cost	96,224
Interest on the total pension liability	62,364
Changes of benefit terms	-
Differences between expected and actual experience in the measurement of the total pension liability	-
Changes of assumptions or other inputs	(48,712)
Benefit payments	(14,938)
Other changes	-
Ending balance of the total pension liability	<u>\$ 1,849,311</u>

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

The actuarial assumptions used in the December 31, 2015 valuation were based on the results of an actuarial experience study for the period January 1, 2010 through December 31, 2014.

c. Supplemental Retirement Income Plan for Law Enforcement Officers

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

Funding Policy. Article 12E of G.S. Chapter 143 requires the County to contribute each month an amount equal to five percent of each officer's salary, and all amounts contributed are vested immediately. Also, the law enforcement officers may make voluntary contributions to the plan.

Contributions for the year ended June 30, 2017, were \$242,340, which consisted of \$183,347 from the County and \$58,993 from the law enforcement officers. No amounts were forfeited.

d. Supplemental Retirement Income Plan for County Employees

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

Funding Policy. The County established a contribution amount equal to 5.67% 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, 2017 were \$1,091,184 which consisted of \$834,500 from the County and \$256,684 from the county employees. No amounts were forfeited.

e. Registers of Deeds' Supplemental Pension Fund

Plan Description. Currituck County also contributes to the Registers of Deeds' Supplemental Pension Fund (RODSPF), a noncontributory, defined benefit plan administered by the North

Carolina Department of State Treasurer. RODSPF provides supplemental pension benefits to any eligible county register of deeds who is retired under the Local Government Employees' Retirement System (LGERS) or an equivalent locally sponsored plan. Article 3 of G.S. Chapter 161 assigns the authority to establish and amend benefit provisions to the North Carolina General Assembly. Management of the plan is vested in the LGERS Board of Trustees, which consists of 13 members – nine appointed by the Governor, one appointed by the state Senate, one appointed by the state House of Representatives, and the State Treasurer and State Superintendent, who serve as ex-officio members. The Registers of Deeds' Supplemental Pension Fund is included in the Comprehensive Annual Financial Report (CAFR) for the State of North Carolina. The State's CAFR includes financial statements and required supplementary information for the Registers of Deeds' Supplemental Pension Fund. That report may be obtained by writing to the Office of the State Controller, 1410 Mail Service Center, Raleigh, North Carolina 27699-1410, by calling (919) 981-5454, or at www.osc.nc.gov.

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

Contributions. Benefits and administrative expenses are funded by investment income and 1.5% of the receipts collected by each County Commission under Article 1 of Chapter 161 of the North Carolina General Statutes. The statutory contribution currently has no relationship to the actuary's required contribution. The actuarially determined contribution this year and for the foreseeable future is zero. Registers of Deeds do not contribute. Contribution provisions are established by General Statute 161-50 and may be amended only by the North Carolina General Assembly. Contributions to the pension plan from the County were \$4,121 for the year ended June 30, 2017.

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

At June 30, 2017, the County reported an asset of \$76,717 for its proportionate share of the net pension asset. The net pension asset was measured as of June 30, 2016. The total pension liability used to calculate the net pension asset was determined by an actuarial valuation as of December 31, 2015. The total pension liability was then rolled forward to the measurement date of June 30, 2016 utilizing update procedures incorporating the actuarial assumptions. The County's proportion of the net pension asset was based on the County's share of contributions to the pension plan, relative to contributions to the pension plan of all participating RODSPF employers. At June 30, 2016, the County's proportion was 0.410%, which was a decrease of 0.013% from its proportion measured as of June 30, 2015.

For the year ended June 30, 2017, the County recognized pension expense of \$8,984. At June 30, 2017, the County reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 82	\$ 993
Change in Assumptions	20,439	-
Net difference between projected and actual earnings on pension plan investments	131	-
Changes in proportion and differences between County contributions and proportionate share of contributions	2,902	-
County contributions subsequent to the measurement date	4,121	-
Total	<u>\$ 27,675</u>	<u>\$ 993</u>

\$4,121 reported as deferred outflows of resources related to pensions resulting from County contributions subsequent to the measurement date will be recognized as an increase of the net pension asset in the year ended June 30, 2018. Other amounts reported as deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended June 30:

2018	\$	9,825
2019		9,680
2020		3,916
2021		(859)
2022		-
Thereafter		-

Actuarial Assumptions. The total pension liability in the December 31, 2015 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	3.0 percent
Salary increases	3.5 to 7.75 percent, including inflation and productivity factor
Investment rate of return	3.75 percent, net of pension plan investment expense, including inflation

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

The actuarial assumptions used in the December 31, 2015 valuation were based on the results of an actuarial experience study for the period January 1, 2010 through December 31, 2014.

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

The projected long-term investment returns and inflation assumptions are developed through review of current and historical capital markets data, sell-side investment research, consultant whitepapers, and historical performance of investment strategies. Fixed income return projections reflect current yields across the U.S. Treasury yield curve and market expectations of forward yields projected and interpolated for multiple tenors and over multiple year horizons. These projections are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The adopted asset allocation policy for the RODSPF is 100% in the fixed income asset class. The best estimate of arithmetic real rate of return for the fixed income asset class as of June 30, 2016 is 1.4%:

The information above is based on 30 year expectations developed with the consulting actuary for the 2016 asset, liability, and investment policy study for the North Carolina Retirement Systems, including LGERS. The long-term nominal rates of return underlying the real rates of return are arithmetic annualized figures. The real rates of return are calculated from nominal rates by multiplicatively subtracting a long-term inflation assumption of 3.05%. All rates of return and inflation are annualized.

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

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

	1% Decrease (4.75%)	Discount Rate (5.75%)	1% Increase (6.75%)
County's proportionate share of the net pension liability (asset)	\$ (61,859)	\$ (76,717)	\$ (89,200)

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

f. Firefighters' and Rescue Squad Workers' Pension Fund

Plan Description. The State of North Carolina contributes, on behalf of the County of Currituck, to the Firefighters' and Rescue Squad Workers' Pension Fund (FRSWPF), a cost-sharing multiple-employer defined benefit pension plan with a special funding situation administered by the State of North Carolina. FRSWPF provides pension benefits for eligible fire and rescue squad workers who have elected to become members of the fund. Article 86 of G.S. Chapter 58 assigns the authority to establish and amend benefit provisions to the North Carolina General Assembly. Management of the plan is vested in the LGERS Board of Trustees, which consists of 13 members – nine appointed by the Governor, one appointed by the state Senate, one appointed by the state House of Representatives, and the State Treasurer and State Superintendent, who serve as ex-officio members. The Firefighters' and Rescue Squad Workers' Pension Fund is included in the Comprehensive Annual Financial Report (CAFR) for the State of North Carolina. The State's CAFR includes financial statements and required supplementary information for the Firefighters' and Rescue Squad Workers' Pension Fund. That report may be obtained by writing to the Office of the State Controller, 1410 Mail Service Center, Raleigh, North Carolina 27699-1410, by calling (919) 981-5454, or at www.osc.nc.gov.

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

Contributions. Plan members are required to contribute \$10 per month to the plan. The State, a non-employer contributor, funds the plan through appropriations. The County does not contribute to the plan. Contribution provisions are established by General Statute 58-86 and may be amended only by the North Carolina General Assembly. For the fiscal year ending June 30, 2016, the State contributed \$13,900,000 to the plan. The County of Currituck's proportionate share of the State's contribution is \$25,644.

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

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

At June 30, 2017, the County reported no liability for its proportionate share of the net pension liability, as the State provides 100% pension support to the County through its appropriations to the FRSWPF. The total portion of the net pension liability that was associated with the County and supported by the State was \$67,078. The net pension liability was measured as of June 30, 2016. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2015. The total pension liability was then rolled forward to the measurement date of

June 30, 2016 utilizing update procedures incorporating the actuarial assumptions. The County's proportion of the net pension liability was based on a projection of the County's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers. As the County is not projected to make any future contributions to the plan, its proportionate share at June 30, 2016 and at June 30, 2015 was 0%.

For the year ended June 30, 2017, the County recognized pension expense of \$19,680 and revenue of \$19,680 for support provided by the State. At June 30, 2017, the County reported no deferred outflows of resources and no deferred inflows of resources related to pensions.

Actuarial Assumptions. The total pension liability in the December 31, 2015 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

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

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

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

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

g. Deferred Compensation Plan

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

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

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

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

All employees hired between September 1, 2007 and January 7, 2017 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.

As of January 8, 2017, the plan has been closed to new entrants. This is a single-employer plan.

Management of the Healthcare Benefits (HCB) Plan is vested in the Currituck County Board of Commissioners.

Plan membership. At June 30, 2017, the Healthcare Benefits Plan membership consisted of the following:

	General Employees	Fire & EMS	Law Enforcement Officers
Retirees receiving benefits	32	2	7
Active plan members	<u>228</u>	<u>73</u>	<u>61</u>
Total	260	75	68

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 12.16% of annual covered payroll. For the current year, the County contributed \$196,670 or 1.26% of annual covered payroll. The County's required contribution for employees not engaged in law enforcement and for law enforcement officers was \$1,900,871 annually, with an accrued liability of \$17,006,001. There were no contributions made by employees. The County obtains healthcare coverage through a partially self-funded financing pool, administered by Connecticut General Life Insurance Company and the Insurance Company of North America (CIGNA).

For retirees 65 years of age and older, healthcare coverage is provided by a Medicare supplement administered by HUMANA. The County's obligation to contribute to the HCB Plan is established and may be amended by the Board of Commissioners.

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

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

a)	Employer Annual Required Contribution (ARC)	\$ 1,900,871
b)	Valuation Discount Rate	4.00%
c)	Interest on Net OPEB Obligation:	610,980
d)	Amortization Factor	26.1695
e)	Adjustment to ARC:	<u>583,676</u>
f)	Annual OPEB Cost: (a) + (c) - (e)	1,928,175
g)	Employer Contributions made for current fiscal year*	<u>196,670</u>
h)	Increase (decrease) in Net OPEB Obligation: (f) - (g)	1,731,505
i)	Net OPEB Obligation Beginning of Fiscal Year	<u>15,274,496</u>
j)	Net OPEB Obligation Ending of Fiscal Year: (h) + (i)	<u><u>\$ 17,006,001</u></u>

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

The County's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for 2017 were as follows:

<u>For Year</u> <u>Ended June 30</u>	<u>Annual OPEB Cost</u>	<u>Percentage of Annual</u> <u>OPEB Cost Contributed</u>	<u>Net OPEB Obligation</u>
2015	\$1,523,924	13.0%	\$13,944,989
2016	\$1,523,924	12.8%	\$15,274,496
2017	\$1,928,175	10.2%	\$17,006,001

Funded Status and Funding Progress: As of June 30, 2016, 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 \$18,679,403. The covered payroll (annual payroll of active employees covered by the plan) was \$15,631,471, and the ratio of the UAAL to the covered payroll was 119.5%.

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 June 30, 2016 actuarial valuation, the projected unit credit actuarial cost method was used. The actuarial assumptions included a 4.0%, four percent, investment rate of return (net of administrative expenses), which is the expected long-term investment returns on the employer's own investments calculated based on the funded level of the plan at the valuation date, and an annual medical cost trend increase of 7.75 percent to 5 percent annually for Pre-Medicare and 5.75 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 June 30, 2017 was 30 years.

i. Other Employment Benefits

Death Benefits

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

3. Closure and Postclosure Care Costs - Maple Landfill Facility

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

4. Deferred Outflows and Inflows of Resources

	Deferred Outflows of Resources	Deferred Inflows of Resources
Pensions - difference between expected and actual experience		
LGERS	\$ 117,982	\$ 220,043
Register of Deeds	82	993
Pensions - change in assumptions - LGERS	430,094	-
Pensions - change in assumptions - LEOSSA	-	41,495
Pensions - change in assumptions - ROD	20,439	-
Pensions - change in proportion and difference between employer contributions and proportionate share of contributions - ROD	2,902	-
Contributions to pension plan subsequent to measurement date - ROD	4,121	-
Contributions to pension plan subsequent to measurement date - LEOSSA	6,855	-
Pensions - difference between projected and actual investment earnings - LGERS	3,471,809	-
Pensions - difference between projected and actual investment earnings - ROD	131	-
Pensions - change in proportion and difference between employer contributions and proportionate share of contributions - LGERS	17,190	81,579
Contributions to pension plan subsequent to the measurement date - LGERS	1,363,286	-
Prepaid taxes not yet earned (General)	-	53,287
Total	<u>\$ 5,434,891</u>	<u>\$ 397,397</u>

5. Risk Management

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

property, auto physical damage, and crime coverage, and single occurrence losses of \$350,000 for workers' compensation. For health and dental insurance, the County is reinsured through the Pool for individual losses in excess of \$50,000 and aggregate annual losses in excess of 115% of expected claims. The pool is reinsured through commercial carrier for individual losses in excess of \$100,000.

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

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

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

The ABC Board is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The ABC Board has property, general liability, auto liability, workmen's compensation and employee health coverage. The ABC Board does not have liquor legal liability coverage. There have been no significant reductions in insurance coverage from the prior year and settled claims have not exceeded coverage in any of the past three fiscal years.

6. Contingent Liabilities

At June 30, 2017, the County was a defendant to various lawsuits. In the opinion of the County's management and the County attorney, the ultimate effect of these legal matters will not have a material adverse effect on the County's financial position.

7. Long-Term Obligations

a. Installment Purchase

Serviced by the County's General Fund:

\$3,800,000 2013 Installment Purchase Agreement for storm water improvements in the Whalehead Watershed Improvement Service District dated January 23, 2013 with semi-annual principal and interest payments due July 23 and March 23, \$380,000 2018 through 2023 interest at 1.95%. \$2,280,000

\$2,100,000 2010 Installment Purchase Agreement for stormwater improvements in the Whalehead Watershed Improvement Service District dated March 18, 2010 with semi-annual principal and interest payments due March 18 and September 18; \$225,242 2018; \$344,708 2019 through 2020 interest at 1.61%. – Interest rate modified February 1, 2013. 569,950

\$6,800,000 2013 Installment Purchase Agreement for construction of the College of the Albemarle Aviation Technical & Training Facility dated June 28, 2013 with semi-annual principal and interest payments due June 28 and December 28, \$1,942,855 2018 through 2019 interest at 1.66%. 1,942,857

Total serviced by the General Fund \$4,792,807

Serviced by the Moyock Central Sewer Fund:

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

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 2018 through 2021 and \$425,000 2022; interest at 2.38%. 3,825,000

Total serviced by the Enterprise Funds \$5,625,000

Total Installment Purchase Debt \$10,417,807

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

Year Ending June 30	Governmental Activities		Business-type Activities	
	Principal	Interest	Principal	Interest
2018	\$ 1,576,671	\$ 79,101	\$ 1,030,000	\$ 140,207
2019	1,580,311	51,924	1,030,000	114,415
2020	495,825	28,720	1,030,000	88,624
2021	380,000	20,378	1,030,000	62,832
2022	380,000	12,967	605,000	37,039
2023-2027	380,000	109,846	900,000	76,479
	<u>\$ 4,792,807</u>	<u>\$ 302,936</u>	<u>\$ 5,625,000</u>	<u>\$ 519,596</u>

b. General Obligation Indebtedness

As of June 30, 2017, there is no general obligation debt serviced by the County's general fund. The Mainland Water System issues general obligation bonds to provide funds for the acquisition and construction of major water system capital improvements. These bonds are recorded in the Mainland Water Fund because they are expected to be repaid from the operating revenues of that fund. Principal and interest payments are appropriated when due.

The County's general obligation bonds payable at June 30, 2017, are comprised of the following individual issues:

General obligation bonds serviced by the Mainland Water System Fund:

\$4,150,000 2004 General Obligation Refunding Bonds for original Mainland Water plant and distribution system, dated April 1, 2004 with annual principal payments due June 1 and semi-annual interest payments due June 1 and December 1, \$270,000 2018; interest at 3.7%.	270,000
Total General Obligation Bond debt	<u><u>\$270,000</u></u>

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

Year Ending June 30	Business-type Activities	
	Principal	Interest
2018	\$270,000	\$ 9,990
	<u>\$270,000</u>	<u>\$ 9,990</u>

At June 30, 2017, Currituck County had no bonds authorized but un-issued and a legal debt margin of \$478,497,705.

c. Revenue Bonds

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

The rate covenant for this debt requires the County to fix service charges and from time to time to revise such charges in such manner that the net revenues for each fiscal year shall not be less than an amount necessary to provide debt service coverage of one hundred fifteen percent (115%) of the debt service requirement for all senior indebtedness for such fiscal year and one hundred percent (100%) of the debt service requirement for all subordinate debt for such fiscal year. If at the end of any fiscal year the County is not in compliance with the rate covenant, the County shall immediately notify the Local Government Commission and request an independent consulting engineer to submit a written report and recommendations with respect to increases in the County's rate, fees and other charges and improvements in the operations of and the services rendered by the Mainland Water System and the County's accounting and billing procedures necessary to bring the County into compliance with the rate covenant. The report and recommendations shall be filed with the Paying Agent, the County and the Commission within 120 days from the date of discovery of noncompliance with the rate covenant. The County shall promptly revise its rates, fees, charges, operations and services in conformity with the report and recommendations of the independent consulting engineer to the extent permitted by law. Currituck County is in compliance with the rate covenant at year end.

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

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

Revenue bonds outstanding at year end are as follows:

Revenue bonds serviced by the Mainland Water System Fund:

\$19,000,000 2008 Revenue Bonds for Mainland Water reverse osmosis plant and distribution system expansion, dated March 20, 2008 with annual principal payments due March 1 and semi-annual interest payments due March 1 and September 1; interest at 2.98 and 2.71%.

Total Revenue Bond debt

13,900,000

\$13,900,000

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

Year Ending June 30	Business-type Activities	
	Principal	Interest
2018	\$ 775,000	\$ 399,093
2019	1,090,000	376,841
2020	1,135,000	345,545
2021	1,180,000	312,958
2022	1,225,000	279,078
2023-2027	6,935,000	837,092
2028	1,560,000	44,791
Total	\$ 13,900,000	\$ 2,595,398

Debt Related to Capital Activities – Of the total Governmental Activities debt listed, all \$4,792,807 relates to assets the County holds title. There is no unspent restricted cash related to this debt.

d. Long-Term Obligation Activity

The following is a summary of changes in the County's long-term obligations for the fiscal year ended June 30, 2017:

	Balance			Balance June 30, 2017	Current Portion of Balance
	June 30, 2016	Increases	Decreases		
Governmental activities:					
Installment purchase	\$ 6,365,896	\$ -	\$ 1,573,089	\$ 4,792,807	\$ 1,576,671
Compensated absences	1,335,493	496,783	835,595	996,681	-
Net pension liability (LGERS)	1,198,892	4,741,221	-	5,940,113	-
Total pension liability (LEOSSA)	44,726	1,804,585	-	1,849,311	-
Other postemployment benefits	14,420,525	1,717,903	-	16,138,428	-
Total governmental activities	<u>\$ 23,365,532</u>	<u>\$ 8,760,492</u>	<u>\$ 2,408,684</u>	<u>\$ 29,717,340</u>	<u>\$ 1,576,671</u>
Business-type activities:					
General obligation debt	\$ 540,000	\$ -	\$ 270,000	\$ 270,000	\$ 270,000
Revenue bonded debt	14,635,000	-	735,000	13,900,000	775,000
Installment purchase	6,655,000	-	1,030,000	5,625,000	1,030,000
Compensated absences	78,799	111,734	112,967	77,566	-
Net pension liability (LGERS)	68,951	270,504	-	339,455	-
Other postemployment benefits	753,971	113,602	-	867,573	-
Total business-type activities	<u>\$ 22,731,721</u>	<u>\$ 495,840</u>	<u>\$ 2,147,967</u>	<u>\$ 21,079,594</u>	<u>\$ 2,075,000</u>
Discretely presented component units:					
Compensated absences - ABC Board	3,246	-	-	3,246	-
Total discretely presented component units long-term liabilities	<u>\$ 3,246</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 3,246</u>	<u>\$ -</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, 2017, consists of the following:

From the General fund to the Fire Vehicle Replacement Fund to accumulate resources for equipment replacement	\$ 267,000
From the General fund to the Multi-year Grant fund for County match to the US Army Corp watershed grant	43,425
From the General fund to the Solid Waste fund for operations	1,142,376
From the General fund to the Maple Commerce Sewer fund for operations	15,000
From the General fund to the Moyock Central Sewer fund for operations	60,000
Total transfers from the General fund	<u>\$ 1,527,801</u>

From the Tourism Development Authority to the General fund for Economic Development	418,263
From the Tourism Development Authority to the General fund for Airport promotions	14,972
From the Tourism Development Authority to the General fund for Administrative Fee	125,110
From the Tourism Development Authority to the General fund for Sheriff Deputies	1,194,463
From the Tourism Development Authority to the General fund for Emergency Medical Services Personnel	1,225,040
From the Tourism Development Authority to the General fund the Currituck Rural Center	773,885
From the Tourism Development Authority to the General fund administration of tour operator permits	1,600
From the Tourism Development Authority fund to the Co Governmental Facilities fund for Veteran's Park Water Access	300,000
From the Tourism Development Authority fund to the Co Governmental Facilities fund for Connecting Corolla	600,000
Total transfers from the Tourism Development Authority Fund	<u>\$ 4,653,333</u>

From the Transfer Tax Capital fund to the Operating Fund for Back-up 911 site	81,000
From the Transfer Tax Capital fund to the Operating Fund for Replacement of Health Department Roof	230,000
From the Transfer Tax Capital fund to the Operating Fund for Replacement of Gutters on Cooperative Extension Building	38,000
From the Transfer Tax Capital fund to the Operating Fund for Replacement of Social Services Building roof	150,000
From the Transfer Tax Capital fund to the Land Banking fund for future land purchases	200,000
From the Transfer Tax Capital fund to the County Government Facilities fund for design of public safety facility	250,000
From the Transfer Tax Capital fund to the County Government Facilities fund for Moyock Park	1,000,000
From the Transfer Tax Capital fund to the County Government Facilities fund to connect Detention Center to Maple Commerce Park Sewer	378,000
From the Transfer Tax Capital fund to the County Government Facilities fund for County match for Corporate Apron Parking	88,592
From the Transfer Tax Capital fund to the Moyock Central Sewer fund for debt payment.	239,792
Total transfers from Transfer Tax Capital Fund	<u>\$ 2,655,384</u>

From the Whalehead Subdivision Drainage District fund to the General fund for debt service payment	663,533
From the Guinea Mill Watershed fund to the Multi-year Grant fund for US Army Corp watershed grant	4,825
From the Capital Improvements fund to the General fund for capital assets purchased in operating fund	650,000
From the Capital Improvements fund to the General fund for debt on the COA Aviation and Technical Training Facility	1,013,758
From the Capital Improvements fund to the General fund for Kilmarlic Station Parking Lot	42,000
From the School Capital fund to the General fund for capital purchases for the Currituck County Schools.	1,000,000
From the School Capital fund to the School Capital Construction Fund for design of School Bus Garage	250,000
Total transfers from other governmental funds	<u>\$ 3,624,116</u>

D. Net Investment in Capital Assets

	<u>Governmental Activities</u>	<u>Business-type Activities</u>
Capital Assets:		
Land, improvements, non-depreciable collections and construction in progress	\$ 22,332,683	\$ 4,133,658
Other capital assets	<u>138,748,819</u>	<u>91,330,682</u>
Total capital assets	<u>161,081,502</u>	<u>95,464,340</u>
Depreciation	<u>(57,681,024)</u>	<u>(41,207,789)</u>
Total capital assets, net of depreciation	<u>103,400,478</u>	<u>54,256,551</u>
Outstanding general obligation debt	-	(270,000)
Outstanding revenue bonded debt	-	(13,900,000)
Outstanding installment purchase debt	<u>(4,792,807)</u>	<u>(5,625,000)</u>
Total outstanding debt	<u>(4,792,807)</u>	<u>(19,795,000)</u>
Total capital assets, net of depreciation and debt	<u>\$ 98,607,671</u>	<u>\$ 34,461,551</u>

E. Fund Balance

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

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

Total fund balance - General Fund	\$ 18,190,436
Less:	
Inventories	936
County Governmental Assets	3,142,503
Stabilization by State Statute	2,859,385
Appropriated Fund Balance in subsequent budget	2,762,123
Fire Protection	33,819
Tax Revaluation	608,350
Remaining Fund Balance	8,783,320

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

III. Joint Ventures

Albemarle Regional Health Services

The Board of Commissioners voted to join the all ready existing joint venture that operates Albemarle Regional Health Services with the State of North Carolina and four other counties became effective July 1, 1999. The area Boards of Commissioners appoints the fifteen member governing board. The County has an ongoing financial responsibility for Albemarle Regional Health Services because the County is required by State statute to provide public health services either directly or jointly with other counties. The County contributed \$127,000 to Albemarle Regional Health Services during the fiscal year ended June 30, 2017, 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, 2017. 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, 2017. In accordance with the intergovernmental agreement between the participating governments, the County appropriated \$49,012 to the Center to supplement its activities. Complete financial statements 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 \$97,473 to the Authority during the fiscal year ended June 30, 2017, 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, 2017. 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, 2017, expenditures were \$547,116. 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, 2017. 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 \$21,097 to the Commission during the fiscal year ended June 30, 2017.

V. Benefit Payments Issued by the State

The amounts listed below were paid directly to individual recipients by the State from federal and State moneys. County personnel are involved with certain functions, primarily eligibility determinations that cause benefit payments to be issued by the State. These amounts disclose this additional aid to County recipients that do not appear in the basic financial statements because they are not revenues and expenditures of the County.

	Federal	State
Temporary assistance to needy families	\$ 74,112	\$ -
Medicaid	11,668,031	6,186,795
Food stamp program	2,970,662	-
LINKS	4,229	1,057
Adoption assistance	44,070	11,029
Adult assistance	-	131,161
Title IV-E, foster care	18,846	4,771
CWS Adoption	-	133,945
State foster care	-	34,043
NC Health Choice	334,841	864
Total	<u>\$ 15,114,791</u>	<u>\$ 6,503,665</u>

I. Summary Disclosure of Significant Commitments and Contingencies

Federal and State Assisted Programs

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

VII. Related Party Transactions

The County made payments of \$18,564 to Air Concepts, Inc. and \$19,458 to C T Mechanical Inc. from July 1, 2016 through June 30, 2017. Commissioner Michael Payment, sworn in to office on December 1, 2014, is a principal owner of these businesses.

VIII. Change in Accounting Principles/Restatement

The County implemented Governmental Accounting Standards Board (GASB) No. Statement 73, *Accounting and Financial Reporting for Pensions and Related Assets That Are Not within the Scope of GASB Statement 68, and Amendments to Certain Provisions of GASB Statements 67 and 68*, in the fiscal year ending June 30, 2017. The implementation of the statement required the County to record beginning and total pension liability and the effects on net position of benefit payments and administrative expenses paid by the County to the Law Enforcement Officers' Special Separation Allowance during the measurement period. As a result, net position for the governmental activities decreased \$1,694,447. The Count also implemented GASB Statement No. 74, *Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans* for the Healthcare Benefits Plan. The implementation of this statement had no effect on net position.

Required Supplemental Financial Data

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

Currituck County, North Carolina
Other Postemployment Benefits
Required Supplementary Information

Schedule of Funding Progress

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL)- Projected Unit Credit (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a % of Covered Payroll ((b - a)/c)
12/31/2012	-	\$ 12,944,860	\$ 12,944,860	0.00%	\$ 14,945,378	86.61%
12/31/2013	-	12,944,860	12,944,860	0.00%	14,945,378	86.61%
12/31/2014	-	16,026,635	16,026,635	0.00%	15,248,429	105.10%
12/31/2015	-	16,026,635	16,026,635	0.00%	15,248,429	105.10%
12/30/2016	-	18,679,403	18,679,403	0.00%	15,631,471	119.50%

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

Schedule of Employer Contributions

2012	\$	2,410,695	5.12%
2013		2,410,695	6.11%
2014		1,501,367	10.81%
2015		1,727,788	11.25%
2016		1,900,871	10.35%

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

	2017	2016	2015	2014
County's proportion of the net pension liability (asset) %	0.296%	0.283%	0.284%	0.295%
County's proportionate share of the net pension liability (asset) \$	\$ 6,279,568	\$ 1,267,843	\$ (1,673,817)	\$ 3,557,088
County's covered-employee payroll	17,127,313	15,952,995	15,466,682	14,945,378
County's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	36.66%	7.95%	(10.82%)	23.80%
Plan fiduciary net position as a percentage of the total pension liability	91.47%	98.09%	102.64%	94.35%

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

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

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

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

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

Register of Deeds' Supplemental Pension Fund

Last Four Fiscal Years*

	2017	2016	2015	2014
County's proportion of the net pension liability (asset) %	0.410%	0.423%	0.428%	0.455%
County's proportionate share of the net pension liability (Asset) \$	\$ (76,717)	\$ (98,010)	\$ (96,929)	\$ (97,263)
County's covered-employee payroll	53,623	52,571	49,886	48,689
County's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	-143.07%	-186.43%	-194.30%	-199.76%
Plan fiduciary net position as a percentage of the total pension liability	160.17%	197.29%	193.88%	190.50%

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

SCHEDULE OF COUNTY CONTRIBUTIONS

Register of Deeds' Supplemental Pension Fund

Last Four Fiscal Years*

	2017	2016	2015	2014
Contractually required contribution	\$ 4,121	\$ 3,577	\$ 3,717	\$ 3,492
Contributions in relation to the contractually required contribution	4,121	3,577	3,717	3,492
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -
County's covered-employee payroll	\$ 53,623	\$ 52,571	\$ 49,886	\$ 48,689
Contributions as a percentage of covered-employee payroll	7.69%	6.80%	7.45%	7.17%

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

SCHEDULE OF CHANGES IN TOTAL PENSION LIABILITY
Law Enforcement Officers' Special Separation Allowance
For the Year Ended June 30, 2017

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

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

SCHEDULE OF TOTAL PENSION LIABILITY AS A PERCENTAGE OF COVERED PAYROLL
Law Enforcement Officers' Special Separation Allowance
For the Year Ended June 30, 2017

	2017
Total pension liability	\$ 1,849,311
Covered payroll	3,611,475
Total pension liability as a percentage of covered payroll	51.21%

Notes to the schedules:

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

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

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

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

* The amounts presented are for the prior fiscal year.

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

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, 2017

(With Comparative Actual Amounts for the Fiscal Year Ended June 30, 2016)

	2017			Variance with Final Budget Positive (Negative)	2016
	Budgeted Amounts		Actual		Actual
	Original	Final			
Revenues:					
Ad valorem taxes:					
Taxes	\$ -	\$ -	\$ 29,431,454	\$ -	\$ 28,811,334
Interest	-	-	95,247	-	103,697
Total	<u>28,271,988</u>	<u>28,372,419</u>	<u>29,526,701</u>	<u>1,154,282</u>	<u>28,915,031</u>
Other taxes and licenses:					
Sexually oriented business license	-	-	1,700	-	2,150
Animal tax	-	-	12,261	-	12,075
Marriage license	-	-	26,580	-	26,940
Franchise tax	-	-	338,679	-	365,170
Deed stamp excise tax	-	-	768,290	-	727,127
Article 39 local option sales tax	-	-	5,205,389	-	4,944,570
Article 44 local option sales tax	-	-	89	-	(250)
Medicaid hold harmless funds	-	-	342,243	-	220,094
Total	<u>5,952,850</u>	<u>6,013,050</u>	<u>6,695,231</u>	<u>682,181</u>	<u>6,297,876</u>
Unrestricted intergovernmental:					
Gasoline tax refund	-	-	2,072	-	2,814
Payments in lieu of taxes-outside sources	-	-	51,639	-	47,039
Beer and wine tax	-	-	115,992	-	110,291
Total	<u>155,200</u>	<u>155,200</u>	<u>169,703</u>	<u>14,503</u>	<u>160,144</u>
Restricted intergovernmental:					
Federal and State grants	-	-	3,347,455	-	3,000,861
Safe roads act	-	-	3,383	-	3,989
Crime control act	-	-	2,402	-	6,120
Court facility fees	-	-	63,092	-	65,685
Jail fees	-	-	27,720	-	30,861
Officer fees	-	-	72,077	-	90,657
ABC bottles taxes	-	-	-	-	14,143
Total	<u>3,058,660</u>	<u>3,772,692</u>	<u>3,516,129</u>	<u>(256,563)</u>	<u>3,212,315</u>
Permits and fees:					
Ambulance service fees	-	-	1,198,328	-	1,128,273
Administration and filing fees	-	-	731,651	-	753,470
Peddler License Fee	-	-	460	-	1,010
Register of deeds fees	-	-	201,326	-	196,542
Building permit fees	-	-	473,922	-	593,505
Re-inspection fees	-	-	15,650	-	21,450
Planning fees	-	-	15,642	-	63,755
Tour operator fees	-	-	1,280	-	1,462
Payment in Lieu of Open Space	-	-	5,184	-	239,663
Zoning violation fees	-	-	250	-	-
Homeowners' recovery fees	-	-	4,460	-	5,010
CAMA permits	-	-	5,000	-	8,400
Sheriff fees	-	-	8,416	-	8,692
Animal control fees	-	-	380	-	540
Total	<u>2,387,473</u>	<u>2,387,473</u>	<u>2,661,949</u>	<u>274,476</u>	<u>3,021,772</u>
Sales and services:					
Rents	-	-	139,214	-	133,954
Airport fees	-	-	93,235	-	108,888
Vending sales	-	-	5,214	-	4,634
Senior meals	-	-	249	-	224
Animal adoption fees	-	-	27,703	-	16,196
Animal reclamation fees	-	-	4,152	-	2,638
EMS revenues	-	-	1,320	-	2,365

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, 2017

(With Comparative Actual Amounts for the Fiscal Year Ended June 30, 2016)

	2017			Variance with Final Budget Positive (Negative)	2016
	Budgeted Amounts		Actual		Actual
	Original	Final			
Jail housing	-	-	21,240	-	9,400
Sale of materials	-	-	551	-	884
Aviation fuel sales	-	-	233,511	-	266,701
Tax data fees	-	-	30	-	-
Sale of fixed assets	-	-	34,275	-	37,108
Recreation fees	-	-	80,776	-	57,592
Total	<u>611,938</u>	<u>629,509</u>	<u>641,470</u>	<u>11,961</u>	<u>640,584</u>
Investment earnings	<u>75,000</u>	<u>78,000</u>	<u>119,866</u>	<u>41,866</u>	<u>88,069</u>
Miscellaneous:					
Donations	-	-	24,753	-	25,999
Insurance recoveries	-	-	148,860	-	49,195
ABC Education distribution	-	-	28,809	-	20,929
ABC Law enforcement distribution	-	-	20,578	-	14,949
ABC profits	-	-	517,353	-	408,578
Other	-	-	37,427	-	23,709
Total	<u>259,000</u>	<u>580,413</u>	<u>777,780</u>	<u>197,367</u>	<u>543,360</u>
Total revenues	<u>40,772,109</u>	<u>41,988,756</u>	<u>44,108,829</u>	<u>2,120,073</u>	<u>42,879,151</u>
Expenditures:					
General government:					
Administration:					
Salaries and employee benefits	-	-	471,783	-	489,141
Other operating expenditures	-	-	92,880	-	79,825
Total	<u>592,593</u>	<u>592,593</u>	<u>564,663</u>	<u>27,930</u>	<u>568,967</u>
Legal:					
Salaries and employee benefits	-	-	303,594	-	292,850
Other operating expenditures	-	-	183,117	-	138,860
Total	<u>406,777</u>	<u>486,777</u>	<u>486,711</u>	<u>66</u>	<u>431,711</u>
Governing body:					
Salaries and employee benefits	-	-	109,803	-	109,803
Other operating expenditures	-	-	37,440	-	27,831
Total	<u>165,397</u>	<u>165,397</u>	<u>147,243</u>	<u>18,154</u>	<u>137,634</u>
Elections:					
Salaries and employee benefits	-	-	142,289	-	143,918
Other operating expenditures	-	-	43,982	-	60,929
Total	<u>195,700</u>	<u>197,970</u>	<u>186,271</u>	<u>11,699</u>	<u>204,846</u>
Finance					
Salaries and employee benefits	-	-	377,609	-	360,266
Other operating expenditures	-	-	81,858	-	91,057
Total	<u>486,433</u>	<u>492,682</u>	<u>459,467</u>	<u>33,215</u>	<u>451,323</u>
Information Technology:					
Salaries and employee benefits	-	-	305,860	-	330,804
Other operating expenditures	-	-	292,437	-	234,375
Capital outlay	-	-	107,168	-	29,453
Total	<u>737,272</u>	<u>906,274</u>	<u>705,465</u>	<u>200,809</u>	<u>594,632</u>
Human resources:					
Salaries and employee benefits	-	-	133,299	-	135,853
Other operating expenditures	-	-	9,780	-	12,456
Total	<u>161,429</u>	<u>172,920</u>	<u>143,079</u>	<u>29,841</u>	<u>148,309</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, 2017

(With Comparative Actual Amounts for the Fiscal Year Ended June 30, 2016)

	2017			Variance with Final Budget Positive (Negative)	2016
	Budgeted Amounts		Actual		Actual
	Original	Final			
Taxes:					
Salaries and employee benefits	-	-	419,813	-	390,450
Other operating expenditures	-	-	120,859	-	145,860
Total	562,229	584,636	540,672	43,964	536,309
Public works:					
Salaries and employee benefits	-	-	737,323	-	701,374
Other operating expenditures	-	-	346,246	-	330,906
Capital outlay	-	-	105,961	-	59,831
Total	1,523,781	1,517,669	1,189,530	328,139	1,092,111
Public utilities:					
Salaries and employee benefits	-	-	204,852	-	217,184
Operating expenditures	-	-	17,147	-	18,079
Capital outlay	-	-	29,342	-	-
Total	279,961	281,646	251,341	30,305	235,263
Register of deeds:					
Salaries and employee benefits	-	-	270,546	-	257,946
Other operating expenditures	-	-	414,376	-	425,315
Total	665,301	725,501	684,922	40,579	683,261
Court facilities:					
Operating expenditures	-	-	135,105	-	134,480
Capital outlay	-	-	2,661	-	11,664
Total	200,755	200,755	137,766	62,989	146,144
Agency appropriations:					
Operating expenditures	-	-	38,200	-	38,200
Total	39,200	39,200	38,200	1,000	38,200
Central services:					
Operating expenditures	-	-	584,002	-	626,582
Total	755,000	755,000	584,002	170,998	626,582
Total general government	6,771,828	7,119,020	6,119,332	999,688	5,895,291
Public safety:					
Sheriff:					
Salaries and employee benefits	-	-	5,164,514	-	4,912,498
Other operating expenditures	-	-	776,131	-	590,976
Capital outlay	-	-	290,396	-	425,160
Total	6,432,049	6,570,077	6,231,041	339,036	5,928,635
Jail:					
Salaries and employee benefits	-	-	1,688,232	-	1,584,472
Other operating expenditures	-	-	451,415	-	443,201
Capital outlay	-	-	30,359	-	67,883
Total	2,345,716	2,344,101	2,170,006	174,095	2,095,556
Animal control:					
Salaries and employee benefits	-	-	447,036	-	331,068
Other operating expenditures	-	-	157,056	-	182,420
Capital outlay	-	-	28,948	-	3,361
Total	686,450	688,608	633,040	55,568	516,849
Jury commission:					

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, 2017

(With Comparative Actual Amounts for the Fiscal Year Ended June 30, 2016)

	2017			Variance with Final Budget Positive (Negative)	2016
	Budgeted Amounts		Actual		Actual
	Original	Final			
Operating expenditures	-	-	2,350	-	2,900
Total	2,950	2,950	2,350	600	2,900
Emergency medical services:					
Salaries and employee benefits	-	-	5,789,765	-	5,475,050
Other operating expenditures	-	-	575,892	-	566,740
Capital outlay	-	-	347,053	-	308,279
Total	6,767,646	6,980,965	6,712,710	268,255	6,350,069
Emergency management:					
Salaries and employee benefits	-	-	151,591	-	146,414
Other operating expenditures	-	-	48,488	-	52,904
Capital outlay	-	-	-	-	36,035
Total	201,179	277,763	200,079	77,684	235,353
Communications:					
Salaries and employee benefits	-	-	724,721	-	723,505
Other operating expenditures	-	-	220,099	-	198,141
Capital outlay	-	-	31,882	-	-
Total	1,225,199	1,225,199	976,702	248,497	921,646
Building inspections:					
Salaries and employee benefits	-	-	566,512	-	543,571
Other operating expenditures	-	-	58,446	-	56,476
Capital outlay	-	-	29,990	-	29,896
Total	723,741	723,771	654,948	68,823	629,943
Fire prevention:					
Salaries and employee benefits	-	-	218,770	-	125,664
Other operating expenditures	-	-	62,261	-	25,456
Capital outlay	-	-	3,212	-	37,479
Total	348,922	344,882	284,243	60,639	188,599
Volunteer fire departments:					
Carova Beach Volunteer Fire Department	-	-	214,620	-	214,608
Corolla Fire & Rescue Squad	-	-	295,583	-	301,717
Crawford Volunteer Fire Department	-	-	310,327	-	331,459
Lower Currituck Volunteer Fire Department	-	-	386,122	-	344,257
Knotts Island Volunteer Fire Department	-	-	161,929	-	215,240
Moyock Volunteer Fire Department	-	-	241,500	-	228,207
Total	1,648,829	1,690,829	1,610,081	80,748	1,635,487
Medical examiner:					
Contracted services	-	-	31,650	-	23,400
Total	20,000	37,500	31,650	5,850	23,400
Disaster recovery:					
Salaries and employee benefits	-	-	7,720	-	-
Other operating expenditures	-	-	233,260	-	-
Capital outlay	-	-	10,251	-	-
Total	-	331,399	251,231	80,168	-
Total public safety	20,402,681	21,218,044	19,758,081	1,459,963	18,528,436
Transportation:					
Airport:					
Salaries and employee benefits	-	-	49,862	-	47,301

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, 2017

(With Comparative Actual Amounts for the Fiscal Year Ended June 30, 2016)

	2017			Variance with Final Budget Positive (Negative)	2016
	Budgeted Amounts		Actual		Actual
	Original	Final			
Other operating expenditures	-	-	249,213	-	261,115
Capital outlay	-	-	-	-	14,282
Total	479,660	479,660	299,075	180,585	322,698
Inter-county transportation:					
Contracted services	-	-	24,857	-	35,343
Total	64,376	62,144	24,857	37,287	35,343
Total transportation	544,036	541,804	323,932	217,872	358,041
Environmental protection:					
Forestry:					
Contracted services	-	-	42,719	-	47,104
Total	76,250	76,250	42,719	33,531	47,104
Soil and water conservation:					
Salaries and employee benefits	-	-	121,022	-	119,938
Other operating expenditures	-	-	13,227	-	12,165
Total	141,634	141,634	134,249	7,385	132,103
Total environmental protection	217,884	217,884	176,968	40,916	179,208
Economic and physical development:					
Cooperative extension:					
Salaries and employee benefits	-	-	100,765	-	108,053
Other operating expenditures	-	-	308,063	-	295,093
Contracted services	-	-	28,539	-	33,773
Total	517,374	520,496	437,367	83,129	436,918
Economic development:					
Salaries and employee benefits	-	-	134,131	-	151,701
Other operating expenditures	-	-	284,133	-	244,390
Total	438,949	581,949	418,264	163,685	396,091
Planning and inspections:					
Salaries and employee benefits	-	-	659,809	-	626,514
Other operating expenditures	-	-	99,744	-	101,607
Capital outlay	-	-	29,990	-	1,898
Total	791,856	802,636	789,543	13,093	730,019
Total economic and physical development	1,748,179	1,905,081	1,645,174	259,907	1,563,028
Human services:					
Health:					
Contracted services	-	-	127,000	-	132,639
Total	127,000	127,000	127,000	-	132,639
Mental health:					
Contracted services	-	-	49,012	-	63,155
Total	61,012	61,012	49,012	12,000	63,155
Social services:					
Administration:					
Salaries and employee benefits	-	-	2,656,538	-	2,476,188
Other operating expenditures	-	-	647,470	-	688,102
Capital outlay	-	-	163,003	-	55,114
Total	3,748,338	3,781,210	3,467,011	314,199	3,219,404

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, 2017

(With Comparative Actual Amounts for the Fiscal Year Ended June 30, 2016)

	2017			Variance with Final Budget Positive (Negative)	2016
	Budgeted Amounts		Actual		Actual
	Original	Final			
Public Assistance:					
Electronic issuance	-	-	3,101	-	3,127
Medical Transportation	-	-	26,758	-	28,399
TANF	-	-	-	-	235
Special assistance for adults	-	-	133,104	-	147,517
Special adoption assistance	-	-	1,952	-	3,195
State foster care and boarding home payments	-	-	193,363	-	174,564
Title IV-E foster care	-	-	29,876	-	74,537
Special assistance for the blind	-	-	707	-	852
Title IV-E adoption assistance	-	-	9,226	-	11,643
Title IV-B adoption assistance	-	-	43,944	-	51,740
Title IV-B adoption assistance vendor payments	-	-	-	-	1,828
Child daycare	-	-	666,293	-	520,710
Home care block grant	-	-	49,859	-	45,349
LINKS special assistance	-	-	-	-	2,063
Other assistance	-	-	98,420	-	108,039
Total	1,282,803	1,451,163	1,256,603	194,560	1,173,798
Total social services	5,031,141	5,232,373	4,723,614	508,759	4,393,202
Juvenile crime prevention control					
Improving outcomes for youth	-	-	-	-	-
JCPC council	-	-	4,453	-	14,984
Partnership of adolescents and support services	-	-	89,523	-	72,717
Restitution	-	-	10,228	-	13,558
Total	104,417	104,417	104,204	213	101,259
Total human services	5,323,570	5,524,802	5,003,830	520,972	4,690,256
Cultural and recreational:					
Senior citizens centers:					
Salaries and employee benefits	-	-	199,275	-	196,372
Other operating expenditures	-	-	136,990	-	140,677
Capital outlay	-	-	49,750	-	19,419
Total	396,770	396,770	386,015	10,755	356,468
Libraries:					
Salaries and employee benefits	-	-	476,578	-	470,751
Other operating expenditures	-	-	70,538	-	74,487
Total	575,381	574,531	547,116	27,415	545,238
Parks and Recreation:					
Salaries and employee benefits	-	-	444,179	-	432,182
Other operating expenditures	-	-	300,003	-	258,545
Capital outlay	-	-	103,992	-	284,819
Total	871,456	941,056	848,174	92,882	975,545
Rural Center					
Salaries and employee benefits	-	-	146,765	-	136,891
Other operating expenditures	-	-	39,898	-	47,352
Capital outlay	-	-	431,503	-	137,345
Total	206,687	685,737	618,166	67,571	321,588
Total cultural and recreational	2,050,294	2,598,094	2,399,471	198,623	2,198,840

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, 2017

(With Comparative Actual Amounts for the Fiscal Year Ended June 30, 2016)

	2017			Variance with Final Budget Positive (Negative)	2016
	Budgeted Amounts		Actual		Actual
	Original	Final			
Education:					
Public schools - current	-	-	9,773,759	-	9,503,189
Public schools - capital outlay	-	-	1,000,000	-	1,000,000
Community college	-	-	202,732	-	190,867
Total education	<u>10,963,759</u>	<u>10,996,679</u>	<u>10,976,491</u>	<u>20,188</u>	<u>10,694,056</u>
Debt service:					
Principal retirement	-	-	1,573,088	-	1,569,561
Interest and other charges	-	-	106,219	-	133,147
Total debt service	<u>1,679,309</u>	<u>1,679,309</u>	<u>1,679,307</u>	<u>2</u>	<u>1,702,708</u>
Total expenditures	<u>49,701,540</u>	<u>51,800,717</u>	<u>48,082,586</u>	<u>3,718,131</u>	<u>45,809,863</u>
Revenues over (under) expenditures	<u>(8,929,431)</u>	<u>(9,811,961)</u>	<u>(3,973,757)</u>	<u>5,838,204</u>	<u>(2,930,712)</u>
Other financing sources (uses):					
Transfers to other funds:					
Special Revenue Funds	-	-	(164,425)	-	(121,000)
Capital Projects Funds	-	-	(267,000)	-	(267,000)
Enterprise Funds	-	-	(1,217,376)	-	(1,107,852)
Total transfers to other funds	<u>(1,560,644)</u>	<u>(1,664,069)</u>	<u>(1,648,801)</u>	<u>15,268</u>	<u>(1,495,852)</u>
Transfers from other funds:					
Tourism Development Authority	-	-	3,753,334	-	3,240,277
Special Revenue Funds	-	-	663,533	-	670,943
Capital Projects Funds	-	-	3,204,758	-	2,681,766
Total transfers from other funds	<u>7,459,058</u>	<u>7,644,058</u>	<u>7,621,625</u>	<u>(22,433)</u>	<u>6,592,986</u>
Total other financing sources (uses)	<u>5,898,414</u>	<u>5,979,989</u>	<u>5,972,824</u>	<u>(7,165)</u>	<u>5,097,134</u>
Revenues and other financing sources over (under) expenditures and other financing uses	<u>(3,031,017)</u>	<u>(3,831,972)</u>	<u>1,999,067</u>	<u>5,831,039</u>	<u>2,166,422</u>
Appropriated fund balance	<u>3,031,017</u>	<u>3,831,972</u>	<u>-</u>	<u>(3,831,972)</u>	<u>-</u>
Revenues, other sources, and appropriated fund balance over (under) expenditures	<u>\$ -</u>	<u>\$ -</u>	<u>1,999,067</u>	<u>\$ 1,999,067</u>	<u>2,166,422</u>
Fund balances:					
Beginning of year, July 1			<u>12,440,516</u>		<u>10,274,094</u>
End of year, June 30			<u>\$ 14,439,583</u>		<u>\$ 12,440,516</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, 2017
(With Comparative Actual Amounts for the Fiscal Year Ended June 30, 2016)

	2017			Variance with Final Positive (Negative)	2016
	Budgeted Amounts		Actual		Actual
	Original	Final			
Revenues:					
Investment earnings	\$ -	\$ -	\$ 4,394	\$ 4,394	\$ 2,696
Expenditures:					
Current:					
General government:					
Contract services	-	-	-	-	-
Total expenditures	121,000	121,000	-	121,000	-
Revenues over (under) expenditures	(121,000)	(121,000)	4,394	125,394	2,696
Other financing sources:					
Operating transfer in:					
General Fund	121,000	121,000	121,000	-	121,000
Revenues and other sources over (under) expenditures	\$ -	\$ -	125,394	\$ 125,394	123,696
Fund balances:					
Beginning of year, July 1			482,956		359,260
End of year, June 30			\$ 608,350		\$ 482,956

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, 2017
(With Comparative Actual Amounts for the Fiscal Year Ended June 30, 2016)

	2017			Variance with Final Positive (Negative)	2016
	Original Budget	Final Budget	Actual		Actual
Revenues:					
Investment earnings	\$ -	\$ -	\$ 23,929	\$ 23,929	\$ 17,718
Total revenues	<u>-</u>	<u>-</u>	<u>23,929</u>	<u>23,929</u>	<u>17,718</u>
Expenditures:					
Capital outlay	-	-	37,341	(37,341)	-
Total expenditures	<u>200,000</u>	<u>200,000</u>	<u>37,341</u>	<u>(37,341)</u>	<u>-</u>
Revenues over (under) expenditures	<u>(200,000)</u>	<u>(200,000)</u>	<u>(13,412)</u>	<u>186,588</u>	<u>17,718</u>
Other financing sources (uses):					
Transfers from transfer tax fund	<u>200,000</u>	<u>200,000</u>	<u>200,000</u>	<u>-</u>	<u>200,000</u>
Revenues and other financing sources	<u>\$ -</u>	<u>\$ -</u>	186,588	<u>\$ 186,588</u>	217,718
Fund balances:					
Beginning of year, July 1			2,955,915		2,738,197
End of year, June 30			<u>\$ 3,142,503</u>		<u>\$ 2,955,915</u>

County of Currituck, North Carolina
Combining Balance Sheet
Non-Major Governmental Funds
June 30, 2017

	Multi-year Grant Fund	Emergency Telephone System Fund	Guinea Mill Watershed Improvement Fund	Hog Bridge Ditch Watershed Improvement Fund	Moyock Watershed Improvement Fund	Northwest Watershed Improvement Fund
ASSETS						
Cash and cash equivalents	\$ 45,207	\$ 306,734	\$ 133,270	\$ 2,611	\$ 64,777	\$ 24,578
Accounts receivable, net	-	-	-	-	-	-
Taxes receivable, net	-	-	306	38	303	114
Due from other governments	84,278	23,396	164	15	189	20
Total assets	<u>\$ 129,485</u>	<u>\$ 330,130</u>	<u>\$ 133,740</u>	<u>\$ 2,664</u>	<u>\$ 65,269</u>	<u>\$ 24,712</u>
LIABILITIES AND FUND BALANCES						
Liabilities:						
Accounts payable and accrued liabilities	\$ -	\$ 13,747	\$ -	\$ -	\$ -	\$ -
Due to operating fund	-	-	-	-	-	-
Total liabilities	<u>-</u>	<u>13,747</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
DEFERRED INFLOWS OF RESOURCES						
Taxes receivable	-	-	306	38	303	114
Total deferred inflows of resources	<u>-</u>	<u>-</u>	<u>306</u>	<u>38</u>	<u>303</u>	<u>114</u>
Fund balances:						
Restricted:						
Stabilization by State Statute	-	23,396	164	15	189	20
Emergency Telephone System	-	279,713	-	-	-	-
Watershed Improvements	129,485	-	133,270	2,611	64,777	24,578
Whalehead Beach Solid Waste	-	-	-	-	-	-
Capital Assets	-	-	-	-	-	-
Committed:						
Fire Equipment	-	-	-	-	-	-
Assigned:						
Subsequent year's expenditures	-	13,274	-	-	-	-
Unassigned						
Total fund balances	<u>129,485</u>	<u>316,383</u>	<u>133,434</u>	<u>2,626</u>	<u>64,966</u>	<u>24,598</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 129,485</u>	<u>\$ 330,130</u>	<u>\$ 133,740</u>	<u>\$ 2,664</u>	<u>\$ 65,269</u>	<u>\$ 24,712</u>

Ocean Sands North/Crown Pointe Watershed Improvement Fund	Whalehead Watershed Improvement Fund	Whalehead Beach Solid Waste Service District	Total Non-Major Special Revenue Funds	Fire Equipment Replacement Fund	Capital Improvements Fund	School Capital Fund	Total Non-Major Capital Projects Funds	Total Non-Major Governmental Funds
\$ 114,435	\$ 522,191	\$ 243,097	\$ 1,456,900	\$ 556,276	\$ 3,043,165	\$ 3,146,865	\$ 6,746,306	\$ 8,203,206
-	-	-	-	-	-	-	-	-
125	5,589	1,084	7,559	-	-	-	-	7,559
1,390	1,538	43	111,033	-	608,180	583,946	1,192,126	1,303,159
<u>\$ 115,950</u>	<u>\$ 529,318</u>	<u>\$ 244,224</u>	<u>\$ 1,575,492</u>	<u>\$ 556,276</u>	<u>\$ 3,651,345</u>	<u>\$ 3,730,811</u>	<u>\$ 7,938,432</u>	<u>\$ 9,513,924</u>
\$ -	\$ 16,243	\$ 8,720	\$ 38,710	\$ -	\$ -	\$ -	\$ -	\$ 38,710
-	-	-	-	-	-	-	-	-
-	16,243	8,720	38,710	-	-	-	-	38,710
125	5,589	1,084	7,559	-	-	-	-	7,559
125	5,589	1,084	7,559	-	-	-	-	7,559
1,390	1,538	43	26,755	-	608,180	583,946	1,192,126	1,218,881
-	-	-	279,713	-	-	-	-	279,713
114,435	505,948	-	975,104	-	-	-	-	975,104
-	-	234,377	234,377	-	-	-	-	234,377
-	-	-	-	-	3,043,165	3,146,865	6,190,030	6,190,030
-	-	-	-	167,948	-	-	167,948	167,948
-	-	-	13,274	388,328	-	-	388,328	401,602
-	-	-	-	-	-	-	-	-
<u>115,825</u>	<u>507,486</u>	<u>234,420</u>	<u>1,529,223</u>	<u>556,276</u>	<u>3,651,345</u>	<u>3,730,811</u>	<u>7,938,432</u>	<u>9,467,655</u>
<u>\$ 115,950</u>	<u>\$ 529,318</u>	<u>\$ 244,224</u>	<u>\$ 1,575,492</u>	<u>\$ 556,276</u>	<u>\$ 3,651,345</u>	<u>\$ 3,730,811</u>	<u>\$ 7,938,432</u>	<u>\$ 9,513,924</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, 2017

	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	Ocean Sands North/Crown Point Watershed Improvement Fund
REVENUES							
Ad valorem taxes	\$ -	\$ -	\$ 12,804	\$ 1,758	\$ 19,189	\$ 2,979	\$ 244,194
Other taxes and licenses	-	161,948	-	-	-	-	-
Restricted							
intergovernmental	155,854	-	-	-	-	-	-
Investment earnings	497	2,609	1,044	27	602	193	1,147
Total revenues	<u>156,351</u>	<u>164,557</u>	<u>13,848</u>	<u>1,785</u>	<u>19,791</u>	<u>3,172</u>	<u>245,341</u>
EXPENDITURES							
Current:							
General government	-	-	-	-	-	-	-
Public safety	-	233,902	-	-	-	-	-
Economic and physical development	84,278	-	-	-	-	-	-
Environmental protection	-	-	-	4,718	24,550	1,560	129,516
Total expenditures	<u>84,278</u>	<u>233,902</u>	<u>-</u>	<u>4,718</u>	<u>24,550</u>	<u>1,560</u>	<u>129,516</u>
Other financing sources (uses)							
Transfers (to) from other funds	48,250	-	(4,825)	-	-	-	-
Total other financing sources and uses	<u>48,250</u>	<u>-</u>	<u>(4,825)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	120,323	(69,345)	9,023	(2,933)	(4,759)	1,612	115,825
Fund balances - beginning	9,162	385,728	124,411	5,559	69,725	22,986	-
Fund balances - ending	<u>\$ 129,485</u>	<u>\$ 316,383</u>	<u>\$ 133,434</u>	<u>\$ 2,626</u>	<u>\$ 64,966</u>	<u>\$ 24,598</u>	<u>\$ 115,825</u>

Whalehead Watershed Improvement Fund	Whalehead Beach Solid Waste Service District	Total Non-Major Special Revenue Funds	Fire Equipment Replacement Fund	Capital Improvements Fund	School Capital Fund	Total Non-major Capital Projects Funds	Total Non-Major Governmental Funds
\$ 887,829	\$ 143,054	\$ 1,311,807	\$ -	\$ -	\$ -	\$ -	\$ 1,311,807
-	-	161,948	-	2,219,294	2,060,492	4,279,786	4,441,734
-	-	155,854	-	-	-	-	155,854
6,290	1,942	14,351	3,866	24,896	22,689	51,451	65,802
894,119	144,996	1,643,960	3,866	2,244,190	2,083,181	4,331,237	5,975,197
-	106,131	106,131	-	-	-	-	106,131
-	-	233,902	343,543	-	-	343,543	577,445
-	-	84,278	-	-	-	-	84,278
132,032	-	292,376	-	-	-	-	292,376
132,032	106,131	716,687	343,543	-	-	343,543	1,060,230
(663,533)	-	(620,108)	267,000	(1,705,758)	(1,250,000)	(2,688,758)	(3,308,866)
(663,533)	-	(620,108)	267,000	(1,705,758)	(1,250,000)	(2,688,758)	(3,308,866)
98,554	38,865	307,165	(72,677)	538,432	833,181	1,298,936	1,606,101
408,932	195,555	1,222,058	628,953	3,112,913	2,897,630	6,639,496	7,861,554
\$ 507,486	\$ 234,420	\$ 1,529,223	\$ 556,276	\$ 3,651,345	\$ 3,730,811	\$ 7,938,432	\$ 9,467,655

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, 2017

	Project Authorization	Actual		Total to Date	Variance Positive (Negative)
		Prior Year	Current Year		
Revenues					
Restricted intergovernmental:					
Hazard Mitigation Elevation Grant	\$ 337,710	\$ 88,370	\$ 71,576	\$ 159,946	\$ (177,764)
NC Dept of Agriculture - Hurricane Matthew	114,200	-	84,278	84,278	(29,922)
NC Div of Water Resources - Watershed Study	48,250	-	-	-	(48,250)
Investment Earnings	-	80,718	497	81,215	81,215
Total revenues	500,160	169,088	156,351	325,439	(174,721)
Expenditures					
Economic and physical development:					
Hazard Mitigation Elevation Grant	337,710	159,926	-	159,926	177,784
Environmental protection:					
Hurricane Matthew Snag/Clear Grant	114,200	-	84,278	84,278	29,922
US Army Corp/Watershed Study	96,500	-	-	-	96,500
Total expenditures	548,410	159,926	84,278	244,204	304,206
Revenues under expenditures	(48,250)	9,162	72,073	81,235	129,485
Other financing sources:					
Transfers in:					
General Fund	43,425	-	43,425	43,425	-
Guinea Mill Watershed	4,825	-	4,825	4,825	-
	48,250	-	48,250	48,250	-
Revenues and other financing sources over (under) expenditures	\$ -	\$ 9,162	120,323	\$ 129,485	\$ 129,485
Fund balance:					
Beginning of year, July 1			9,162		
End of Year, June 30			<u>\$ 129,485</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, 2017
(With Comparative Actual Amounts for the Fiscal Year Ended June 30, 2016)

	2017			Variance with Final Positive (Negative)	2016
	Budgeted Amounts		Actual		Actual
	Original	Final			
Revenues					
Other taxes and licenses:					
911 system subscriber fees	\$ 161,948	\$ 161,948	\$ 161,948	\$ -	\$ 174,236
Investment earnings	-	-	2,609	2,609	2,614
Total revenues	161,948	161,948	164,557	2,609	176,850
Expenditures					
Public safety	-	-	141,599	-	138,082
Capital Outlay	-	-	92,303	-	151,245
Total expenditures	402,890	402,890	233,902	168,988	289,327
Revenues over (under) expenditures	(240,942)	(240,942)	(69,345)	171,597	(112,477)
Appropriated fund balance	240,942	240,942	-	(240,942)	-
Revenues and appropriated fund balance over (under) expenditures	\$ -	\$ -	(69,345)	\$ (69,345)	(112,477)
Fund balances:					
Beginning of year, July 1			385,728		498,205
End of year, June 30			<u>\$ 316,383</u>		<u>\$ 385,728</u>

County of Currituck, North Carolina
Guinea Mill Watershed Improvement Fund
Schedule of Revenues, Expenditures, and
Changes in Fund Balances - Budget and Actual

For the Fiscal Year Ended June 30, 2017

(With Comparative Actual Amounts for the Fiscal Year Ended June 30, 2016)

	2017			Variance with Final Positive (Negative)	2016
	Budgeted Amounts		Actual		Actual
	Original	Final			
Revenues:					
Ad valorem taxes:					
Current year	\$ 10,665	\$ 10,665	\$ 12,612	\$ 1,947	\$ 11,986
Prior years	-	-	141	141	1,933
Interest	-	-	51	51	221
Total ad valorem taxes	<u>10,665</u>	<u>10,665</u>	<u>12,804</u>	<u>2,139</u>	<u>14,140</u>
Investment earnings	-	-	1,044	1,044	770
Total revenues	<u>10,665</u>	<u>10,665</u>	<u>13,848</u>	<u>3,183</u>	<u>14,910</u>
Expenditures:					
Current:					
Environmental protection:	110,665	105,840	-	105,840	-
Total expenditures	<u>110,665</u>	<u>105,840</u>	<u>-</u>	<u>105,840</u>	<u>-</u>
Revenues over (under) expenditures	(100,000)	(95,175)	13,848	109,023	14,910
Other financing uses:					
Transfers to Multi-year Grant fund	-	(4,825)	(4,825)	-	-
Revenues and other financing uses over (under) expenditures	<u>(100,000)</u>	<u>(100,000)</u>	<u>9,023</u>	<u>109,023</u>	<u>14,910</u>
Appropriated fund balance	<u>100,000</u>	<u>100,000</u>	<u>-</u>	<u>(100,000)</u>	<u>-</u>
Revenues, other finance sources, and appropriated fund balance over over (under) expenditures	<u>\$ -</u>	<u>\$ -</u>	<u>9,023</u>	<u>\$ 9,023</u>	<u>14,910</u>
Fund balances:					
Beginning of year, July 1			124,411		109,501
End of year, June 30			<u>\$ 133,434</u>		<u>\$ 124,411</u>

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, 2017
(With Comparative Actual Amounts for the Fiscal Year Ended June 30, 2016)

	2017			Variance with Final Positive (Negative)	2016
	Budgeted Amounts		Actual		Actual
	Original	Final			
Revenues:					
Ad valorem taxes:					
Current year	\$ 1,439	\$ 1,439	\$ 1,731	\$ 292	\$ 1,537
Prior years taxes	-	-	21	21	98
Interest	-	-	6	6	11
Total ad valorem taxes	1,439	1,439	1,758	319	1,646
Investment earnings	-	-	27	27	31
Total revenues	1,439	1,439	1,785	346	1,677
Expenditures:					
Current:					
Environmental protection:	6,439	6,439	4,718	1,721	-
Total expenditures	6,439	6,439	4,718	1,721	-
Revenues over (under) expenditures	(5,000)	(5,000)	(2,933)	2,067	1,677
Appropriated fund balance	5,000	5,000	-	(5,000)	-
Revenues and appropriated fund balance over (under) expenditures	\$ -	\$ -	(2,933)	\$ (2,933)	10,829
Fund balances:					
Beginning of year, July 1			5,559		3,882
End of year, June 30			\$ 2,626		\$ 5,559

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, 2017

(With Comparative Actual Amounts for the Fiscal Year Ended June 30, 2016)

	2017			Variance with Final Positive (Negative)	2016
	Budgeted Amounts		Actual		Actual
	Original	Final			
Revenues:					
Ad valorem taxes:					
Current year	\$ 16,836	\$ 16,836	\$ 18,672	\$ 1,836	\$ 18,425
Prior years taxes	-	-	464	464	174
Interest	-	-	53	53	57
Total ad valorem taxes	16,836	16,836	19,189	2,353	18,656
Investment earnings	-	-	602	602	423
Total revenues	16,836	16,836	19,791	2,955	19,079
Expenditures:					
Current:					
Environmental protection:	73,836	73,836	24,550	49,286	8,250
Total expenditures	73,836	73,836	24,550	49,286	8,250
Revenues over (under) expenditures	(57,000)	(57,000)	(4,759)	52,241	10,829
Appropriated fund balance	57,000	57,000	-	(57,000)	-
Revenues and appropriated fund balance over (under) expenditures	\$ -	\$ -	(4,759)	\$ (4,759)	10,829
Fund balances:					
Beginning of year, July 1			69,725		58,896
End of year, June 30			\$ 64,966		\$ 69,725

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, 2017
(With Comparative Actual Amounts for the Fiscal Year Ended June 30, 2016)

	2017			Variance with Final Positive (Negative)	2016
	Budgeted Amounts		Actual		Actual
	Original	Final			
Revenues:					
Ad valorem taxes:					
Current year	\$ 2,672	\$ 2,672	\$ 2,920	\$ 248	\$ 2,886
Prior years taxes	-	-	45	45	155
Interest	-	-	14	14	28
Total ad valorem taxes	<u>2,672</u>	<u>2,672</u>	<u>2,979</u>	<u>307</u>	<u>3,069</u>
Investment earnings	-	-	193	193	141
Total revenues	<u>2,672</u>	<u>2,672</u>	<u>3,172</u>	<u>500</u>	<u>3,210</u>
Expenditures:					
Current:					
Environmental protection:	-	-	1,560	(1,560)	-
Total expenditures	<u>21,672</u>	<u>21,672</u>	<u>1,560</u>	<u>20,112</u>	<u>-</u>
Revenues over (under) expenditures	<u>(19,000)</u>	<u>(19,000)</u>	<u>1,612</u>	<u>20,612</u>	<u>3,210</u>
Appropriated fund balance	<u>19,000</u>	<u>19,000</u>	<u>-</u>	<u>(19,000)</u>	<u>-</u>
Revenues and appropriated fund balance over (under) expenditures	<u>\$ -</u>	<u>\$ -</u>	<u>1,612</u>	<u>\$ 1,612</u>	<u>3,210</u>
Fund balances:					
Beginning of year, July 1			<u>22,986</u>		<u>19,776</u>
End of year, June 30			<u>\$ 24,598</u>		<u>\$ 22,986</u>

County of Currituck, North Carolina
Ocean Sands North/Crown Pointe Watershed Improvement Fund
Schedule of Revenues, Expenditures, and
Changes in Fund Balances - Budget and Actual
For the Fiscal Year Ended June 30, 2017
(With Comparative Actual Amounts for the Fiscal Year Ended June 30, 2016)

	2017			Variance with Final Positive (Negative)
	Budgeted Amounts		Actual	
	Original	Final		
Revenues:				
Ad valorem taxes:				
Current year	\$ 239,818	\$ 239,818	\$ 244,050	\$ 4,232
Interest	-	-	144	144
Total ad valorem taxes	<u>239,818</u>	<u>239,818</u>	<u>244,194</u>	<u>4,376</u>
Investment earnings	-	-	1,147	1,147
Total revenues	<u>239,818</u>	<u>239,818</u>	<u>245,341</u>	<u>5,523</u>
Expenditures:				
Current:				
Environmental protection:	-	-	129,516	(129,516)
Total expenditures	<u>239,818</u>	<u>239,818</u>	<u>129,516</u>	<u>110,302</u>
Revenues over (under) expenditures	<u>\$ -</u>	<u>\$ -</u>	115,825	<u>\$ 115,825</u>
Fund balances:				
Beginning of year, July 1			-	
End of year, June 30			<u>\$ 115,825</u>	

Note: Fund established July 1, 2016

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, 2017
(With Comparative Actual Amounts for the Fiscal Year Ended June 30, 2016)

	2017			Variance with Final Positive (Negative)	2016
	Budgeted Amounts		Actual		Actual
	Original	Final			
Revenues:					
Ad valorem taxes:					
Current year	\$ 870,006	\$ 870,006	\$ 886,640	\$ 16,634	\$ 881,323
Prior year taxes	-	-	22	22	-
Interest	-	-	1,167	1,167	1,191
Total ad valorem taxes	<u>870,006</u>	<u>870,006</u>	<u>887,829</u>	<u>17,823</u>	<u>882,514</u>
Investment earnings	-	-	6,290	6,290	4,193
Total revenues	<u>870,006</u>	<u>870,006</u>	<u>894,119</u>	<u>24,113</u>	<u>886,707</u>
Expenditures:					
Current:					
Operations	-	-	97,854	(97,854)	61,494
Capital outlay	-	-	34,178	-	117,201
Total expenditures	<u>206,472</u>	<u>206,472</u>	<u>132,032</u>	<u>74,440</u>	<u>178,695</u>
Revenues over (under) expenditures	<u>663,534</u>	<u>663,534</u>	<u>762,087</u>	<u>98,553</u>	<u>708,012</u>
Other financing sources (uses):					
Transfers to operating fund	(663,534)	(663,534)	(663,533)	(1)	(670,943)
Total other financing sources (uses)	<u>(663,534)</u>	<u>(663,534)</u>	<u>(663,533)</u>	<u>(1)</u>	<u>(670,943)</u>
Revenues and other financing sources (uses) over (under) expenditures	<u>\$ -</u>	<u>\$ -</u>	98,554	<u>\$ 98,554</u>	37,069
Fund balances:					
Beginning of year, July 1			408,932		371,863
End of year, June 30			<u>\$ 507,486</u>		<u>\$ 408,932</u>

County of Currituck, North Carolina
Whalehead Beach Solid Waste Service District
Schedule of Revenues, Expenditures, and
Changes in Fund Balances - Budget and Actual
For the Fiscal Year Ended June 30, 2017

(With Comparative Actual Amounts for the Fiscal Year Ended June 30, 2016)

	2017			Variance with Final Positive (Negative)	2016
	Budgeted Amounts		Actual		Actual
	Original	Final			
Revenues:					
Ad valorem taxes:					
Current year	\$ 140,324	\$ 140,324	\$ 142,790	\$ 2,466	\$ 141,853
Prior year taxes	-	-	67	67	365
Interest	-	-	197	197	203
Total ad valorem taxes	<u>140,324</u>	<u>140,324</u>	<u>143,054</u>	<u>2,730</u>	<u>142,421</u>
Investment earnings	-	-	1,942	1,942	1,332
Total revenues	<u>140,324</u>	<u>140,324</u>	<u>144,996</u>	<u>4,672</u>	<u>143,753</u>
Expenditures:					
Current:					
General government	<u>140,324</u>	<u>140,324</u>	<u>106,131</u>	<u>34,193</u>	<u>107,622</u>
Total expenditures	<u>140,324</u>	<u>140,324</u>	<u>106,131</u>	<u>34,193</u>	<u>107,622</u>
Revenues over (under) expenditures	<u>\$ -</u>	<u>\$ -</u>	38,865	<u>\$ 38,865</u>	36,131
Fund balances:					
Beginning of year, July 1			<u>195,555</u>		<u>159,424</u>
End of year, June 30			<u>\$ 234,420</u>		<u>\$ 195,555</u>

County of Currituck, North Carolina
Fire Equipment Replacement Fund
Schedule of Revenues, Expenditures, and
Changes in Fund Balances - Budget and Actual

For the Fiscal Year Ended June 30, 2017

(With Comparative Actual Amounts for the Fiscal Year Ended June 30, 2016)

	2107			Variance with Final Positive (Negative)	2016
	Budgeted Amounts		Actual		Actual
	Original	Final			
Revenues:					
Investment earnings	\$ -	\$ -	\$ 3,866	\$ 3,866	\$ 3,403
Expenditures:					
Current:					
Debt payment on behalf of Moyock VFD	-	-	31,035	-	30,965
Capital outlay	-	-	312,508	-	105,198
Total expenditures	<u>267,000</u>	<u>579,986</u>	<u>343,543</u>	<u>236,443</u>	<u>136,163</u>
Revenues over (under) expenditures	(267,000)	(579,986)	(339,677)	240,309	(132,760)
Other financing sources:					
Transfers from general fund	<u>267,000</u>	<u>267,000</u>	<u>267,000</u>	-	<u>267,000</u>
Revenues and other financing sources over expenditures	<u>-</u>	<u>(312,986)</u>	<u>(72,677)</u>	<u>240,309</u>	<u>134,240</u>
Appropriated fund balance	<u>-</u>	<u>312,986</u>	<u>-</u>	<u>(312,986)</u>	<u>-</u>
Revenues, other finance sources, and appropriated fund balance over (under) expenditures	<u>\$ -</u>	<u>\$ -</u>	(72,677)	<u>\$ (72,677)</u>	134,240
Fund balances:					
Beginning of year, July 1			<u>628,953</u>		<u>494,713</u>
End of year, June 30			<u>\$ 556,276</u>		<u>\$ 628,953</u>

County of Currituck, North Carolina
Capital Improvements Fund
Schedule of Revenues, Expenditures, and
Changes in Fund Balances - Budget and Actual
For the Fiscal Year Ended June 30, 2017
(With Comparative Actual Amounts for the Fiscal Year Ended June 30, 2016)

	2017			Variance with Final Positive (Negative)	2016
	Budgeted Amounts		Actual		Actual
	Original	Final			
Revenues:					
Other taxes and licenses:					
Article 40 supplemental sales tax	\$ 866,016	\$ 908,016	\$ 1,183,886	\$ 275,870	\$ 1,125,116
Article 42 supplemental sales tax	799,758	799,758	1,035,408	235,650	983,443
Investment earnings	-	-	24,896	24,896	18,161
Total revenues	<u>1,665,774</u>	<u>1,707,774</u>	<u>2,244,190</u>	<u>536,416</u>	<u>2,126,720</u>
Other financing uses:					
Transfers to other funds:					
General fund	(1,665,774)	(1,707,774)	(1,705,758)	2,016	(1,681,766)
Total other financing uses	<u>(1,665,774)</u>	<u>(1,707,774)</u>	<u>(1,705,758)</u>	<u>2,016</u>	<u>(1,681,766)</u>
Revenues over (under) other financing uses	<u>\$ -</u>	<u>\$ -</u>	538,432	<u>\$ 538,432</u>	444,954
Fund balances:					
Beginning of year, July 1			3,112,913		2,667,959
End of year, June 30			<u>\$ 3,651,345</u>		<u>\$ 3,112,913</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, 2017
(With Comparative Actual Amounts for the Fiscal Year Ended June 30, 2016)

	2017			Variance with Final Positive (Negative)	2016
	Budgeted Amounts		Actual		Actual
	Original	Final			
Revenues:					
Other taxes and licenses:					
Article 40 supplemental sales tax	\$ 292,522	\$ 292,522	\$ 507,380	\$ 214,858	\$ 482,193
Article 42 supplemental sales tax	957,478	957,478	1,553,112	595,634	1,475,164
Investment earnings	-	-	22,689	22,689	13,934
Total revenues	<u>1,250,000</u>	<u>1,250,000</u>	<u>2,083,181</u>	<u>833,181</u>	<u>1,971,291</u>
Other financing uses:					
Transfers to other funds:					
General fund	(1,000,000)	(1,000,000)	(1,000,000)	-	(1,000,000)
School capital projects fund	(250,000)	(250,000)	(250,000)	-	-
Total other financing uses	<u>(1,250,000)</u>	<u>(1,250,000)</u>	<u>(1,250,000)</u>	<u>-</u>	<u>(1,000,000)</u>
Revenues over (under) other financing uses	<u>\$ -</u>	<u>\$ -</u>	833,181	<u>\$ 833,181</u>	971,291
Fund balances:					
Beginning of year, July 1			2,897,630		1,926,339
End of year, June 30			<u>\$ 3,730,811</u>		<u>\$ 2,897,630</u>

County of Currituck, North Carolina
County Government Facilities Fund
Schedule of Revenues, Expenditures, and
Changes in Fund Balances - Budget and Actual
From Inception and for the Fiscal Year Ended June 30, 2017

	Project Authorization	Actual		Total to Date	Variance Positive (Negative)
		Prior Years	Current Year		
Revenues					
Intergovernmental revenues:					
State aid to airports	\$ 3,652,644	\$ 1,062,976	\$ 856,629	\$ 1,919,605	\$ (1,733,039)
Crawford VFD Construction Grant	-	31,971	10,657	42,628	42,628
PARTF - Maple soccer field project	265,000	258,520	-	258,520	(6,480)
Incinerator Grant	-	2,000	-	2,000	2,000
Total	3,917,644	1,355,467	867,286	2,222,753	(1,694,891)
Investment earnings	42,635	190,253	73,588	263,841	221,206
Total revenues	3,960,279	1,545,720	940,874	2,486,594	(1,473,685)
Expenditures					
Public safety:					
Animal Shelter	2,500,000	2,391,715	66,831	2,458,546	41,454
Jail - Sewer connection to MCP Sewer	378,000	-	-	-	378,000
Public Safety Facility	250,000	-	20,825	20,825	229,175
Shooting Range	268,619	230,461	5,733	236,194	32,425
Total public safety	3,396,619	2,622,176	93,389	2,715,565	681,054
Transportation:					
S Parallel Taxiway (FY 2016)	2,154,069	1,048,589	836,637	1,885,226	268,843
Corporate Area Apron	107,336	-	107,336	107,336	-
Corporate Apron Phase II	885,905	-	7,053	7,053	878,852
Total transportation	3,147,310	1,048,589	951,026	1,999,615	1,147,695
Cultural and recreational:					
Connect Corolla Parking	150,000	8,200	6,915	15,115	134,885
Connect Corolla Bike Path	2,204,217	1,924,960	110,070	2,035,030	169,187
Connect Corolla East Side Walkway	100,000	14,232	-	14,232	85,768
Connect Corolla Albacore Sidewalk	187,560	-	145,392	145,392	42,168
Connect Corolla Corolla Village Rd Sidewalk	412,440	-	399,948	399,948	12,492
Historic Corolla Park - Boat Facility	9,625	1,444	-	1,444	8,181
Historic Corolla Park - Restrooms	250,000	6,000	40,786	46,786	203,214
Recreation baseball/softball fields - Maple	5,736,663	2,903,806	2,491,587	5,395,393	341,270
Recreation soccer fields - Maple	3,266,862	3,161,321	57,976	3,219,297	47,565
Recreation - Shingle Landing Park	1,007,400	3,000	23,300	26,300	981,100
Veteran's Park Dock Improvements	673,617	4,500	651,189	655,689	17,928
Total cultural and recreational	13,998,384	8,027,463	3,927,163	11,954,626	2,043,758
Education					
Bus Garage	37,185	-	-	-	37,185
	37,185	-	-	-	37,185
Total expenditures	20,542,313	11,698,228	4,971,578	16,669,806	3,872,507
Revenues under expenditures	(16,582,034)	(10,152,508)	(4,030,704)	(14,183,212)	2,398,822

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, 2017

	Project Authorization	Actual		Total to Date	Variance Positive (Negative)
		Prior Years	Current Year		
Other financing sources (uses):					
Transfers (to) from other funds:					
General fund	268,619	268,619	-	268,619	-
Tourism Development Authority	11,181,820	10,281,820	900,000	11,181,820	-
Capital improvements fund	1,259,203	6,425,464	-	6,425,464	5,166,261
Transfer tax capital fund	3,872,392	3,439,727	1,716,592	5,156,319	1,283,927
Total other financing sources (uses)	<u>16,582,034</u>	<u>20,415,630</u>	<u>2,616,592</u>	<u>23,032,222</u>	<u>6,450,188</u>
Revenues and other sources over (under) expenditures	<u>\$ -</u>	<u>\$ 10,263,122</u>	<u>(1,414,112)</u>	<u>\$ 8,849,010</u>	<u>\$ 8,849,010</u>
Fund balances:					
Beginning of year, July 1			<u>10,263,122</u>		
End of year, June 30			<u>\$ 8,849,010</u>		

County of Currituck, North Carolina
School Capital Projects Fund
Schedule of Revenues, Expenditures, and
Changes in Fund Balances - Budget and Actual
From Inception and for the Fiscal Year Ended June 30, 2017

	Project Authorization	Actual		Total to Date	Variance Positive (Negative)
		Prior Years	Current Year		
Revenues					
State Lottery proceeds	\$ 329,686	\$ 594,835	\$ 185,856	\$ 780,691	\$ 451,005
Investment earnings	115,305	2,325,377	41,098	2,366,475	2,251,170
Total revenues	444,991	2,920,212	226,954	3,147,166	2,702,175
Expenditures					
Intergovernmental - education:					
Central Elementary School Parking	750,000	686,045	-	686,045	63,955
Griggs - Energy Mgmt Upgrade Sept 2016	90,000	-	87,000	87,000	3,000
Moyock Elementary School Kitchen Roof HVAC	21,881	630	15,469	16,099	5,782
Moyock Elementary School 2 Cafeteria Split Systems	46,510	630	43,982	44,612	1,898
Moyock Middle - Upgrade Energy Management	38,149	-	30,734	30,734	7,415
Moyock Middle - Energy Mgmt Upgrade Sept 2016	65,000	-	-	-	65,000
Knotts Island Elementary Gym HVAC	65,000	-	61,693	61,693	3,307
Knotts Island Elementary Rooftop HVAC	23,000	1,710	8,102	9,812	13,188
Currituck High School Energy Mgmt Upgrade Spet 2016	65,000	-	-	-	65,000
Total expenditures	1,164,540	689,015	246,980	935,995	228,545
Revenues over (under) expenditures	(719,549)	2,231,197	(20,026)	2,211,171	2,930,720
Other financing sources (uses):					
Transfers from					
School Capital Improvements Fund	-	410,000	250,000	660,000	660,000
Transfer Tax Capital Fund	719,549	2,429,109	-	2,429,109	1,709,560
Total other financing sources (uses)	719,549	2,839,109	250,000	3,089,109	2,369,560
Revenues and other sources over (under) expenditures	\$ -	\$ 5,070,306	229,974	\$ 5,300,280	\$ 5,300,280
Fund balances:					
Beginning of year, July 1			5,070,306		
End of year, June 30			\$ 5,300,280		

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, 2017

(With Comparative Actual Amounts for the Fiscal Year Ended June 30, 2016)

	2017			Variance with Final Positive (Negative)	2016
	Budgeted Amounts		Actual		Actual
	Original	Final			
Revenues:					
Other taxes and licenses					
Land transfer tax	\$ 2,277,700	\$ 2,606,084	\$ 3,790,324	\$ 1,184,240	\$ 3,367,062
Investment earnings	50,000	50,000	80,390	30,390	54,783
Total revenues	<u>2,327,700</u>	<u>2,656,084</u>	<u>3,870,714</u>	<u>1,214,630</u>	<u>3,421,845</u>
Expenditures:					
Fees Paid to Officials	700	700	-	700	-
Total expenditures	<u>700</u>	<u>700</u>	<u>-</u>	<u>700</u>	<u>-</u>
Revenues over (under) expenditures	<u>2,327,000</u>	<u>2,655,384</u>	<u>3,870,714</u>	<u>1,215,330</u>	<u>3,421,845</u>
Other financing uses:					
Transfers to general fund	(499,000)	(499,000)	(499,000)	-	-
Transfers to County government facilities	(1,628,000)	(1,716,592)	(1,716,592)	-	(2,155,800)
Transfers to school facilities fund	-	-	-	-	-
Transfers to land banking fund	(200,000)	(200,000)	(200,000)	-	(200,000)
Transfers to Mainland water fund	-	-	-	-	(62,000)
Transfers to Moyock central sewer fund	-	(239,792)	(239,792)	-	(261,043)
Total other financing uses	<u>(2,327,000)</u>	<u>(2,655,384)</u>	<u>(2,655,384)</u>	<u>-</u>	<u>(2,678,843)</u>
Revenues over (under) expenditures and other financing uses	<u>\$ -</u>	<u>\$ -</u>	<u>1,215,330</u>	<u>\$ 1,215,330</u>	<u>743,002</u>
Fund balances:					
Beginning of year, July 1			9,424,292		8,681,290
End of year, June 30			<u>\$ 10,639,622</u>		<u>\$ 9,424,292</u>

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County of Currituck, North Carolina
Tourism Development Authority
Schedule of Revenues, Expenditures, and
Changes in Fund Balances - Budget and Actual
For the Fiscal Year Ended June 30, 2017

(With Comparative Actual Amounts for the Fiscal Year Ended June 30, 2016)

	2017			Variance with Final Positive (Negative)	2016
	Budgeted Amounts		Actual		Actual
	Original	Final			
Revenues:					
Occupancy Tax	\$ -	\$ -	\$ 11,511,034	\$ -	\$ 11,065,242
Insurance Recovery	-	-	-	-	-
Co-op Advertising	-	-	-	-	-
Grants	-	-	504,229	-	1,882
Retail sales - Tourism Promotion	-	-	14,589	-	13,235
Retail sales - Whalehead in Historic Corolla	-	-	11,323	-	10,427
Penalties and interest	-	-	1,279	-	2,200
Tour operator permits	-	-	11,116	-	12,704
Promotion events	-	-	2,162	-	-
Whalehead donations	-	-	8,816	-	6,241
Whalehead events	-	-	86,102	-	72,527
Whalehead rents	-	-	28,009	-	18,784
Whalehead tours	-	-	97,251	-	83,277
Interest on intra-fund loan	-	-	26,231	-	55,152
Sale of capital assets	-	-	-	-	800
Investment earnings	-	-	103,096	-	70,907
Total revenues	<u>10,924,625</u>	<u>11,127,525</u>	<u>12,405,237</u>	<u>1,277,712</u>	<u>11,413,378</u>
Expenditures:					
Tourism Promotion:					
Salaries	-	-	607,139	-	631,627
Operating Expenses	-	-	234,764	-	229,275
Retail merchandise	-	-	12,655	-	11,727
Promotions	-	-	2,335,644	-	2,242,317
Capital Outlay	-	-	9,787	-	21,824
Total Tourism Promotions	<u>3,360,076</u>	<u>3,368,476</u>	<u>3,199,989</u>	<u>168,487</u>	<u>3,136,770</u>
Tourism Related Expenditures:					
Operations:					
Salaries	-	-	120,227	-	69,263
Operating expenses	-	-	21,152	-	19,202
Insurance and bonds	-	-	-	-	-
Repairs and maintenance	-	-	-	-	-
Supplies	-	-	-	-	-
Utilities	-	-	-	-	-
Contracted services	-	-	99,989	-	133,404
Beach nourishment	-	-	9,400	-	11,054
Carova Beach Park	-	-	1,439	-	6,174
Corolla Wild Horse support	-	-	69,200	-	69,200
Historic Jarvisburg Colored School operations	-	-	1,891	-	2,787
Historic preservation	-	-	34,906	-	102,741
Lifeguard services	-	-	668,600	-	655,490
Outer Banks access ramps	-	-	17,704	-	38,254
Professional services	-	-	16,463	-	178,397
Signs	-	-	8,541	-	8,455
Whalehead projects	-	-	-	-	-
Capital outlay	-	-	1,536,452	-	373,679
Total Operations	<u>2,791,126</u>	<u>3,347,131</u>	<u>2,605,964</u>	<u>741,167</u>	<u>1,668,100</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, 2017

(With Comparative Actual Amounts for the Fiscal Year Ended June 30, 2016)

	2017			Variance with Final Positive (Negative)	2016
	Budgeted Amounts		Actual		Actual
	Original	Final			
Whalehead in Historic Corolla Park:					
Salaries	-	-	430,828		427,676
Operating expenses	-	-	185,644		218,166
Capital outlay	-	-	39,956		47,316
Total Whalehead in Historic Corolla Park	754,122	754,122	656,428	97,694	693,158
 Total tourism related expenditures	3,545,248	4,101,253	3,262,392	838,861	2,361,258
 Total expenditures	6,905,324	7,469,729	6,462,381	1,007,348	5,498,028
 Revenues over (under) expenditures	4,019,301	3,657,796	5,942,856	2,285,060	5,915,350
 Other financing uses:					
Transfers (to) from other funds:					
General fund	(3,630,750)	(3,773,750)	(3,753,333)	20,417	(3,240,277)
Carova Beach Service District Fund	(20,000)	(20,000)	(20,000)	-	(20,000)
County Governmental Facilities fund	(900,000)	(900,000)	(900,000)	-	(3,881,675)
Total other financing uses	(4,550,750)	(4,693,750)	(4,673,333)	20,417	(7,141,952)
 Revenues and other financing sources over (under) expenditures and other financing uses	(531,449)	(1,035,954)	1,269,523	2,305,477	(1,226,602)
 Appropriated fund balance	531,449	1,035,954	-	(1,035,954)	-
 Revenues, other financing sources, and appropriated fund balance over (under) expenditures	\$ -	\$ -	1,269,523	\$ 1,269,523	(1,226,602)
 Fund balances:					
Beginning of year, July 1			10,754,023		11,980,625
Fund balance: Tourism promotion			7,853,610		7,274,300
Fund balance: Tourism related expenditures			4,169,936		3,479,723
End of year, June 30			\$ 12,023,546		\$ 10,754,023
 A legally budgeted Carova Beach Service District Fund is consolidated in the Tourism Development Authority Fund for reporting purposes:					
Revenues			14,514		16,319
Transfer-in Tourism Development Authority Fund			20,000		20,000
Expenditures			(17,850)		(6,500)
 Beginning Fund Balance, Carova Beach Service District Fund			31,728		1,909
Ending Fund Balance Exhibit 4			\$ 12,071,938		\$ 10,785,751

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, 2017
(With Comparative Actual Amounts for the Fiscal Year Ended June 30, 2016)

	2017			Variance with Final Positive (Negative)	2016
	Budgeted Amounts		Actual		Actual
	Original	Final			
Revenues:					
Tour operator fees	\$ -	\$ 16,000	\$ 14,204	\$ (1,796)	\$ 16,234
Investment earnings	-	-	310	310	85
Total revenues	-	16,000	14,514	(1,486)	16,319
Expenditures:					
Current:					
Environmental protection	20,000	20,000	17,850	2,150	6,500
Total expenditures	20,000	20,000	17,850	2,150	6,500
Revenues over (under) expenditures	(20,000)	(20,000)	(3,336)	16,664	9,819
Other financing sources:					
Transfers from tourism development authority	20,000	20,000	20,000	-	20,000
Revenues and other financing sources over expenditures	\$ -	\$ -	16,664	\$ 16,664	29,819
Fund balances:					
Beginning of year, July 1			31,728		1,909
End of year, June 30			\$ 48,392		\$ 31,728

County of Currituck, North Carolina
Combining Statement of Net Position
Non-Major Proprietary Funds
June 30, 2017
(With Comparative Actual Amounts for the Fiscal Year Ended June 30, 2016)

	Enterprise Funds				Totals	
	Newtown Road Sewer Fund	Maple Commerce Park Sewer Fund	Moyock Commons Sewer Fund	Walnut Island Sewer Fund	June 30, 2017	June 30, 2016
ASSETS						
Current assets:						
Cash and cash equivalents	\$ 2,275	\$ 1,281	\$ 1,963	\$ 91,728	\$ 97,247	\$ 24,895
Restricted cash	350	-	150	-	500	150
Taxes receivable, net	-	-	-	-	-	-
Receivables, net	1,403	1,223	1,937	105,542	110,105	90,134
Total current assets	<u>4,028</u>	<u>2,504</u>	<u>4,050</u>	<u>197,270</u>	<u>207,852</u>	<u>115,179</u>
Noncurrent assets:						
Capital assets:						
Land, improvements, and construction in progress	87,000	-	67,625	53,690	208,315	208,315
Other capital assets, net of depreciation	87,596	1,610,532	233,560	2,914,550	4,846,238	5,096,839
Total capital assets	<u>174,596</u>	<u>1,610,532</u>	<u>301,185</u>	<u>2,968,240</u>	<u>5,054,553</u>	<u>5,305,154</u>
Total assets	<u>178,624</u>	<u>1,613,036</u>	<u>305,235</u>	<u>3,165,510</u>	<u>5,262,405</u>	<u>5,420,333</u>
LIABILITIES						
Current liabilities:						
Accounts payable	-	5,971	-	6,689	12,660	6,581
Customer deposits	350	-	150	-	500	150
Total liabilities	<u>350</u>	<u>5,971</u>	<u>150</u>	<u>6,689</u>	<u>13,160</u>	<u>6,731</u>
NET POSITION						
Net investment in capital assets	174,596	1,610,532	301,185	2,968,240	5,054,553	5,305,154
Unrestricted	3,678	(3,467)	3,900	190,581	194,692	108,448
Total net position	<u>\$ 178,274</u>	<u>\$ 1,607,065</u>	<u>\$ 305,085</u>	<u>\$ 3,158,821</u>	<u>\$ 5,249,245</u>	<u>\$ 5,413,602</u>

County of Currituck, North Carolina
Combining Statement of Revenues, Expenses, and Changes in Fund Net Position
Non-Major Proprietary Funds
For the Year Ended June 30, 2017
(With Comparative Total Amounts as of June 30, 2016)

	Enterprise Funds				Totals	
	Newtown Road Sewer Fund	Maple Commerce Park Sewer Fund	Moyock Commons Sewer Fund	Walnut Island Sewer Fund	June 30, 2017	June 30, 2016
OPERATING REVENUES						
Charges for services	\$ -	\$ 24,305	\$ -	\$ 150,884	\$ 175,189	\$ 183,605
Miscellaneous	-	-	-	-	-	-
Total operating revenues	-	24,305	-	150,884	175,189	183,605
OPERATING EXPENSES						
Administration	-	9,042	-	22,086	31,128	82,611
Water and sewer district	-	39,307	-	63,774	103,081	114,576
Depreciation	16,954	64,422	18,049	151,176	250,601	246,515
Total operating expenses	16,954	112,771	18,049	237,036	384,810	443,702
Operating income (loss)	(16,954)	(88,466)	(18,049)	(86,152)	(209,621)	(260,097)
NONOPERATING REVENUES (EXPENSES)						
Tax revenue	-	-	26	-	26	521
Grant	-	-	-	-	-	-
Rent	-	3,600	-	-	3,600	3,600
Contributed capital	-	-	-	-	-	-
Sale of capital assets	-	-	-	-	-	-
Insurance recovery	-	-	-	26,112	26,112	-
Interest and investment revenue	-	-	-	526	526	332
Total nonoperating revenue (expenses)	-	3,600	26	26,638	30,264	4,453
Income (loss) before transfers	(16,954)	(84,866)	(18,023)	(59,514)	(179,357)	(255,644)
Transfer	-	15,000	-	-	15,000	(32,381)
Change in net position	(16,954)	(69,866)	(18,023)	(59,514)	(164,357)	(288,025)
Total net position - beginning	195,228	1,676,931	323,108	3,218,335	5,413,602	5,701,627
Total net position - ending	\$ 178,274	\$ 1,607,065	\$ 305,085	\$ 3,158,821	\$ 5,249,245	\$ 5,413,602

County of Currituck, North Carolina
Combining Statement of Cash Flows
Non-Major Proprietary Fund
For the Year Ended June 30, 2017
(With Comparative Total Amounts for the Fiscal Year Ended June 30, 2016)

	Newtown Road Sewer Fund	Maple Commerce Park Sewer Fund	Moyock Commons Sewer Fund	Walnut Island Sewer Fund	Totals	
					June 30, 2017	June 30, 2016
Cash flows from operating activities:						
Cash received from customers	\$ 296	\$ 25,800	\$ 84	\$ 129,038	\$ 155,218	\$ 157,704
Cash paid for goods and services	-	(43,164)	-	(84,616)	(127,780)	(193,919)
Net cash provided (used) by operating activities	<u>296</u>	<u>(17,364)</u>	<u>84</u>	<u>44,422</u>	<u>27,438</u>	<u>(36,215)</u>
Cash flows from noncapital financing activities:						
Rental income	-	3,600	-	-	3,600	3,600
Tax revenues	-	-	26	-	26	521
Insurance recovery	-	-	-	26,112	26,112	-
Transfer from operating fund	-	15,000	-	-	15,000	28,165
	<u>-</u>	<u>18,600</u>	<u>26</u>	<u>26,112</u>	<u>44,738</u>	<u>32,286</u>
Cash flows from capital and related financing activities:						
Transfer (to) enterprise fund	-	-	-	-	-	(60,546)
Net cash provided by capital and related financing activities	-	-	-	-	-	(60,546)
Cash flows from investing activities:						
Interest on investments	-	-	-	526	526	332
Net increase (decrease) in cash and cash equivalents	296	1,236	110	71,060	72,702	(64,143)
Cash and cash equivalents, July 1	2,329	45	2,003	20,668	25,045	89,188
Cash and cash equivalents, June 30	<u>\$ 2,625</u>	<u>\$ 1,281</u>	<u>\$ 2,113</u>	<u>\$ 91,728</u>	<u>\$ 97,747</u>	<u>\$ 25,045</u>
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:						
Operating income (loss)	\$ (16,954)	\$ (88,466)	\$ (18,049)	\$ (86,152)	\$ (209,621)	\$ (260,097)
Adjustments to reconcile operating income to net cash provided by operating activities:						
Depreciation	16,954	64,422	18,049	151,176	250,601	246,515
Changes in assets and liabilities:						
(Increase) decrease in accounts receivable	296	1,495	84	(21,846)	(19,971)	(25,900)
Increase (decrease) in accounts payable and accrued liabilities	-	5,185	-	1,244	6,429	3,267
Total adjustments	<u>17,250</u>	<u>71,102</u>	<u>18,133</u>	<u>130,574</u>	<u>237,059</u>	<u>223,882</u>
Net cash provided (used) by operating activities	<u>\$ 296</u>	<u>\$ (17,364)</u>	<u>\$ 84</u>	<u>\$ 44,422</u>	<u>\$ 27,438</u>	<u>\$ (36,215)</u>

County of Currituck, North Carolina
Newton Road Sewer Fund
Schedule of Revenues and Expenditures
Budget and Actual (Non-GAAP)
For the Year Ended June 30, 2017
(With Comparative Actual Amounts for the Fiscal Year Ended June 30, 2016)

	2017			2016	
	Original Budget	Final Budget	Actual	Variance Positive (Negative)	Actual
Revenues:					
Nonoperating revenues:					
Interest earnings	-	-	-	-	3
Total revenues	-	-	-	-	3
Expenditures:					
Administration:					
Administrative expenses	-	-	-	-	845
Total expenditures	-	-	-	-	845
Revenues and appropriated net position over expenditures	-	-	-	-	(842)
Other financing uses:					
Transfers to Moyock Central Sewer Construction Fund	-	-	-	-	(51,464)
Revenues over (under) expenditures and other financing uses	\$ -	\$ -	-	\$ -	\$ (52,306)
Reconciliation from budgetary basis (modified accrual) to full accrual:					
Reconciling items:					
Depreciation			(16,954)		(16,954)
Total reconciling items			(16,954)		(16,954)
Change in net position			\$ (16,954)		\$ (69,260)

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, 2017
(With Comparative Actual Amounts for the Fiscal Year Ended June 30, 2016)

	2017			Variance Positive (Negative)	2016
	Original Budget	Final Budget	Actual		Actual
Revenues:					
Charges for services:					
Sewer charges	\$ -	\$ -	\$ 24,040	\$ -	\$ 24,859
Penalties and interest, sewer	-	-	265	-	-
Total, sewer operating revenues	<u>22,000</u>	<u>22,000</u>	<u>24,305</u>	<u>2,305</u>	<u>24,859</u>
Nonoperating revenues:					
Rent	-	-	3,600	-	3,600
Interest earnings	-	-	-	-	46
Total, sewer nonoperating revenues	<u>3,600</u>	<u>3,600</u>	<u>3,600</u>	<u>-</u>	<u>3,646</u>
Total revenues	<u>25,600</u>	<u>25,600</u>	<u>27,905</u>	<u>2,305</u>	<u>28,505</u>
Other financing sources:					
Transfer from operating fund	-	-	15,000	-	28,165
	<u>30,268</u>	<u>30,268</u>	<u>15,000</u>	<u>(15,268)</u>	<u>28,165</u>
Total revenues and other financing sources	<u>55,868</u>	<u>55,868</u>	<u>42,905</u>	<u>(12,963)</u>	<u>56,670</u>
Expenditures:					
Administration:					
Telephone and postage	-	-	665	-	1,108
Dues and subscriptions	-	-	1,410	-	1,310
Administrative expenses	-	-	6,967	-	5,551
	<u>8,468</u>	<u>9,812</u>	<u>9,042</u>	<u>770</u>	<u>7,969</u>
Sewer treatment operations:					
Utilities	-	-	4,935	-	5,600
Repairs and maintenance	-	-	3,667	-	6,060
Lab tests	-	-	8,345	-	7,685
System supplies	-	-	21,040	-	25,880
Contracted services	-	-	1,320	-	3,810
Total	<u>42,400</u>	<u>46,056</u>	<u>39,307</u>	<u>6,749</u>	<u>49,035</u>
Capital outlay	<u>5,000</u>	-	-	-	-
Total expenditures	<u>55,868</u>	<u>55,868</u>	<u>48,349</u>	<u>7,519</u>	<u>57,004</u>
Revenues and other financing sources over (under) expenditures	<u>\$ -</u>	<u>\$ -</u>	<u>(5,444)</u>	<u>\$ (5,444)</u>	<u>\$ (334)</u>
Reconciliation from budgetary basis (modified accrual) to full accrual:					
Reconciling items:					
Depreciation			<u>(64,422)</u>		<u>(64,421)</u>
Total reconciling items			<u>(64,422)</u>		<u>(64,421)</u>
Change in net position			<u>\$ (69,866)</u>		<u>\$ (64,755)</u>

County of Currituck, North Carolina
Moyock Commons Sewer Fund
Schedule of Revenues and Expenditures
Budget and Actual (Non-GAAP)

For the Year Ended June 30, 2017

(With Comparative Actual Amounts for the Fiscal Year Ended June 30, 2016)

	2017			2016	
	Original Budget	Final Budget	Actual	Variance Positive (Negative)	Actual
Revenues:					
Nonoperating revenues:					
Tax revenue	\$ -	\$ -	\$ 26	\$ -	\$ 521
Interest earnings	-	-	-	-	-
Total nonoperating revenues	-	-	26	26	521
Total revenues	-	-	26	26	521
Expenditures:					
Administration:					
Contracted services	-	-	-	-	2,273
Total expenditures	-	-	-	-	2,273
Revenues over expenditures	-	-	26	26	(1,752)
Other financing uses:					
Transfers to Moyock Central Sewer Fund	-	-	-	-	(9,082)
Revenues over (under) expenditures and other financing uses	\$ -	\$ -	26	\$ 26	\$ (10,834)
Reconciliation from budgetary basis (modified accrual) to full accrual:					
Depreciation			(18,049)		(13,963)
Change in net position			\$ (18,023)		\$ (24,797)

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, 2017
(With Comparative Actual Amounts for the Fiscal Year Ended June 30, 2016)

	2017			2016	
	Original Budget	Final Budget	Actual	Variance Positive (Negative)	Actual
Revenues:					
Charges for services:					
Sewer charges	\$ -	\$ -	\$ 115,164	\$ -	\$ 145,532
Tap fees	-	-	12,703	-	4,204
Penalties and interest	-	-	23,017	-	9,010
Total, sewer operating revenues	<u>90,692</u>	<u>92,078</u>	<u>150,884</u>	<u>58,806</u>	<u>158,746</u>
Nonoperating revenues:					
Interest earnings	-	-	526	-	283
Insurance recovery	-	-	26,112	-	-
Total nonoperating revenues	<u>-</u>	<u>-</u>	<u>26,638</u>	<u>26,638</u>	<u>283</u>
Total revenues	<u>90,692</u>	<u>92,078</u>	<u>177,522</u>	<u>85,444</u>	<u>159,029</u>
Expenditures:					
Administration:					
Telephone and postage	-	-	836	-	830
Administration	-	-	13,587	-	65,192
Supplies	-	-	5,149	-	5,880
Credit card fees	-	-	518	-	476
Dues and subscriptions	-	-	1,886	-	1,310
Software license fees	-	-	109	-	109
	<u>21,192</u>	<u>24,600</u>	<u>22,086</u>	<u>2,514</u>	<u>73,797</u>
Sewer treatment operations:					
Utilities	-	-	20,240	-	21,796
Repairs and maintenance	-	-	2,878	-	10,540
Lab tests	-	-	9,095	-	8,340
Chemicals	-	-	17,313	-	10,115
Contracted services	-	-	14,248	-	12,477
Total	<u>64,500</u>	<u>67,478</u>	<u>63,774</u>	<u>3,704</u>	<u>63,268</u>
Capital outlay	<u>5,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total expenditures	<u>90,692</u>	<u>92,078</u>	<u>85,860</u>	<u>6,218</u>	<u>137,065</u>
Revenues over expenditures	<u>\$ -</u>	<u>\$ -</u>	<u>91,662</u>	<u>\$ 91,662</u>	<u>\$ 21,964</u>
Reconciliation from budgetary basis (modified accrual) to full accrual:					
Depreciation			<u>(151,176)</u>		<u>(151,177)</u>
Change in net position			<u>\$ (59,514)</u>		<u>\$ (129,213)</u>

County of Currituck, North Carolina
Solid Waste Fund
Schedule of Revenues and Expenditures
Budget and Actual (Non - GAAP)
For the Year Ended June 30, 2017
(With Comparative Actual Amounts for the Fiscal Year Ended June 30, 2016)

	2017			2016	
	Original Budget	Final Budget	Actual	Variance Positive (Negative)	Actual
Revenues:					
Operating revenues:					
Charges for services:					
Solid waste disposal charges	\$ -	\$ -	\$ 2,266,122	\$ -	\$ 2,249,116
Recycling	-	-	42,174	-	35,746
Tipping fees	-	-	554,243	-	505,069
Total	<u>2,849,000</u>	<u>2,865,100</u>	<u>2,862,539</u>	<u>(2,561)</u>	<u>2,789,931</u>
Nonoperating revenues:					
Ad valorem taxes	-	-	10,779	-	13,118
White goods tax	-	-	7,906	-	8,529
White goods disposal tax	-	-	71,054	-	72,037
Tire tax	-	-	34,311	-	33,251
Other solid waste grants	-	-	9,629	-	-
Insurance recovery	-	-	1,056	-	-
Investment earnings	-	-	28,110	-	24,514
Total	<u>104,000</u>	<u>134,000</u>	<u>162,845</u>	<u>28,845</u>	<u>151,449</u>
Appropriated net position	<u>420,907</u>	<u>660,424</u>	<u>-</u>	<u>(660,424)</u>	<u>-</u>
Total revenues and appropriated net position	<u>3,373,907</u>	<u>3,659,524</u>	<u>3,025,384</u>	<u>(634,140)</u>	<u>2,941,380</u>
Expenditures:					
Solid waste administration:					
Telephone and postage	-	-	287	-	290
Other administrative expenditures	-	-	195,169	-	181,286
Total	<u>195,481</u>	<u>195,481</u>	<u>195,456</u>	<u>25</u>	<u>181,576</u>
Solid waste operations:					
Utilities	-	-	5,542	-	4,930
Repair and maintenance	-	-	4,665	-	5,305
Rent	-	-	30,750	-	58,200
Gas, oil, etc.	-	-	-	-	23
Supplies	-	-	1,533	-	855
Professional services	-	-	985	-	1,840
Contract services, other	-	-	7,422	-	27,348
Contract services, collection	-	-	2,168,770	-	1,791,098
Contract services, disposal	-	-	1,797,209	-	1,684,374
Site work and landscaping	-	-	18,794	-	19,182
White goods disposal	-	-	63,679	-	44,957
White goods disposal tax	-	-	45,215	-	45,377
Tire disposal	-	-	54,203	-	33,374
Monitoring wells	-	-	2,450	-	4,900
Recycling	-	-	367,632	-	344,074
Total	<u>4,255,802</u>	<u>4,451,902</u>	<u>4,568,849</u>	<u>(116,947)</u>	<u>4,065,837</u>

County of Currituck, North Carolina
Solid Waste Fund
Schedule of Revenues and Expenditures
Budget and Actual (Non - GAAP)
For the Year Ended June 30, 2017
(With Comparative Actual Amounts for the Fiscal Year Ended June 30, 2016)

	2017			2016	
	Original Budget	Final Budget	Actual	Variance Positive (Negative)	Actual
Capital outlays	65,000	154,517	99,610	54,907	16,025
Total expenditures	<u>4,516,283</u>	<u>4,801,900</u>	<u>4,863,915</u>	<u>(62,015)</u>	<u>4,263,438</u>
Revenues and appropriated net position over expenditures	<u>(1,142,376)</u>	<u>(1,142,376)</u>	<u>(1,838,531)</u>	<u>(696,155)</u>	<u>(1,322,058)</u>
Other financing sources (uses):					
Transfers from operating fund	<u>1,142,376</u>	<u>1,142,376</u>	<u>1,142,376</u>	<u>-</u>	<u>1,079,687</u>
Revenues, appropriated net position, and other financing sources over (under) expenditures and other financing uses	<u>\$ -</u>	<u>\$ -</u>	<u>(696,155)</u>	<u>\$ (696,155)</u>	<u>\$ (242,371)</u>
Reconciliation from budgetary basis (modified accrual) to full accrual:					
Reconciling items:					
Capital outlays			99,610		16,025
Depreciation			<u>(50,104)</u>		<u>(37,744)</u>
Total reconciling items			<u>49,506</u>		<u>(21,719)</u>
Change in net position			<u>\$ (646,649)</u>		<u>\$ (264,090)</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, 2017

(With Comparative Actual Amounts for the Fiscal Year Ended June 30, 2016)

	2017			Variance Positive (Negative)	2016
	Original Budget	Final Budget	Actual		Actual
Revenues:					
Charges for services:					
Water sales	\$ -	\$ -	\$ 589,907	\$ -	\$ 584,391
Water impact fees	-	-	-	-	6,000
Water tap fees	-	-	-	-	1,800
Penalties and interest, water	-	-	7,347	-	7,027
Other operating revenues, water	-	-	1,915	-	1,458
Total, water operating revenues	<u>588,664</u>	<u>613,664</u>	<u>599,169</u>	<u>(14,495)</u>	<u>600,676</u>
Sewer charges	-	-	606,126	-	693,978
Sewer impact fees	-	-	-	-	6,000
Sewer tap fees	-	-	-	-	1,800
Penalties and interest, sewer	-	-	9,133	-	10,395
Other operating revenues, sewer	-	-	1,915	-	1,458
Total, sewer operating revenues	<u>649,065</u>	<u>674,065</u>	<u>617,174</u>	<u>(56,891)</u>	<u>713,631</u>
Total operating revenues	<u>1,237,729</u>	<u>1,287,729</u>	<u>1,216,343</u>	<u>(71,386)</u>	<u>1,314,306</u>
Nonoperating revenues:					
Tax revenue	-	-	238,006	-	234,682
Unrestricted intergovernmental revenue:	-	-	27,242	-	13,621
Insurance recovery	-	-	1,057	-	-
Interest earnings	-	-	14,106	-	12,383
Total nonoperating revenues	<u>253,298</u>	<u>255,798</u>	<u>280,411</u>	<u>24,613</u>	<u>260,686</u>
Total revenues	<u>1,491,027</u>	<u>1,543,527</u>	<u>1,496,754</u>	<u>(46,773)</u>	<u>1,574,992</u>
Appropriated net position	-	360,000	-	(360,000)	-
Total revenues and appropriated net position	<u>1,491,027</u>	<u>1,903,527</u>	<u>1,496,754</u>	<u>(406,773)</u>	<u>1,574,992</u>
Expenditures:					
Administration:					
Processing fees	-	-	4,178	-	2,637
Telephone and postage	-	-	321	-	751
Data transmission	-	-	912	-	881
Travel and training	-	-	2,745	-	5,723
Advertising	-	-	197	-	-
Supplies	-	-	12,164	-	-
Uniforms	-	-	972	-	969
Dues and subscriptions	-	-	4,353	-	3,353
Software license fees	-	-	1,520	-	670
Contract services	-	-	60,327	-	60,000
Total	<u>95,181</u>	<u>93,665</u>	<u>87,689</u>	<u>5,976</u>	<u>74,984</u>
Water treatment operations:					
Utilities	-	-	5,286	-	4,441
Repairs and maintenance	-	-	4,039	-	4,338
Lab tests	-	-	2,270	-	1,443
System supplies	-	-	13,215	-	10,845
Contracted services	-	-	437,914	-	498,102
Professional services	-	-	84,382	-	17,221
Total	<u>525,550</u>	<u>604,279</u>	<u>547,106</u>	<u>57,173</u>	<u>536,390</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, 2017

(With Comparative Actual Amounts for the Fiscal Year Ended June 30, 2016)

	2017			Variance Positive (Negative)	2016
	Original Budget	Final Budget	Actual		Actual
Sewer treatment operations:					
Salaries & benefits	-	-	109,005	-	105,090
Utilities	-	-	58,402	-	64,164
Repairs and maintenance	-	-	6,380	-	41,829
Gas	-	-	4,903	-	5,931
Lab tests	-	-	27,291	-	26,641
System supplies	-	-	22,966	-	50,347
Chemicals	-	-	26,183	-	20,064
Contracted services	-	-	172,110	-	173,965
Professional services	-	-	78,005	-	53,809
Total	521,735	555,022	505,245	49,777	541,840
Capital outlay	119,000	121,000	104,451	16,549	64,469
Total expenditures	1,261,466	1,373,966	1,244,491	129,475	1,217,683
Revenues and appropriated net position over expenditures	229,561	529,561	252,263	(277,298)	357,309
Other financing uses:					
Transfer to Ocean Sands Construction	(229,561)	(529,561)	(529,561)	-	(520,379)
Revenues and appropriated net position over (under) expenditures and other financing uses:	\$ -	\$ -	\$ (277,298)	\$ (277,298)	\$ (163,070)
Reconciliation from budgetary basis (modified accrual) to full accrual:					
Reconciling items:					
Capital outlays			104,451		64,469
Decrease in accrued salaries			2,559		1,999
Increase in accrued vacation			(1,539)		(660)
Loss on disposal of assets			-		(10,002)
Transfer to Ocean Sands Construction			529,561		520,379
Increase in other postemployment benefits			(8,889)		(5,729)
Depreciation			(338,027)		(184,491)
Interest income from capital project funds			4,749		22,678
Decrease in net pension asset			-		(6,250)
Increase in deferred outflows of resources			16,616		(390)
Increase in net pension liability			(20,595)		(4,806)
Decrease in deferred outflows of resources			2,229		12,900
Total reconciling items			291,115		410,097
Change in net position			\$ 13,817		\$ 247,027

County of Currituck, North Carolina
Ocean Sands Water & Sewer Construction Fund
Schedule of Revenues and Expenditures
Budget and Actual (Non-GAAP)
From Inception and for the Fiscal Year Ended June 30, 2017

	Project Authorization	Actual		Total to Date	Variance Positive (Negative)
		Prior Years	Current Year		
Revenues					
Intergovernmental revenues:					
Investment earnings	\$ -	\$ 74,961	\$ 4,749	\$ 79,710	\$ 79,710
Total revenues	-	74,961	4,749	79,710	79,710
Expenditures					
Contract services	4,298,150	2,228,751	2,068,630	4,297,381	769
Professional services	865,000	404,260	251,128	655,388	209,612
Contingency	175,000	-	-	-	175,000
Total expenditures	5,338,150	2,633,011	2,319,758	4,952,769	385,381
Revenues under expenditures	(5,338,150)	(2,558,050)	(2,315,009)	(4,873,059)	465,091
Other financing sources:					
Transfers from other funds:					
Ocean Sands Water & Sewer fund	5,338,150	4,775,691	529,561	5,305,252	(32,898)
Total other financing sources	5,338,150	4,775,691	529,561	5,305,252	(32,898)
Revenues and other sources over (under) expenditures	\$ -	\$ 2,217,641	\$ (1,785,448)	\$ 432,193	\$ 432,193

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County of Currituck, North Carolina
Mainland Water Fund
Schedule of Revenues and Expenditures
Budget and Actual (Non-GAAP)
For the Year Ended June 30, 2017
(With Comparative Actual Amounts for the Fiscal Year Ended June 30, 2016)

	2017			Variance Positive (Negative)	2016
	Original Budget	Final Budget	Actual		Actual
Revenues:					
Charges for services:					
Water sales	\$ -	\$ -	\$ 2,874,696	\$ -	\$ 2,934,164
Water tap fees	-	-	601,276	-	624,723
Reconnection fees	-	-	58,700	-	56,047
Penalties and interest	-	-	73,802	-	79,102
Sale of materials	-	-	18,971	-	13,960
Total	<u>3,162,511</u>	<u>3,162,511</u>	<u>3,627,445</u>	<u>464,934</u>	<u>3,707,996</u>
Nonoperating revenues:					
Interest earnings	-	-	33,051	-	18,550
Insurance recovery	-	-	1,000	-	84,835
Other nonoperating revenues	-	-	-	-	-
Total nonoperating revenues	<u>10,000</u>	<u>10,000</u>	<u>34,051</u>	<u>24,051</u>	<u>103,385</u>
Total revenues	<u>3,172,511</u>	<u>3,172,511</u>	<u>3,661,496</u>	<u>488,985</u>	<u>3,811,381</u>
Other financing sources (uses):					
Transfer from transfer tax capital fund	-	-	-	-	62,000
Sales of capital assets	-	30,000	30,337	337	-
	<u>-</u>	<u>30,000</u>	<u>30,337</u>	<u>337</u>	<u>62,000</u>
Total revenues and other financing sources	<u>3,172,511</u>	<u>3,205,745</u>	<u>3,691,833</u>	<u>486,088</u>	<u>3,873,381</u>
Expenditures:					
Administration:					
Salaries and benefits	-	-	59,206	-	55,575
Administrative support	-	-	223,678	-	193,734
Credit card fees	-	-	18,204	-	17,183
Telephone and postage	-	-	14,108	-	13,969
Travel	-	-	3,788	-	2,421
Training and education	-	-	3,474	-	7,558
Advertising	-	-	178	-	-
Supplies	-	-	105,343	-	95,635
Dues and subscriptions	-	-	6,409	-	7,282
Software license fees	-	-	3,448	-	5,078
Other administration	-	-	21,638	-	35
	<u>422,502</u>	<u>469,575</u>	<u>459,474</u>	<u>10,101</u>	<u>398,470</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, 2017
(With Comparative Actual Amounts for the Fiscal Year Ended June 30, 2016)

	2017			Variance Positive (Negative)	2016
	Original Budget	Final Budget	Actual		Actual
Water treatment operations:					
Salaries and benefits	-	-	680,858	-	639,112
Utilities	-	-	165,192	-	167,449
Repairs and maintenance	-	-	17,610	-	27,729
Fuel	-	-	23,555	-	19,611
Lab tests	-	-	12,216	-	14,723
Chemicals	-	-	44,177	-	46,538
Uniforms	-	-	999	-	1,020
Contracted services	-	-	79,024	-	75,014
Professional services	-	-	60	-	17,490
Total	<u>1,093,872</u>	<u>1,080,043</u>	<u>1,023,691</u>	<u>56,352</u>	<u>1,008,686</u>
Debt service:					
Interest and other charges	-	-	439,906	-	469,485
Debt principal	-	-	1,005,000	-	970,000
Total	<u>1,444,907</u>	<u>1,444,907</u>	<u>1,444,906</u>	<u>1</u>	<u>1,439,485</u>
Capital outlay	211,230	211,220	189,552	21,668	272,506
Total expenditures	<u>3,172,511</u>	<u>3,205,745</u>	<u>3,117,623</u>	<u>88,122</u>	<u>3,119,147</u>
Revenues and other financing sources over (under) expenditures	<u>\$ -</u>	<u>\$ -</u>	574,210	<u>\$ 574,210</u>	754,234
Reconciliation from budgetary basis (modified accrual) to full accrual:					
Reconciling items:					
Capital outlays			189,552		272,506
Debt principal			1,005,000		970,000
Depreciation			(1,931,777)		(1,923,620)
Increase in other postemployment benefits			(58,919)		(33,852)
Decrease in accrued vacation			1,055		(6,146)
Decrease in accrued salaries			25,848		(8,397)
Loss on disposal of assets			-		(38,025)
Decrease in net pension asset			-		(49,743)
Increase in deferred outflows of resources			112,448		(2,205)
Increase in net pension liability			(135,566)		(33,996)
Decrease in deferred inflows of resources			12,919		97,702
Total reconciling items			<u>(779,440)</u>		<u>(755,776)</u>
Change in net position			<u>\$ (205,230)</u>		<u>\$ (1,542)</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, 2017
(With Comparative Actual Amounts for the Fiscal Year Ended June 30, 2016)

	2017			2016	
	Original Budget	Final Budget	Actual	Variance Positive (Negative)	Actual
Revenues:					
Charges for services:					
Water sales	\$ -	\$ -	\$ 2,481,437	\$ -	\$ 2,529,155
Water tap fees	-	-	219,722	-	957,630
Administration	-	-	428,312	-	486,330
Billing services	-	-	3,805	-	4,085
Penalties and interest	-	-	32,341	-	27,430
Other operating revenues	-	-	17,997	-	18,431
Total, water operating revenues	<u>3,486,244</u>	<u>3,495,044</u>	<u>3,183,614</u>	<u>(311,430)</u>	<u>4,023,061</u>
Nonoperating revenues:					
Rent	-	-	177,947	-	167,107
Insurance recovery	-	-	-	-	-
Interest earnings	-	-	20,830	-	17,779
Sale of capital assets	-	-	2,841	-	-
Total nonoperating revenues	<u>173,361</u>	<u>184,561</u>	<u>201,618</u>	<u>17,057</u>	<u>184,886</u>
Total revenues	<u>3,659,605</u>	<u>3,679,605</u>	<u>3,385,232</u>	<u>(294,373)</u>	<u>4,207,947</u>
Other financing sources:					
Transfer from Southern Outer Banks Water Construction fund	-	-	65,594	-	(122,156)
	<u>-</u>	<u>-</u>	<u>65,594</u>	<u>65,594</u>	<u>(122,156)</u>
Appropriated net position	-	23,153	-	(23,153)	-
Total revenues, other financing sources, and appropriated net position	<u>3,659,605</u>	<u>3,702,758</u>	<u>3,450,826</u>	<u>(251,932)</u>	<u>4,085,791</u>
Expenditures:					
Administration:					
Salaries and benefits	-	-	155,350	-	160,602
Telephone and postage	-	-	4,319	-	4,966
Travel	-	-	1,365	-	1,939
Training and education	-	-	1,789	-	3,048
Data transmission	-	-	4,223	-	3,453
Advertising	-	-	214	-	-
Supplies	-	-	50,130	-	41,453
Credit card fees	-	-	5,543	-	6,043
Dues and subscriptions	-	-	6,779	-	7,303
Other administrative expenditures	-	-	189,810	-	217,142
Total administration expenditures	<u>215,667</u>	<u>440,541</u>	<u>419,522</u>	<u>21,019</u>	<u>445,949</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, 2017
(With Comparative Actual Amounts for the Fiscal Year Ended June 30, 2016)

	2017			2016	
	Original Budget	Final Budget	Actual	Variance Positive (Negative)	Actual
Water treatment operations:					
Salaries and benefits	-	-	466,068	-	434,369
Utilities	-	-	201,689	-	204,850
Gas, oil, etc	-	-	16,277	-	14,177
Repairs and maintenance	-	-	15,906	-	22,352
Lab tests	-	-	19,317	-	17,300
Chemicals	-	-	106,168	-	118,055
Uniforms	-	-	531	-	908
Contracted services	-	-	15,916	-	54,096
Professional services	-	-	5,223	-	29,968
Total water treatment operations	<u>1,184,203</u>	<u>874,142</u>	<u>847,095</u>	<u>27,047</u>	<u>896,075</u>
Debt service:					
Interest and other charges	-	-	132,439	-	181,590
Debt principal	-	-	1,777,072	-	2,136,783
Total	<u>1,909,511</u>	<u>1,909,511</u>	<u>1,909,511</u>	<u>-</u>	<u>2,318,373</u>
Capital outlays	350,224	478,564	478,564	-	96,160
Total expenditures	<u>3,659,605</u>	<u>3,702,758</u>	<u>3,654,692</u>	<u>48,066</u>	<u>3,756,557</u>
Revenues, other financing sources, and appropriated net position over (under) expenditures	<u>\$ -</u>	<u>\$ -</u>	(203,866)	<u>\$ (203,866)</u>	<u>\$ 329,234</u>
Reconciliation from budgetary basis (modified accrual) to full accrual:					
Reconciling items:					
Capital outlays			478,564		96,160
Debt principal			1,777,072		2,136,783
Increase in other postemployment benefits			(45,794)		(35,858)
Decrease in accrued vacation			1,718		(2,507)
Depreciation			(1,091,702)		(1,039,081)
Transfer to (from) construction fund			(65,594)		122,156
Interest income from capital project funds			-		148
Decrease in accrued salaries			20,466		(6,849)
Loss on disposal of assets			-		(104,405)
Decrease in net pension asset			-		(39,064)
Increase in deferred outflow of resources			93,432		1,862
Increase in net pension liability			(114,343)		(30,149)
Decrease in deferred inflows of resources			10,896		80,753
Total reconciling items			<u>1,064,715</u>		<u>1,179,949</u>
Change in net position			<u>\$ 860,849</u>		<u>\$ 1,509,183</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, 2017

	Project Authorization	Actual		Total to Date	Variance Positive (Negative)
		Prior Years	Current Year		
Revenues					
Intergovernmental revenues:					
Investment earnings	\$ 56,242	\$ 56,242	\$ -	\$ 56,242	\$ -
Total revenues	56,242	56,242	-	56,242	-
Expenditures					
Purchase existing water systems	5,419,384	5,419,384	-	5,419,384	-
.75 MGD reverse osmosis water treatment	3,641,003	3,641,003	-	3,641,003	-
1.5 MG water storage	799,774	799,774	-	799,774	-
Piping/distribution lines	553,460	553,460	-	553,460	-
Carolina water wells	715,685	715,685	-	715,685	-
Paint existing tanks	199,139	199,139	-	199,139	-
Professional services	633,064	633,064	-	633,064	-
Total expenditures	11,961,509	11,961,509	-	11,961,509	-
Revenues under expenditures	(11,905,267)	(11,905,267)	-	(11,905,267)	-
Other financing sources (uses):					
Transfers (to) from other funds:					
Southern outer banks water fund	(2,305,776)	(2,240,182)	(65,594)	(2,305,776)	-
Southern outer banks water fund	5,711,043	5,711,043	-	5,711,043	-
Issuance of debt	8,500,000	8,500,000	-	8,500,000	-
Total other financing sources (uses)	11,905,267	11,970,861	(65,594)	11,905,267	-
Revenues and other sources over (under) expenditures	\$ -	\$ 65,594	\$ (65,594)	\$ -	\$ -

County of Currituck, North Carolina
Moyock Central Sewer Fund
Schedule of Revenues and Expenditures
Budget and Actual (Non-GAAP)
For the Year Ended June 30, 2017
(With Comparative Actual Amounts for the Fiscal Year Ended June 30, 2016)

	2017			Variance	2016
	Original Budget	Final Budget	Actual	Positive (Negative)	Actual
Revenues:					
Charges for services:					
Sewer charges	\$ -	\$ -	\$ 96,163	\$ -	\$ 108,148
Tap fees	-	-	304,525	-	-
Penalties and interest	-	-	1,130	-	1,984
Total, sewer operating revenues	<u>427,468</u>	<u>127,676</u>	<u>401,818</u>	<u>274,142</u>	<u>110,132</u>
Nonoperating revenues:					
Insurance recovery	-	-	1,327	-	11,689
Interest earnings	-	-	1,531	-	656
Total nonoperating revenues	<u>-</u>	<u>-</u>	<u>2,858</u>	<u>2,858</u>	<u>12,345</u>
Total revenues	<u>427,468</u>	<u>127,676</u>	<u>404,676</u>	<u>277,000</u>	<u>122,477</u>
Other financing sources (uses):					
Transfer from Operating fund	-	60,000	60,000	-	-
Transfer from Newtown Road sewer fund	-	-	-	-	9,082
Transfer from Moyock Commons sewer fund	-	-	-	-	51,464
Transfer from Transfer tax capital fund	-	239,792	239,792	-	261,043
	<u>-</u>	<u>299,792</u>	<u>299,792</u>	<u>-</u>	<u>321,589</u>
Total revenues and other financing sources	<u>427,468</u>	<u>427,468</u>	<u>704,468</u>	<u>277,000</u>	<u>444,066</u>
Expenditures:					
Administration:					
Telephone and postage	-	-	4	-	135
Administration	-	-	26,151	-	5,000
Supplies	-	-	8,344	-	2,674
Credit card fees	-	-	757	-	279
Dues and subscriptions	-	-	3,510	-	3,200
Software license fees	-	-	21	-	21
	<u>34,131</u>	<u>36,731</u>	<u>38,787</u>	<u>(2,056)</u>	<u>11,309</u>
Sewer treatment operations:					
Utilities	-	-	12,046	-	18,274
Gas	-	-	186	-	-
Data Transmission	-	-	-	-	147
Repairs and maintenance	-	-	4,569	-	5,778
Lab tests	-	-	7,255	-	13,145
Chemicals	-	-	33,090	-	22,919
Contracted services	-	-	64,377	-	-
Total	<u>132,545</u>	<u>123,646</u>	<u>121,523</u>	<u>2,123</u>	<u>60,263</u>
Debt service:					
Interest and other charges	-	-	59,792	-	65,354
Debt principal	-	-	180,000	-	180,000
Total	<u>239,792</u>	<u>239,792</u>	<u>239,792</u>	<u>-</u>	<u>245,354</u>
Capital outlay	<u>21,000</u>	<u>27,299</u>	<u>19,075</u>	<u>8,224</u>	<u>99,732</u>
Total expenditures	<u>427,468</u>	<u>427,468</u>	<u>419,177</u>	<u>8,291</u>	<u>416,658</u>
Revenues over expenditures	<u>-</u>	<u>-</u>	<u>285,291</u>	<u>285,291</u>	<u>27,408</u>
Revenues and other financing sources over (under) expenditures	<u>\$ -</u>	<u>\$ -</u>	<u>285,291</u>	<u>\$ 285,291</u>	<u>27,408</u>
Reconciliation from budgetary basis (modified accrual) to full accrual:					
Capital outlay			19,075		99,732
Contributed capital			500,000		-
Debt principal			180,000		180,000
Depreciation			(391,390)		(317,236)
Change in net position			<u>\$ 592,976</u>		<u>\$ (10,096)</u>

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County of Currituck, North Carolina
Agency Funds
Combining Statement of Changes in Assets and Liabilities
For the Fiscal Year Ended June 30, 2017

	Balance June 30 2016	Additions	Deductions	Balance June 30 2017
Social Services				
Assets:				
Cash and cash equivalents	\$ 23,926	\$ 279,747	\$ 275,582	\$ 28,091
Liabilities:				
Accounts Payable	\$ 23,926	\$ 279,747	\$ 275,582	\$ 28,091
Fines and Forfeitures				
Assets:				
Cash and cash equivalents	\$ 14,358	\$ 189,790	\$ 204,148	\$ -
Due from other governments	-	17,836	-	17,836
Total assets	\$ 14,358	\$ 207,626	\$ 204,148	\$ 17,836
Liabilities:				
Due to other governments	\$ 14,358	\$ 207,626	\$ 204,148	\$ 17,836
Deed of Trust Fee				
Assets:				
Cash and cash equivalents	\$ 2,945	\$ 35,241	\$ 35,501	\$ 2,685
Liabilities:				
Due to other governments	\$ 2,945	\$ 38,186	\$ 38,446	\$ 2,685
Totals - All Agency Funds				
Assets:				
Cash and cash equivalents	\$ 41,229	\$ 504,778	\$ 515,231	\$ 30,776
Due from other governments	-	17,836	-	17,836
Total assets	\$ 41,229	\$ 522,614	\$ 515,231	\$ 48,612
Liabilities:				
Accounts payable	23,926	279,747	275,582	28,091
Due to other governments	17,303	245,812	242,594	20,521
Total liabilities	\$ 41,229	\$ 525,559	\$ 518,176	\$ 48,612

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County of Currituck, North Carolina
General Fund
Schedule of Ad Valorem Taxes Receivable
June 30, 2017

Fiscal Year	Uncollected Balance June 30, 2016	Additions	Collections And Credits	Uncollected Balance June 30, 2017
2016-2017	\$ -	\$ 29,360,621 (a)	\$ 29,068,844 (b)	\$ 291,777 (c)
2015-2016	334,407	6,254	255,592	85,069
2014-2015	100,420	1,228	66,725	34,923
2013-2014	44,964	1,850	24,481	22,333
2012-2013	21,482	1,903	7,752	15,633
2011-2012	16,815	1,795	4,131	14,479
2010-2011	13,758	-	4,140	9,618
2009-2010	8,316	-	1,469	6,847
2008-2009	7,410	140	1,343	6,207
2007-2008	6,094	187	1,132	5,149
2006-2007	4,169	-	4,169	-
	557,835	29,373,978	29,439,778 (d)	492,035
Less: allowance for uncollectible accounts:				
	General Fund			(17,134)
Ad valorem taxes receivable - net:				\$ 474,901
 <u>Reconciliation with revenues:</u>				
Ad valorem taxes - General Fund				\$ 29,526,701
Reconciling items:				
	Interest collected			(95,247)
	Taxes written off			8,324
	Total reconciling items			(86,923)
Total collections and credits				\$ 29,439,778 (d)

County of Currituck, North Carolina
Analysis of Current Tax Levy
County - wide Levy
For the Fiscal Year Ended June 30, 2017

	County - wide			Total Levy	
	Property Valuation	Rate	Amount of Levy	Property excluding Registered Motor Vehicles	Registered Motor Vehicles
	Original levy:				
Property taxed at current year's rate	\$6,124,325,625	0.480	\$ 29,396,763	\$ 28,012,657	\$1,384,106
Penalties	-		25,399	25,399	-
Total	<u>6,124,325,625</u>		<u>29,422,162</u>	<u>28,038,056</u>	<u>1,384,106</u>
Discoveries:					
Current year taxes	216,312	0.480	1,038	1,038	-
Prior year taxes	149,462		719	719	-
Penalties	-		290	290	-
Total	<u>365,774</u>		<u>2,047</u>	<u>2,047</u>	<u>-</u>
Abatements	<u>(13,247,500)</u>		<u>(63,588)</u>	<u>(48,401)</u>	<u>(15,187)</u>
Total property valuation	<u>\$6,111,443,899</u>				
Net levy			29,360,621 (a)	27,991,702	1,368,919
Uncollected taxes at June 30, 2017			<u>291,777 (c)</u>	<u>291,777</u>	<u>-</u>
Current year's taxes collected			<u>\$29,068,844 (b)</u>	<u>\$ 27,699,925</u>	<u>\$1,368,919</u>
Current levy collection percentage			<u>99.01%</u>	<u>98.96%</u>	<u>100.00%</u>

County of Currituck, North Carolina
Analysis of Current Tax Levy
County - wide Levy
For the Fiscal Year Ended June 30, 2017

Secondary Market Disclosures:

Assessed Valuation:

Assessment Ratio ¹	100 %
Real Property	\$ 5,845,151,737
Personal Property	156,740,008
Public Service Companies ²	<u>109,552,154</u>
Total Assessed Valuation	\$ 6,111,443,899
Tax Rate per \$100	0.48
Levy (includes discoveries, releases and abatements) ³	\$ 29,360,621

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

Guinea Mill watershed improvement district	11,304
Hog Ditch watershed improvement district	1,575
Moyock watershed improvement district	17,161
Northwest watershed improvement district	2,709
Whalehead solid waste district	143,247
Whalehead watershed improvement district	888,126
Ocean Sands water and sewer district	234,715
Total	<u><u>\$ 30,659,458</u></u>

¹ Percentage of appraised value has been established by statute.

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

³ The levy includes interest and penalties.

County of Currituck, North Carolina
Ten Largest Taxpayers
For the Fiscal Year Ended June 30, 2017

Taxpayer	Type of Business	2016 Assessed Valuation	Percentage of Total Assessed Valuation
Dominion Power	Utility	\$ 81,552,302	1.33 %
Coastland Properties I LLC	Land Development	22,087,200	0.36
Harrison Inn Corolla LLC	Hotel	20,127,357	0.33
Coastland Corporation	Land Development	15,920,800	0.26
Pine Island Properties LLC	Land Development	13,687,600	0.22
Northeastern NC Properties Financial Inst.	Financial Institution	9,802,830	0.16
Fincher Patrick Weir LLC	Real Estate Investor	8,090,100	0.13
Monteray Plaza Inc	Land Development	7,727,368	0.13
Price Solar LLC	Land Development	7,506,400	0.12
Currituck Associate Golf Partnership	Golf Course	7,094,600	0.12
Total		<u>\$ 193,596,557</u>	<u>3.16 %</u>

County of Currituck, North Carolina
Emergency Telephone System Unspent Balance
PSAP Reconciliation
June 30, 2017

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	\$ (69,345)
Ineligible advertising for formal bids for 911 equipment	<u>(116)</u>
Beginning Balance, PSAP Revenue-Expenditure Report	<u>385,844</u>
Ending Balance, PSAP Revenue-Expenditure Report	<u><u>\$ 316,383</u></u>

Statistical Section

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

Financial Trends:

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

Revenue Capacity:

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

Debt Capacity:

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

Demographic and Economic Information:

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

Operating Information:

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

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

	Fiscal Year									
	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Governmental activities										
Net investment in capital assets	\$ 56,558,162	\$ 73,367,483	\$ 74,064,100	\$ 81,090,434	\$ 96,265,950	\$ 101,478,868	\$ 104,063,563	\$ 103,521,339	\$ 95,026,547	\$ 98,607,671
Restricted	-	-	-	15,397,965	12,362,081	18,056,879	21,530,373	21,700,488	22,905,623	36,645,981
Unrestricted	62,010,794	49,182,688	48,227,525	29,175,234	21,792,937	16,509,722	13,767,217	19,081,705	20,283,060	8,333,046
Total governmental activities net position	\$ 118,568,956	\$ 122,550,171	\$ 122,291,625	\$ 125,663,633	\$ 130,420,968	\$ 136,045,469	\$ 139,361,153	\$ 144,303,532	\$ 138,215,230	\$ 143,586,698
Business-type activities										
Net investment in capital assets	\$ 22,735,808	\$ 21,244,084	\$ 22,524,024	\$ 23,516,216	\$ 28,802,477	\$ 29,352,060	\$ 28,462,332	\$ 31,801,937	\$ 32,769,142	\$ 34,461,551
Unrestricted	11,278,840	14,161,517	13,704,712	13,436,806	13,635,970	13,550,093	14,330,486	11,857,259	12,082,511	10,841,508
Total business-type activities net position	\$ 34,014,648	\$ 35,405,601	\$ 36,228,736	\$ 36,953,022	\$ 42,438,447	\$ 42,902,153	\$ 42,792,818	\$ 43,659,196	\$ 44,851,653	\$ 45,303,059
Primary government										
Net investment in capital assets	\$ 79,293,970	\$ 94,611,567	\$ 96,588,124	\$ 104,606,650	\$ 125,068,427	\$ 130,830,928	\$ 132,525,895	\$ 135,323,276	\$ 127,795,689	\$ 133,069,222
Restricted	-	-	-	15,397,965	12,362,081	18,056,879	21,530,373	21,700,488	22,905,623	36,645,981
Unrestricted	73,289,634	63,344,205	61,932,237	42,612,040	35,428,907	30,059,815	28,097,703	30,938,964	32,365,571	19,174,554
Total governmental activities net position	\$ 152,583,604	\$ 157,955,772	\$ 158,520,361	\$ 162,616,655	\$ 172,859,415	\$ 178,947,622	\$ 182,153,971	\$ 187,962,728	\$ 183,066,883	\$ 188,889,757

Schedule 2

Currituck County, North Carolina
Changes in Net Position

(accrual basis of accounting)

	Fiscal Year									
	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Expenses										
Governmental activities:										
General government	\$ 3,230,828	\$ 7,677,910	\$ 8,415,095	\$ 8,369,991	\$ 6,351,749	\$ 7,999,138	\$ 6,607,468	\$ 6,716,864	\$ 7,316,823	\$ 7,605,726
Public safety	15,490,648	17,202,362	17,211,595	17,159,996	18,160,689	19,305,733	20,161,974	19,371,231	20,237,291	22,184,580
Transportation	1,379,504	751,195	783,800	1,726,573	1,222,468	1,079,075	1,000,818	884,955	1,864,818	878,356
Economic and physical development	6,176,978	5,792,463	6,713,211	6,469,555	9,094,719	3,531,181	761,700	1,401,180	7,059,866	6,919,571
Environmental protection	385,879	390,630	568,900	424,447	385,902	3,174,699	8,490,835	6,735,282	1,112,071	1,304,616
Human services	4,550,718	4,462,531	4,155,112	4,156,265	4,351,492	4,492,638	4,688,478	4,551,724	4,821,314	5,135,697
Cultural and recreation	1,523,197	1,368,558	2,577,198	2,094,488	1,939,442	1,982,118	3,131,488	2,945,656	2,337,746	3,649,685
Education	18,420,509	11,758,442	10,330,209	10,098,107	9,810,904	10,100,754	10,782,180	11,099,664	11,078,398	11,223,471
Interest on long-term debt	418,693	492,453	449,982	456,783	359,601	364,671	290,717	196,630	133,147	106,219
Total governmental activities expenses	<u>51,576,954</u>	<u>49,896,544</u>	<u>51,205,102</u>	<u>50,956,205</u>	<u>51,676,966</u>	<u>52,030,007</u>	<u>55,915,658</u>	<u>53,903,186</u>	<u>55,961,474</u>	<u>59,007,921</u>
Business-type activities:										
Solid Waste	3,788,615	3,927,902	4,196,020	4,193,309	4,252,922	4,274,049	4,135,657	4,256,648	4,285,157	4,814,409
Water and Sewer	4,844,089	5,591,471	6,398,328	6,519,262	7,466,805	8,295,709	8,437,098	8,528,166	8,669,910	8,900,685
Total business-type activities expenses	<u>8,632,704</u>	<u>9,519,373</u>	<u>10,594,348</u>	<u>10,712,571</u>	<u>11,719,727</u>	<u>12,569,758</u>	<u>12,572,755</u>	<u>12,784,814</u>	<u>12,955,067</u>	<u>13,715,094</u>
Total primary government expenses	<u>\$ 60,209,658</u>	<u>\$ 59,415,917</u>	<u>\$ 61,799,450</u>	<u>\$ 61,668,776</u>	<u>\$ 63,396,693</u>	<u>\$ 64,599,765</u>	<u>\$ 68,488,413</u>	<u>\$ 66,688,000</u>	<u>\$ 68,916,541</u>	<u>\$ 72,723,015</u>
Program Revenues										
Governmental activities:										
Charges for services:										
General government	\$ 523,617	\$ 732,634	\$ 953,864	\$ 960,242	\$ 1,406,215	\$ 2,007,829	\$ 1,500,025	\$ 1,377,621	\$ 1,333,039	\$ 1,082,865
Public safety	1,250,083	1,122,524	1,013,183	1,392,245	1,417,775	1,906,102	1,495,000	1,788,900	1,779,070	1,751,361
Transportation	299,781	331,208	300,395	400,314	444,744	487,746	461,021	357,148	375,589	326,746
Economic and physical development	93,122	-	18,570	16,878	37,641	99,060	85,482	-	68,765	271,933
Environmental protection	-	-	-	-	9,400	80,039	-	86,965	-	-
Human services	-	16,314	-	-	-	-	14,063	-	224	249
Cultural and recreation	39,457	59,983	60,577	188,356	66,700	95,097	72,376	70,492	63,688	87,270
Operating grants and contributions:										
General government	433,683	9,392	854,484	40,909	316,482	-	154,237	187,442	174,287	174,988
Public safety	284,580	388,608	495,545	238,506	810,366	187,756	458,824	564,997	851,728	640,816
Transportation	262,251	-	-	-	-	-	-	-	-	3,383
Economic and physical development	141,865	40,000	-	-	16,020	33,904	13,547	26,760	-	575,805
Environmental protection	40,683	16,365	56,690	-	32,282	-	273,267	-	26,629	110,808
Human services	2,611,369	2,808,773	2,730,538	2,786,951	2,314,370	2,277,836	2,354,571	2,464,702	2,483,300	2,605,116
Cultural and recreation	21,345	-	28,098	-	22,978	-	27,206	4,170	-	-
Education	-	-	-	-	-	-	-	-	-	-
Capital grants and contributions:										
General government	-	-	-	-	-	-	-	-	-	-
Public safety	-	-	-	-	27,636	2,520	41,714	207,170	216,999	235,000
Transportation	722,136	740,232	-	1,016,192	682,120	476,612	73,511	98,700	1,052,019	867,286
Economic and physical development	-	-	-	-	5,000	500,696	77,500	10,000	-	-
Environmental protection	-	-	-	10,650	-	-	-	199,869	-	-
Human services	-	-	-	-	-	-	-	-	-	-
Cultural and recreation	-	-	294,155	288,824	158,156	53,020	50,000	750,000	459,090	-
Education	660,325	756,356	-	219,962	-	398,560	270,000	240,000	289,999	185,856
Total governmental activities program revenues	<u>\$ 7,384,297</u>	<u>\$ 7,022,389</u>	<u>\$ 6,806,099</u>	<u>\$ 7,560,029</u>	<u>\$ 7,767,885</u>	<u>\$ 8,606,777</u>	<u>\$ 7,422,344</u>	<u>\$ 8,439,344</u>	<u>\$ 9,174,426</u>	<u>\$ 8,919,482</u>

	Fiscal Year									
	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Business-type activities:										
Charges for services:										
Solid Waste	\$ 2,510,093	\$ 2,568,346	\$ 2,562,992	\$ 2,458,693	\$ 2,956,155	\$ 2,690,617	\$ 2,715,259	\$ 2,756,440	\$ 2,789,931	\$ 2,862,539
Water and Sewer	5,564,520	5,978,335	5,884,552	6,620,476	7,732,900	8,846,411	8,553,691	9,183,083	9,339,100	8,604,409
Operating grants and contributions:										
Solid Waste	139,856	45,481	57,113	67,716	75,477	55,392	26,860	39,024	41,780	51,846
Water and Sewer	1,046	-	-	940	-	113,475	48,984	12,544	13,621	27,242
Capital grants and contributions:										
Solid Waste	-	-	-	-	-	-	-	-	-	-
Water and Sewer	-	-	329,144	540,000	-	206,491	72,527	-	-	500,000
Total business-type program revenues	8,215,515	8,592,162	8,833,801	9,687,825	10,764,532	11,912,386	11,417,321	11,991,091	12,184,432	12,046,036
Total primary government program revenues	\$ 15,599,812	\$ 15,614,551	\$ 15,639,900	\$ 17,247,854	\$ 18,532,417	\$ 20,519,163	\$ 18,839,665	\$ 20,430,435	\$ 21,358,858	\$ 20,965,518
Net (Expense)/Revenue										
Governmental activities	\$ (44,192,657)	\$ (42,874,155)	\$ (44,399,003)	\$ (43,396,176)	\$ (43,909,081)	\$ (43,423,230)	\$ (48,493,314)	\$ (45,463,842)	\$ (46,787,048)	\$ (50,088,439)
Business-type activities	(417,189)	(927,211)	(1,760,547)	(1,024,746)	(955,195)	(657,372)	(1,155,434)	(793,723)	(770,635)	(1,669,058)
Total primary government net expense	\$ (44,609,846)	\$ (43,801,366)	\$ (46,159,550)	\$ (44,420,922)	\$ (44,864,276)	\$ (44,080,602)	\$ (49,648,748)	\$ (46,257,565)	\$ (47,557,683)	\$ (51,757,497)
General Revenues and Other Changes in Net Position										
Governmental activities:										
Property taxes	\$ 25,978,670	\$ 26,695,743	\$ 26,954,749	\$ 27,107,432	\$ 27,761,231	\$ 27,912,650	\$ 29,305,427	\$ 28,264,857	\$ 29,969,020	\$ 30,779,188
Intergovernmental	21,148,755	19,731,255	19,128,767	20,290,383	21,046,019	21,808,029	22,746,261	24,835,248	24,796,096	26,438,326
Investment earnings	3,795,801	2,141,772	678,816	806,637	537,109	327,131	357,310	386,405	450,673	526,677
Miscellaneous	-	-	-	-	-	-	-	337,425	679,606	867,331
Loss on disposal/sale of capital assets	(22,271)	-	-	-	-	(99,618)	-	(12,662)	(110,726)	-
Special item	-	-	(324,419)	-	-	-	-	-	(13,655,028)	-
Transfers	(1,742,239)	(1,713,400)	(2,297,456)	(1,436,268)	(677,943)	(900,461)	(600,000)	(1,180,187)	(1,430,895)	(1,457,168)
Total governmental activities	49,158,716	46,855,370	44,140,457	46,768,184	48,666,416	49,047,731	51,808,998	52,631,086	40,698,746	57,154,354
Business-type activities:										
Property taxes	57,943	109,907	138,053	135,889	131,174	116,393	363,067	315,580	320,358	319,865
Investment earnings	746,480	427,232	148,173	176,875	133,045	115,260	83,032	73,409	97,040	98,154
Miscellaneous	-	-	-	-	-	-	-	196,289	267,231	212,099
Loss on disposal/sale of capital assets	(6,619)	-	-	-	-	(11,036)	-	3,710	(152,432)	33,178
Special item	-	-	-	-	5,498,458	-	-	-	-	-
Transfers	1,742,239	1,713,400	2,297,456	1,436,268	677,943	900,461	600,000	1,180,187	1,430,895	1,457,168
Total business-type activities	2,540,043	2,250,539	2,583,682	1,749,032	6,440,620	1,121,078	1,046,099	1,769,175	1,963,092	2,120,464
Total primary government	\$ 51,698,759	\$ 49,105,909	\$ 46,724,139	\$ 48,517,216	\$ 55,107,036	\$ 50,168,809	\$ 52,855,097	\$ 54,400,261	\$ 42,661,838	\$ 59,274,818
Change in Net Position										
Governmental activities	\$ 4,966,059	\$ 3,981,215	\$ (258,546)	\$ 3,372,008	\$ 4,757,335	\$ 5,624,501	\$ 3,315,684	\$ 7,167,244	\$ (6,088,302)	\$ 7,065,915
Business-type activities	2,122,854	1,323,328	823,135	724,286	5,485,425	463,706	(109,335)	975,452	1,192,457	451,406
Total primary government	\$ 7,088,913	\$ 5,304,543	\$ 564,589	\$ 4,096,294	\$ 10,242,760	\$ 6,088,207	\$ 3,206,349	\$ 8,142,696	\$ (4,895,845)	\$ 7,517,321

Schedule 3

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

	Fiscal Year									
	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
General Fund										
Reserved	\$ 2,561,068	\$ 1,761,527	\$ 2,148,111	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unreserved	22,509,248	8,854,501	6,419,039	-	-	-	-	-	-	-
Nonspendable	-	-	-	982	832	1,257	809	2,067	925	936
Restricted	-	-	-	4,398,634	2,897,830	3,893,453	5,627,104	5,468,650	5,432,591	6,001,888
Committed	-	-	-	23,214,936	1,132,486	558,516	720,664	497,191	514,738	642,169
Assigned	-	-	-	3,794,562	3,526,932	3,457,216	3,078,429	2,802,212	3,031,018	2,762,123
Unassigned	-	-	-	1,859,873	2,470,171	2,184,656	1,657,309	4,601,431	6,900,115	8,783,320
Total General Fund	<u>\$ 25,070,316</u>	<u>\$ 10,616,028</u>	<u>\$ 8,567,150</u>	<u>\$ 33,268,987</u>	<u>\$ 10,028,251</u>	<u>\$ 10,095,098</u>	<u>\$ 11,084,315</u>	<u>\$ 13,371,551</u>	<u>\$ 15,879,387</u>	<u>\$ 18,190,436</u>
All Other Governmental Funds										
Reserved	\$ 1,220,692	\$ 715,021	\$ 941,130	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Designated										
Special revenue funds	1,770,885	10,006,848	9,768,088	-	-	-	-	-	-	-
Capital project funds	33,655,022	33,931,204	36,934,559	-	-	-	-	-	-	-
Nonspendable	-	-	-	-	-	-	-	11,685	11,685	36,947
Restricted	-	-	-	10,999,331	12,749,770	20,971,606	23,082,400	25,046,486	27,366,986	31,853,574
Committed	-	-	-	1,704,999	28,090,589	14,086,564	13,186,791	15,735,865	14,759,977	14,036,382
Assigned	-	-	-	1,894,695	279,105	1,137,613	1,069,114	1,827,078	1,266,377	401,602
Unassigned	-	-	-	5,445,286	33,140	-	-	-	-	-
Total all other governmental funds	<u>\$ 36,646,599</u>	<u>\$ 44,653,073</u>	<u>\$ 47,643,777</u>	<u>\$ 20,044,311</u>	<u>\$ 41,152,604</u>	<u>\$ 36,195,783</u>	<u>\$ 37,338,305</u>	<u>\$ 42,621,114</u>	<u>\$ 43,405,025</u>	<u>\$ 46,328,505</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									
	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Revenues										
Ad valorem taxes	\$ 25,939,378	\$ 26,163,466	\$ 27,292,183	\$ 27,107,432	\$ 27,766,186	\$ 27,989,041	\$ 29,361,207	\$ 29,470,592	\$ 29,977,477	\$ 30,838,508
Other taxes and licenses	21,148,755	19,766,673	19,128,767	20,290,383	21,327,091	22,027,710	22,918,114	23,945,444	24,970,332	26,438,323
Unrestricted										
intergovernmental	355,499	304,553	237,490	237,129	148,006	138,398	154,237	162,807	160,144	169,703
Restricted										
intergovernmental	4,681,893	3,855,575	3,804,759	4,496,639	4,052,379	4,398,369	3,512,640	4,778,513	5,031,852	5,229,354
Permits and fees	1,595,122	1,246,366	1,537,842	2,005,998	1,996,886	2,428,470	2,190,793	2,452,641	3,034,476	2,673,065
Sales and services	648,891	652,366	612,201	617,213	803,419	781,993	841,435	621,183	838,834	880,906
Investment earnings	3,795,801	2,158,155	678,816	806,637	537,109	327,131	357,310	386,404	450,673	526,677
Miscellaneous	102,892	934,262	661,855	346,796	558,250	639,866	560,334	576,849	609,635	814,106
Total revenues	<u>58,268,231</u>	<u>55,081,416</u>	<u>53,953,913</u>	<u>55,908,227</u>	<u>57,189,326</u>	<u>58,730,978</u>	<u>59,896,070</u>	<u>62,394,433</u>	<u>65,073,423</u>	<u>67,570,642</u>
Expenditures										
General government	5,385,330	5,291,527	5,893,190	5,806,881	5,633,808	5,962,439	5,716,927	5,742,412	6,002,913	6,225,463
Public safety	16,135,119	19,217,793	16,399,211	16,316,596	17,674,735	20,942,919	18,209,467	19,047,590	20,913,322	20,428,915
Transportation	1,077,529	4,081,199	624,425	2,236,988	958,277	1,040,638	522,626	570,173	1,468,532	1,274,958
Environmental protection	373,132	384,871	1,858,626	598,363	1,408,739	3,150,732	2,021,474	823,289	366,153	469,344
Economic and physical development	8,783,920	6,131,755	6,830,706	6,271,605	10,086,060	8,207,098	7,808,460	6,604,716	7,211,632	8,247,024
Human services	4,503,615	4,385,682	4,108,356	4,100,337	4,312,266	4,236,116	4,416,362	4,690,256	5,003,830	5,003,830
Cultural and recreation	2,021,669	3,387,383	3,462,977	8,552,159	10,573,236	3,393,603	3,744,138	2,749,701	6,916,868	6,326,634
Education	30,841,156	16,974,635	10,330,209	10,098,107	11,461,403	15,859,070	10,782,180	11,099,664	11,078,398	11,223,471
Debt service										
Principal	2,067,425	2,739,907	2,856,949	2,931,769	2,975,701	3,363,205	3,651,980	2,296,344	1,569,561	1,573,088
Interest	418,693	492,453	449,982	456,783	359,601	364,671	290,717	196,377	133,147	106,219
Total expenditures	<u>71,607,588</u>	<u>63,087,205</u>	<u>52,814,631</u>	<u>57,369,588</u>	<u>65,443,826</u>	<u>66,520,491</u>	<u>57,164,331</u>	<u>53,644,201</u>	<u>60,350,782</u>	<u>60,878,946</u>
Excess of revenues over (under) expenditures	(13,339,357)	(8,005,789)	1,139,282	(1,461,361)	(8,254,500)	(7,789,513)	2,731,739	8,750,232	4,722,641	6,691,696
Other Financing Sources (Uses)										
Transfers in	9,736,807	18,415,835	8,427,744	10,949,771	13,216,026	11,303,731	9,360,360	11,469,373	13,097,461	10,688,217
Transfers out	(11,479,046)	(20,129,235)	(10,725,200)	(12,386,039)	(13,893,969)	(12,204,192)	(9,960,360)	(12,649,560)	(14,528,356)	(12,145,384)
Installment purchase proceeds	8,000,000	3,271,375	2,100,000	-	6,800,000	3,800,000	-	-	-	-
Total other financing sources (uses)	<u>\$ 6,257,761</u>	<u>\$ 1,557,975</u>	<u>\$ (197,456)</u>	<u>\$ (1,436,268)</u>	<u>\$ 6,122,057</u>	<u>\$ 2,899,539</u>	<u>\$ (600,000)</u>	<u>\$ (1,180,187)</u>	<u>\$ (1,430,895)</u>	<u>\$ (1,457,167)</u>
Net change in fund balances	\$ (7,081,596)	\$ (6,447,814)	\$ 941,826	\$ (2,897,629)	\$ (2,132,443)	\$ (4,889,974)	\$ 2,131,739	\$ 7,570,045	\$ 3,291,746	\$ 5,234,529
Debt service as a percent of noncapital expenditures	4.64%	6.93%	6.88%	7.11%	5.98%	6.56%	8.31%	5.67%	3.36%	3.28%

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					
2008	\$ 5,752,757,371	\$ 1,742,428,352	\$ 237,046,250	\$ 167,481,922	\$ 13,614,832	\$ 7,886,099,063	0.320	\$ 10,699,869,829	73.83%
2009	5,840,230,099	1,773,215,441	220,186,251	168,836,102	14,565,509	\$ 7,987,902,384	0.320	9,373,864,230	85.37%
2010	5,902,568,741	1,793,244,633	199,934,713	175,941,576	17,655,061	\$ 8,054,034,602	0.320	8,348,872,221	96.68%
2011	5,972,323,154	1,765,141,892	196,550,493	175,340,287	19,135,253	\$ 8,090,220,573	0.320	7,919,292,799	102.40%
2012	6,105,171,914	1,676,677,997	203,493,600	172,347,136	19,235,248	\$ 8,138,455,399	0.320	6,794,112,307	120.07%
2013	6,228,742,953	1,803,908,007	215,634,113	173,676,116	17,785,438	\$ 8,188,541,638	0.320	6,762,527,463	121.35%
2014	5,124,668,989	177,970,988	131,595,145	146,457,691	15,067,910	\$ 5,565,624,903	0.485	5,787,299,402	96.43%
2015	5,218,928,257	257,265,605	235,857,500	152,012,794	16,886,040	\$ 5,864,064,156	0.480	6,229,160,254	94.14%
2016	5,274,539,057	312,917,873	259,117,083	149,422,449	17,194,566	\$ 5,995,996,462	0.480	6,272,888,617	95.86%
2017	5,349,880,661	317,836,732	288,355,417	155,371,089	17,784,951	\$ 6,111,443,899	0.480	6,532,966,159	93.82%

Source: Currituck County Tax Department

Note: Property is the county is reassessed every 8 years. Tax rates are per \$100 of assessed value. The last revaluation was effective July 1, 2013.

¹ Includes tax-exempt property.

Schedule 6

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

	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>
County Direct Rates										
General	0.320	0.320	0.320	0.320	0.320	0.320	0.485	0.480	0.480	0.480
<u>Overlapping Rates</u>¹										
Guinea Mill Watershed Improvement District	0.010	0.010	0.010	0.010	0.010	0.010	0.010	0.010	0.010	0.010
Hog Ditch Watershed Improvement District	0.010	0.010	0.010	0.010	0.010	0.010	0.010	0.010	0.010	0.010
Moyock Watershed Improvement District	0.015	0.015	0.015	0.015	0.015	0.015	0.015	0.015	0.015	0.015
Northwest Watershed Improvement District	0.020	0.020	0.020	0.020	0.020	0.020	0.020	0.020	0.020	0.020
Ocean Sands North and Crown Point Watershed Improvement District	-	-	-	-	-	-	-	-	-	0.050
Whalehead Watershed Improvement District	0.040	0.040	0.040	0.040	0.090	0.090	0.155	0.155	0.155	0.155
Whalehead Beach Solid Waste Collection & Disposal Service District	-	-	-	-	0.015	0.015	0.025	0.025	0.025	0.025
Ocean Sands Water and Sewer District	-	-	-	-	-	-	0.050	0.050	0.050	0.050
Moyock Commons Sewer District	0.245	0.245	0.245	0.245	0.245	0.200	0.100	-	-	-

Source: County of Currituck Budget Ordinance

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

Schedule 7

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

Taxpayer	Type of Business	Fiscal Year 2017			Fiscal Year 2008		
		Assessed Value	Rank	Percentage of Total County Taxable Assessed Value	Assessed Value	Rank	Percentage of Total County Taxable Assessed Value
Dominion Power	Utility	\$ 81,552,302	1	1.33%	\$ 49,305,568	2	0.61%
Coastland Properties 1, LLC	Land Development	22,087,200	2	0.36%	56,381,000	1	0.70%
Harrison Inn Corolla LLC	Hotel	20,127,357	3	0.33%			
Coastland Corporation	Land Development	15,920,800	4	0.26%	39,124,586	3	0.49%
Pine Island Properties LLC	Land Development	13,687,600	5	0.22%			
Northeastern NC Properties	Financial Institution	9,802,830	6	0.16%			
Fincher Patrick Weir LLC	Real Estate Investor	8,090,100	7	0.13%			
Monteray Plaza LLC	Commercial Land Holder	7,727,368	8	0.13%			
Price Solar LLC	Land Development	7,506,400	9	0.12%			
Currituck Associates Golf Partnership	Golf Course	7,094,600	10	0.12%			
Turnpike Properties	Land Development				35,555,864	4	0.44%
Pine Island Holdings	Land Development				22,693,027	5	0.28%
Richardson, Ernest	Real Estate Investor				15,117,123	6	0.19%
VOC LLC	Land Development				11,005,239	7	0.14%
Johnson, James E, Jr.	Real Estate Investor				10,608,449	8	0.13%
Tudor, John B	Real Estate Investor				10,101,929	9	0.13%
Coastland Properties II LLC	Land Development				10,060,000	10	0.12%
Total		\$ 193,596,557		3.16%	\$ 259,952,785		3.23%

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
2008	26,009,032	\$ (217,451)	\$ 25,791,581	\$ 25,322,859	97.36%	\$ 463,514	\$ 25,786,373	99.98%
2009	26,235,228	(54,233)	26,180,995	25,209,211	96.09%	965,611	\$ 26,174,822	99.97%
2010	26,378,442	(43,524)	26,334,918	25,734,946	97.56%	586,683	\$ 26,321,629	99.95%
2011	26,474,753	(53,133)	26,421,620	25,941,806	97.99%	473,671	\$ 26,415,477	99.97%
2012	26,651,481	(43,461)	26,608,020	26,145,212	98.10%	451,348	\$ 26,596,560	99.96%
2013	26,855,308	(79,691)	26,775,617	26,371,383	98.19%	388,380	\$ 26,759,763	99.94%
2014	28,242,743	(80,639)	28,162,104	27,778,323	98.31%	359,229	\$ 28,137,552	99.91%
2015	28,211,974	(38,219)	28,173,755	27,838,533	98.67%	301,332	\$ 28,139,865	99.87%
2016	28,824,998	(10,825)	28,814,173	28,468,794	98.76%	245,760	\$ 28,714,554	99.65%
2017	29,422,162	(61,541)	29,360,621	29,068,844	98.80%	-	\$ 29,068,844	99.01%

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					
2008	5,920,000	6,852,575	2,935,000	19,000,000	5,806,155	40,513,730	4.84%	0.51%	1,172	1,704
2009	5,020,000	8,284,043	2,670,000	18,500,000	4,830,977	39,305,020	4.66%	0.49%	1,035	1,553
2010	4,145,000	8,402,094	2,395,000	18,025,000	3,821,469	36,788,563	4.18%	0.46%	1,043	1,562
2011	3,280,000	6,342,471	2,110,000	17,525,000	2,776,422	32,033,893	3.43%	0.40%	971	1,357
2012	2,425,000	11,021,610	1,805,000	17,015,000	10,775,000	43,041,610	4.61%	0.53%	899	1,820
2013	1,575,000	12,308,528	1,490,000	16,475,000	9,745,000	41,593,528	4.22%	0.51%	797	1,697
2014	730,000	9,501,548	1,160,000	15,915,000	8,715,000	36,021,548	3.66%	0.65%	730	1,476
2015	-	7,935,456	815,000	15,330,000	7,685,000	31,765,456	3.03%	0.54%	644	1,267
2016	-	6,365,896	540,000	14,635,000	6,655,000	28,195,896	2.61%	0.47%	601	1,116
2017	-	4,792,807	270,000	13,900,000	5,625,000	24,587,807	2.28%	0.40%	553	959

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

	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Assessed Value of Property	\$ 8,052,933,751	\$ 8,176,639,688	\$ 8,222,673,629	\$ 8,252,612,186	\$ 8,311,802,189	\$ 8,188,541,638	\$ 5,565,624,903	\$ 5,864,064,156	\$ 5,995,996,462	\$ 6,111,443,899
Debt Limit, 8% of Assessed Value (Statutory Limitation)	644,234,700	654,131,175	657,813,890	660,208,975	664,944,175	655,083,331	445,249,992	469,125,132	479,679,717	488,915,512
Amount of Debt Applicable to Limit										
General Obligation Bonds	9,923,550	7,690,000	6,540,000	5,390,000	4,230,000	3,065,000	1,890,000	815,000	540,000	270,000
Revenue Bonds	19,000,000	18,500,000	18,025,000	17,525,000	17,015,000	16,475,000	15,915,000	15,330,000	14,635,000	13,900,000
Installment Purchase Agreements	12,658,730	13,115,021	12,230,653	9,118,893	21,796,610	22,053,528	18,216,548	15,620,456	13,020,896	10,417,807
Less: General Obligation Bonds paid from Enterprise Funds	(2,935,000)	(2,670,000)	(2,395,000)	(2,110,000)	(1,805,000)	(1,490,000)	(1,160,000)	(815,000)	(540,000)	(270,000)
Revenue Bonds from Enterprise Funds	<u>(19,000,000)</u>	<u>(18,500,000)</u>	<u>(18,025,000)</u>	<u>(17,525,000)</u>	<u>(17,015,000)</u>	<u>(16,475,000)</u>	<u>(15,915,000)</u>	<u>(15,330,000)</u>	<u>(14,635,000)</u>	<u>(13,900,000)</u>
Total net debt applicable to limit	19,647,280	18,135,021	16,375,653	12,398,893	24,221,610	23,628,528	18,946,548	15,620,456	13,020,896	10,417,807
Legal Debt Margin	<u>\$ 624,587,420</u>	<u>\$ 635,996,154</u>	<u>\$ 641,438,237</u>	<u>\$ 647,810,082</u>	<u>\$ 640,722,565</u>	<u>\$ 631,454,803</u>	<u>\$ 426,303,444</u>	<u>\$ 453,504,676</u>	<u>\$ 466,658,821</u>	<u>\$ 478,497,705</u>
Total net debt applicable to the limit as a percentage of debt limit	0.24%	0.22%	0.20%	0.15%	0.29%	0.29%	0.34%	0.27%	0.22%	0.17%

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

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

	6/30/08	6/30/09	6/30/10	6/30/11	6/30/12	6/30/13	6/30/14	6/30/15	6/30/16	6/30/17
REVENUES										
Water Sales	\$ 2,479,589	\$ 2,724,425	\$ 2,617,547	\$ 2,624,282	\$ 2,583,481	\$ 2,783,856	\$ 2,740,701	\$ 2,911,883	\$ 2,934,164	\$ 2,874,696
Water Impact Fees	193,300	336,500	183,500	361,916	199,000	291,013	405,200	595,091	624,723	601,276
	<u>\$ 2,672,889</u>	<u>\$ 3,060,925</u>	<u>\$ 2,801,047</u>	<u>\$ 2,986,198</u>	<u>\$ 2,782,481</u>	<u>\$ 3,074,869</u>	<u>\$ 3,145,901</u>	<u>\$ 3,506,974</u>	<u>\$ 3,558,887</u>	<u>\$ 3,475,972</u>
Reconnection Fees	\$ 26,530	\$ 48,530	\$ 47,540	\$ 50,050	\$ 57,685	\$ 55,350	\$ 52,375	\$ 50,355	\$ 56,047	\$ 58,700
Penalties	61,127	72,596	76,446	79,052	86,945	75,114	85,169	81,887	79,102	73,802
Sale of materials	-	24,595	2,684	16,246	14,245	60,099	15,860	30,038	13,960	18,971
Other	-	-	-	-	-	-	-	100	84,835	1,000
Investment Earnings	200,131	26,209	5,302	12,253	8,366	7,690	9,756	11,738	18,550	33,051
	<u>\$ 287,788</u>	<u>\$ 171,930</u>	<u>\$ 131,972</u>	<u>\$ 157,601</u>	<u>\$ 167,241</u>	<u>\$ 198,253</u>	<u>\$ 163,160</u>	<u>\$ 174,118</u>	<u>\$ 252,494</u>	<u>\$ 185,524</u>
TOTAL REVENUES	\$ 2,960,677	\$ 3,232,855	\$ 2,933,019	\$ 3,143,799	\$ 2,949,722	\$ 3,273,122	\$ 3,309,061	\$ 3,681,092	\$ 3,811,381	\$ 3,661,496
EXPENSES										
Personnel	\$ 585,721	\$ 627,810	\$ 610,789	\$ 665,592	\$ 657,654	\$ 647,997	\$ 630,832	\$ 718,799	\$ 694,687	\$ 499,112
Operations	862,531	805,505	673,669	639,345	616,171	786,119	636,330	693,061	712,469	984,253
Capital Outlay	121,959	50,677	114,542	-	35,130	168,605	80,010	228,944	272,506	189,552
TOTAL EXPENSES, EXCLUDING DEBT	\$ 1,570,211	\$ 1,483,992	\$ 1,399,000	\$ 1,304,937	\$ 1,308,955	\$ 1,602,721	\$ 1,347,172	\$ 1,640,804	\$ 1,679,662	\$ 1,672,917
REVENUES AVAILABLE FOR DEBT	\$ 1,390,466	\$ 1,748,863	\$ 1,534,019	\$ 1,838,863	\$ 1,640,767	\$ 1,670,401	\$ 1,961,889	\$ 2,040,288	\$ 2,131,719	\$ 1,988,579
2008 Water Revenue Bonds	-	500,000	475,000	500,000	510,000	540,000	560,000	585,000	695,000	735,000
Interest: 2008 Revenue Bonds	-	736,035	756,650	737,223	716,773	695,914	673,828	599,609	440,150	419,996
TOTAL SENIOR DEBT	\$ -	\$ 1,236,035	\$ 1,231,650	\$ 1,237,223	\$ 1,226,773	\$ 1,235,914	\$ 1,233,828	\$ 1,184,609	\$ 1,135,150	\$ 1,154,996
2004 General Obligation Bond Refunding	\$ 260,000	\$ 265,000	\$ 275,000	\$ 285,000	\$ 305,000	\$ 315,000	\$ 330,000	\$ 345,000	\$ 275,000	\$ 270,000
Interest: 2004 General Obligation Bond Refunding	131,784	123,985	116,035	105,035	90,785	75,535	59,785	46,585	29,335	19,710
TOTAL SUBORDINATE DEBT	\$ 391,784	\$ 388,985	\$ 391,035	\$ 390,035	\$ 395,785	\$ 390,535	\$ 389,785	\$ 391,585	\$ 304,335	\$ 289,710
MINIMUM 1.15 SENIOR DEBT COVERAGE	\$ -	\$ 1,421,440	\$ 1,416,398	\$ 1,422,806	\$ 1,410,789	\$ 1,421,301	\$ 1,418,902	\$ 1,362,300	\$ 1,305,423	\$ 1,328,245
MINIMUM 1.00 SUBORDINATE DEBT COVERAGE	\$ 391,784	\$ 388,985	\$ 391,035	\$ 390,035	\$ 395,785	\$ 390,535	\$ 389,785	\$ 391,585	\$ 304,335	\$ 289,710
SENIOR DEBT SERVICE COVERAGE	N/A	1.41	1.25	1.49	1.34	1.35	1.59	1.72	1.88	1.72
SUBORDINATE DEBT SERVICE COVERAGE	3.55	1.32	0.77	1.54	1.05	1.11	1.87	2.19	3.27	2.88
TOTAL DEBT SERVICE COVERAGE	3.55	1.08	0.95	1.13	1.01	1.03	1.21	1.29	1.48	1.38

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
2008	23,773	829,566	35,485	4,070	3.60%
2009	25,305	836,773	35,859	3,961	6.20%
2010	23,547	843,783	35,676	3,913	4.90%
2011	23,602	879,091	36,741	4,175	5.60%
2012	23,644	933,022	38,727	3,923	4.70%
2013	24,506	930,872	38,129	4,014	5.80%
2014	24,397	985,416	39,554	3,871	5.60%
2015	25,072	1,049,495	41,595	3,923	5.70%
2016	25,263	1,079,087	41,810	3,966	4.80%
2017	25,627	*	*	*	4.00%

* Information not yet available

Sources:

^a North Carolina Department of Commerce

^b Currituck County Board of Education

^c Bureau of Labor Statistics

^d Bureau of Economic Analysis

Schedule 13

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

Function	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
General government	56.60	58.00	58.00	59.00	59.00	62.00	62.00	72.00	71.00	72.00
Public safety	181.92	189.92	189.92	189.92	189.92	188.92	192.92	192.67	199.57	202.62
Transportation	2.00	2.00	2.00	2.00	2.00	2.00	2.00	1.40	1.40	1.40
Environmental protection	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00
Community development	27.42	25.42	24.00	24.00	24.00	22.00	22.00	23.00	22.00	22.00
Cultural & recreation	12.85	16.85	19.10	19.10	19.10	19.60	19.60	19.48	20.71	20.71
Human services	43.75	42.75	42.75	42.75	42.75	41.75	41.75	41.75	43.75	44.75
Proprietary operations	22.00	22.00	23.00	23.00	26.00	28.00	28.00	25.00	25.00	25.00
	<u>348.54</u>	<u>358.94</u>	<u>360.77</u>	<u>361.77</u>	<u>364.77</u>	<u>366.27</u>	<u>370.27</u>	<u>377.30</u>	<u>385.43</u>	<u>390.48</u>

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>2017</u>		<u>2008</u>	
<u>Employer</u>	<u>Employees^a</u>	<u>Rank</u>	<u>Employees^a</u>	<u>Rank</u>
Currituck County Board of Education	500-999	1	500-999	1
County of Currituck	250-499	2	250-499	2
Academi Training Center LLC	250-499	3	----	
OBX Waterpark Adventure LLC	250-499	4	----	
Twiddy & Co. of Duck Inc.	100-249	5	100-249	6
Brindley Beach Vacations & Sales	100-249	6	----	
Food Lion LLC	100-249	7	100-249	3
Sentara Internal Medicaine Physician	100-249	8	----	
Coastal Staffing	100-249	9	----	
Resort Realty	100-249	10	----	
Presidential Airways			100-249	4
EP Management Services LLC			100-249	5
Corolla Classic Vacations			100-249	7
Sun Realty			100-249	8
Harris Teeter			100-249	9
Whitecap Liner			100-249	10
Total	<u>1,850-3,990</u>		<u>1,550-3,490</u>	

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

Schedule 15
Currituck County, North Carolina
Operating Indicators by Function

Function	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Governmental Activities:										
Public Safety										
Law Enforcement ¹										
Deputies	59	63	63	63	63	63	63	63	63	63
Emergency Medical Services ²										
Emergency Medical Technicians	71	71	72	72	72	73	76	76	76	76
Human Services ³										
Number of Physicians	6	*	9	9	10	8	*	*	*	*
Population/physician ratio	4,218	*	2,616	2,622	2,650	3,050	*	*	*	*
Education ⁴										
Schools	8	10	10	10	10	10	10	10	10	10
Teachers	315	295	264	264	260	238	248	245	245	252
Student Enrollment	4,070	3,961	3,913	4,175	4,175	4,014	3,871	3,923	3,966	3,980
SAT Scores ⁷	1,465	1,459	1,414	1,471	1,440	1,434	1,445	1,504	1,469	1,072
Enterprise Activities:										
Newtown Road Sewer ⁵										
Treatment capacity (MGD)	0.025	0.025	0.025	0.025	0.115	0.115	-	-	-	-
Annual engineering maximum plant capacity (millions of gallons)	0.025	0.025	0.025	0.025	0.115	0.115	-	-	-	-
Amount treated annually (millions of gallons)	*	*	3,898	3,898	3,898	3,843	-	-	-	-
Unused capacity (millions of gallons)	*	*	0.014	0.014	0.104	0.104	-	-	-	-
Percentage of capacity utilized	*	*	42.72%	42.72%	9.57%	9.10%	N/A	N/A	N/A	N/A
Residential sewer customers	28	28	27	27	27	27	27	N/A	N/A	N/A
Commercial sewer customers	1	1	1	1	1	1	1	N/A	N/A	N/A
Maple Commerce Park Sewer ⁵										
Treatment capacity (MGD)	*	*	*	*	*	0.080	0.080	0.080	0.080	0.080
Annual engineering maximum plant capacity (millions of gallons)	*	*	*	*	*	0.080	0.080	0.080	0.080	0.080
Amount treated annually (millions of gallons)	*	*	*	*	*	1,880	1,880	1,540	2,220	2,220
Unused capacity (millions of gallons)	*	*	*	*	*	0.750	0.750	0.075	0.074	0.074
Percentage of capacity utilized	*	*	*	*	*	6.00%	6.00%	5.20%	8.00%	8.00%
Number of residential customers	*	*	*	*	*	-	-	-	-	-
Number of commercial customers	*	*	*	*	*	7	8	8	8	8

continued

Function	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Moyock Commons Sewer⁵										
Treatment capacity (MGD)	0.040	0.040	0.040	0.040	0.040	0.040	0.040	0.040	0.040	0.040
Annual engineering maximum plant capacity (millions of gallons)	0.040	0.040	0.040	0.040	0.040	0.040	0.040	0.040	0.040	0.040
Amount treated annually (millions of gallons)	*	*	3	4,560	3,450	3,450	-	-	-	-
Unused capacity (millions of gallons)	*	*	0	0.025	0.031	0.031	-	-	-	-
Percentage of capacity utilized	*	*	0	37.50%	23.75%	23.75%	N/A	N/A	N/A	N/A
Number of residential customers	-	-	-	-	-	-	-	N/A	N/A	N/A
Number of commercial customers	21	23	23	25	25	25	23	N/A	N/A	N/A
Moyock Regional Sewer⁵										
Treatment capacity (MGD)	*	*	*	*	*	0	0.099	0.099	0.099	0.099
Annual engineering maximum plant capacity (millions of gallons)	*	*	*	*	*	0	0.099	0.099	0.099	0.099
Amount treated annually (millions of gallons)	*	*	*	*	*	*	4,790	4,267	8,460	8,460
Unused capacity (millions of gallons)	*	*	*	*	*	*	0.086	0.087	0.076	0.076
Percentage of capacity utilized	*	*	*	*	*	*	13.00%	12.00%	23.00%	23.00%
Number of residential customers	*	*	*	*	*	*	-	25	27	27
Number of commercial customers	*	*	*	*	*	*	8	32	24	24
Walnut Island Sewer⁵										
Treatment capacity (MGD)	*	*	*	*	0	0.120	0.120	0.120	0.120	0.120
Annual engineering maximum plant capacity (millions of gallons)	*	*	*	*	0	0.120	0.120	0.120	0.120	0.120
Amount treated annually (millions of gallons)	*	*	*	*	6.49	4.94	4.84	2.73	4.56	4.56
Unused capacity (millions of gallons)	*	*	*	*	0	0.098	0.106	0.112	0.104	0.104
Percentage of capacity utilized	*	*	*	*	0	18.00%	11.00%	6.00%	11.00%	11.00%
Number of residential customers	*	*	*	*	257	253	264	258	253	253
Number of commercial customers	*	*	*	*	-	-	-	-	-	-
Southern Outer Banks Water⁵										
Average daily usage (in 1,000 gallons)	615	333	437	555	668	623	595	672	936	936
Water storage capacity (MGD)			2	1,500	4,200	4,200	4,200	4,200	4,200	4,200
Number of water pumping stations			1	1	5	5	5	5	5	5
Number of residential customers	1,179	1,179	1,183	1,217	3,764	2,905	2,758	2,805	2,825	2,825
Number of commercial customers	2	20	22	23	200	197	202	179	200	200
Ocean Sands Water and Sewer⁵										
Average daily water usage (in 1,000 gallons)	180	171	190	189	166	166	161	153	162	162
Water storage capacity (MGD)	0.150	0.150	0.150	0.150	0.150	0.150	0.150	0.150	0.150	0.150
Sewer treatment capacity (MGD)	0.600	0.600	0.600	0.600	0.600	0.600	0.600	0.600	0.600	0.600
Annual engineering maximum sewer plant capacity (millions of gallons)	0.600	0.600	0.600	0.600	0.600	0.600	0.600	0.600	0.600	0.600
Amount sewer treated annually (millions of gallons)	*	*	57	59	61	61	59	63	68	68
Unused sewer capacity (millions of gallons)	*	*	0	0.100	0.433	0.433	0.438	0.428	0.413	0.413
Percentage of sewer capacity utilized	*	*	1	83.33%	27.85%	27.85%	27.00%	28.60%	31.00%	31.00%
Number of residential water customers	954	955	954	957	959	975	978	994	993	993
Number of commercial water customers	-	8	8	8	8	8	8	8	8	8
Number of residential sewer customers	954	955	954	957	959	975	978	994	993	993
Number of commercial sewer customers	-	8	8	8	8	8	8	8	8	8

continued

Function	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Mainland Water ⁵										
Water storage capacity (MGD)	*	*	4	3,600	3,600	3,600	3,600	3,600	3,600	3,600
Residential water customers	4,559	4,594	4,686	4,686	4,856	4,856	5,165	5,253	5,423	5,423
Commercial water customers	397	374	385	385	394	394	417	394	417	417
Solid Waste ⁶										
Total number of households served	14,176	14,192	14,192	14,362	14,469	14,516	14,624	14,814	15,221	15,455
Total tonnage disposed	26,300	26,977	24,602	22,536	22,531	24,576	20,013	22,231	21,478	22,752
Recycling Program:										
Households served by program	14,176	14,192	14,192	14,362	14,469	14,516	14,624	14,814	15,221	15,455
Tonnage recovered	1,713	1,725	1,849	2,186	2,869	2,540	3,368	2,778	2,914	3,014
Mulching/composting program										
Households served by program	10,462	10,477	10,477	14,362	14,469	14,516	14,624	14,814	15,221	15,455
Tonnage recovered	1,023	1,055	1,335	1,405	2,869	1,206	870	1,076	1,011	1,888
Total cost of solid waste program	\$ 3,521,710	\$ 3,600,877	\$ 3,960,588	\$ 3,742,527	\$ 3,912,428	\$ 3,978,363	\$ 3,790,041	\$ 3,893,336	\$ 3,735,002	\$ 4,187,336
Cost per household	\$ 337	\$ 344	\$ 378	\$ 261	\$ 270	\$ 274	\$ 259	\$ 256	\$ 245	\$ 271
Cost per ton - includes recycling & mulch/compost	\$ 121	\$ 121	\$ 143	\$ 143	\$ 138	\$ 140	\$ 156	\$ 149	\$ 174	\$ 164

Sources:

¹Currituck County Sheriff's Department

²Currituck County Emergency Medical Services Department

³NC Department of Commerce

⁴Currituck County Schools

⁵Currituck County Utilities Department

⁶Currituck County Public Works Department

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

*Data not available

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

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

continued

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

Sources:

¹Currituck County Sheriff's Department

²Currituck County Emergency Medical Services Department

³Currituck County Public Works Department

⁴Currituck County Utilities Department

*Data not available



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

To the Board of County Commissioners
Currituck County, North Carolina

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component unit, each major fund, and the aggregate remaining fund information of the County of Currituck, North Carolina, as of and for the year ended June 30, 2017, and the related notes to the financial statements, which collectively comprises the County of Currituck's basic financial statements, and have issued our report thereon dated January 31, 2018. Our report includes a reference to other auditors who audited the financial statements of the Currituck County ABC Board as described in our report on the County of Currituck's financial statements. This report does not include the results of the other auditors' testing of internal control over financial reporting or compliance and other matters that are reported separately by those auditors. The financial statements of the Currituck County ABC Board was not audited in accordance with *Government Auditing Standards*.

Internal Control Over Financial Reporting

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

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect and correct misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

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

Compliance and Other Matters

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

Purpose of this Report

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

Carr, Riggs & Ingram LLC

New Bern, NC
January 31, 2018



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Independent Auditors' Report On Compliance With Requirements Applicable To Each Major Federal Program And Internal Control Over Compliance In Accordance With OMB Uniform Guidance and the State Single Audit Implementation Act

To the Board of County Commissioners
Currituck County, North Carolina

Report on Compliance for Each Major Federal Program

We have audited the County of Currituck, North Carolina, compliance with the types of compliance requirements described in the OMB *Compliance Supplement* and the *Audit Manual for Governmental Auditors in North Carolina*, issued by the Local Government Commission, that could have a direct and material effect on each of the County of Currituck's major federal programs for the year ended June 30, 2017. The County of Currituck's major federal programs are identified in the summary of Auditors' results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

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

Auditors' Responsibility

Our responsibility is to express an opinion on compliance for each of the County of Currituck's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 *U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards* (Uniform Guidance), and the State Single Audit Implementation Act. Those standards, the Uniform Guidance, and the State Single Audit Implementation Act require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the County of Currituck's compliance with those requirements and performing such other procedures, as we considered necessary in the circumstances.

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

Opinion on Each Major Federal Program

In our opinion, the County of Currituck complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2017.

Report on Internal Control Over Compliance

Management of the County of Currituck is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the County of Currituck's internal control over compliance with the types of requirements that could have a direct and material effect on a major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing our opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the County's internal control over compliance.

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

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

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

Carr, Riggs & Ingram LLC

New Bern, NC
January 31, 2018



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Independent Auditors' Report On Compliance For Each Major State Program and Report on Internal Control Over Compliance; In accordance with OMB Uniform Guidance and the State Single Audit Implementation Act

To the Board of County Commissioners
Currituck County, North Carolina

Report on Compliance for Each Major State Program

We have audited the County of Currituck, North Carolina, compliance with the types of compliance requirements described in the *Audit Manual for Governmental Auditors in North Carolina*, issued by the Local Government Commission, that could have a direct and material effect on each of the County of Currituck's major state programs for the year ended June 30, 2017. The County of Currituck's major state programs are identified in the summary of Auditors' results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

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

Auditors' Responsibility

Our responsibility is to express an opinion on compliance for each of the County of Currituck's major state programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States; and applicable sections of Title 2 *U.S. Code of Federal Regulation Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance), as described in the *Audit Manual for Governmental Auditors in North Carolina*, and the State Single Audit Implementation Act. Those standards, Uniform Guidance, and the State Single Audit Implementation Act require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major state program occurred. An audit includes examining, on a test basis, evidence about the County of Currituck's compliance with those requirements and performing such other procedures, as we considered necessary in the circumstances.

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

Opinion on Each Major State Program

In our opinion, the County of Currituck complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major state programs for the year ended June 30, 2017.

Report on Internal Control Over Compliance

Management of the County of Currituck is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the County of Currituck's internal control over compliance with the types of requirements that could have a direct and material effect on a major state program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing our opinion on compliance for each major state program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the County's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a state program on a timely basis. A material weakness in internal control over compliance is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a state program will not be prevented, or detected and corrected, on a timely basis. A significant deficiency in internal control over compliance is a deficiency, or combination of deficiencies, in internal control over compliance with a type of compliance requirement of a state program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

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

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

Carr, Riggs & Ingram LLC

New Bern, NC
January 31, 2018

CURRITUCK COUNTY, NORTH CAROLINA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the Fiscal Year Ended June 30, 2017

Section I Summary of Auditors' Results

Financial Statements

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

Unmodified

Internal control over financial reporting:

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

Noncompliance material to financial statements noted

_____ yes no

Federal Awards

Internal control over major federal programs

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

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

Unmodified

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

_____ yes no

Identification of major federal programs:

CFDA Numbers	Names of Federal Program or Cluster
93.778	Medical Assistance Program

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

\$750,000

Auditee qualified as low-risk auditee?

_____ yes no

State Awards

Internal control over major State programs

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

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

Unmodified

Any audit findings disclosed that are required to be reported in accordance with the State Single Audit Implementation Act

yes no

Identification of major State programs:

Program Name

State Aid to Airports

Section II Financial Statement Findings

None Reported

Section III Federal Award Findings and Questioned Costs

None Reported

Section IV State Award Findings and Questioned Costs

None Reported

COUNTY OF CURRITUCK
SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS
For the Fiscal Year Ending June 30, 2017

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				
SNAP Cluster:				
Food Stamps Administrative Match for the Supplemental Nutrition Assistance Program	10.561	\$ 196,892	\$ -	\$ -
Total U.S. Department of Agriculture		<u>196,892</u>	<u>-</u>	<u>-</u>
U.S. Department of Transportation				
Passed through NC Department of Transportation				
Airport Improvements Apron Phase I	20.106	96,602	-	-
Total U.S. Department of Transportation		<u>96,602</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 Cluster:				
TANF Benefit Payments	93.558	74,112	-	-
TANF - Work First	93.558	262,892	-	-
Total TANF		<u>337,004</u>	<u>-</u>	<u>-</u>
Low Income Home Energy Assistance				
Administration	93.568	60,397	-	-
Crisis Intervention Program	93.568	55,390	-	-
Total Low Income Home Energy Assistance		<u>115,787</u>	<u>-</u>	<u>-</u>
Family Preservation	93.556	16,699	-	-
Permanency Planning	93.645	6,734	-	-
SSBG	93.667	53,267	4,018	-
LINKS	93.674	4,229	1,057	-
State Childrens Insurance Program - NC Health Choice	93.767	27,295	42	-
Child Support Enforcement - Title IV-D	93.563	130,625	-	-
Foster Care and Adoption				
Title IV-E Foster Care - Administration	93.658	66,547	19,036	-
Foster Care - Direct Benefit Payments	93.658	18,846	4,771	-
Adoption - Administration	93.659	4,008	-	-
Adoption Assistance - Direct Payments	93.659	44,070	11,029	-
Total Foster Care and Adoption Cluster		<u>133,471</u>	<u>34,836</u>	<u>-</u>
Division of Child Development:				
Child Care Development Fund Cluster:				
Division of Social Services				
Child Care Development Fund - Administration	93.596	80,000	-	-
Division of Child Development:				
Child Care and Development Block Grant	93.575	292,355	-	-
Child Care and Development Fund - Mandatory	93.596	111,182	-	-
Child Care and Development Fund - Match	93.596	30,073	-	-
Total Child Care Development Fund Cluster		<u>513,610</u>	<u>-</u>	<u>-</u>
Foster Care Title IV-E	93.658	8,731	4,365	-
TANF	93.558	94,157	-	-
State Appropriations		-	119,680	-
Total Subsidized Child Care		<u>616,498</u>	<u>124,045</u>	<u>-</u>

continued

GRANTOR, PASS THROUGH GRANTOR PROGRAM TITLE	CFDA	AMOUNT EXPENDED		COUNTY
		FEDERAL	STATE	
Centers for Medicare and Medicaid Services: Passed-through NC Department of Health and Human Services, Division of Medical Assistance: Medicaid Cluster:				
Direct Benefit Payments	93.778	11,668,031	6,186,795	-
Administration	93.778	624,774	1,055	-
Total Medicaid Cluster		12,292,805	6,187,850	-
State Childrens Insurance Program - NC Health Choice Benefits	93.767	334,841	864	
Total U.S. Department of Health and Human Services		14,069,255	6,352,712	-
U.S. Department of Homeland Security Passed through NC Department of Public Safety				
Emergency Management	97.042	38,984	-	-
Homeland Security	97.067	3,738	-	-
Public Assistance	97.036	280,831	-	-
Total U.S. Department of Homeland Security		323,553	-	-
TOTAL FEDERAL AWARDS		14,686,302	6,352,712	-
STATE AWARDS -				
North Carolina Department of Health and Human Services Division of Social Services:				
State/County Special Assistance for Adults		-	131,161	-
State Foster Care Benefits		-	34,043	-
State Child Welfare		-	14,803	-
CWS Adoption Subsidy		-	133,945	-
SFHF Maximization		-	57,118	-
Total North Carolina Department of Health and Human Services		-	371,070	-
NC Department of Public Safety				
Juvenile Crime Prevention Programs		-	81,830	
Total North Carolina Department of Public Safety		-	81,830	-
North Carolina Department of Transportation Public Transportation Division:				
DOT-8-14 South Parallel Taxiway		-	760,027	-
Total North Carolina Department of Transportation		-	760,027	-
North Carolina Department of Environmental Quality Lottery Fund				
		-	225,021	
		-	225,021	-
TOTAL STATE AWARDS		-	1,437,948	-
TOTAL FEDERAL AND STATE AWARDS		\$ 14,686,302	\$ 7,790,660	\$ -

continued

Note 1: Basis of Presentation

The accompanying schedule of expenditures of federal and State awards (SEFSA) includes the federal and State grant activity of Currituck County under the program of the federal government and the State of North Carolina for the year ended June 30, 2017. The information in the SEFSA is presented in accordance with the requirements of Title 2 *US Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* and the *State Single Audit Implementation Act*. Because the Schedule presents only a selected portion of the operations of Currituck County, it is not intended to and does not present the financial position, changes in net position or cash flows of Currituck County.

Note 2: Summary of Significant Accounting Policies

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

Note 3: Cluster of Programs

Federal programs with different Catalog of Federal Domestic Assistance (CFDA) numbers that are closely related because they share common compliance requirements are defined as a cluster by the Uniform Guidance. The following clusters are separately identified in the SEFSA, Supplemental Nutrition Assistance Program (SNAP) Cluster, Temporary Assistance for Needy Families (TANF) Cluster, and Child Care Development Fund (CCDF) Cluster. The following are clustered by the NC Department of Health and Human Services are treated separately for state audit requirement purposes. Subsidized Child Care and Foster Care and Adoption.

Note 4: Federal Pass-Through Funds

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

Note 5: Contingencies

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

Note 6: Noncash Assistance

The County did not receive any federal noncash assistance for the fiscal year ended June 30, 2017.

Note 7: Indirect Cost Rate

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

Note 8: Subrecipients

The County did not provide federal funds to subrecipients for the fiscal year ended June 30, 2017.

Note 9: Loans and Loan Guarantees

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

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