

COMPREHENSIVE ANNUAL FINANCIAL REPORT
For the Fiscal Year Ended June 30, 2010



County of Currituck, North Carolina

Prepared by the Currituck County Finance Department

County of Currituck, North Carolina
Table of Contents
June 30, 2010

Exhibit		Page
	Introductory Section	
	Letter of Transmittal	5
	GFOA Certificate of Achievement	10
	Organizational Chart	11
	List of Elected and Appointed Officials	12
	Financial Section	
	Independent Auditor's Report	13
	Management's Discussion and Analysis	15
	Basic Financial Statements:	
	Government-wide Financial Statements:	
Exhibit 1	Statement of Net Assets	27
Exhibit 2	Statement of Activities	28
	Fund Financial Statements:	
Exhibit 3	Balance Sheet – Governmental Funds	30
Exhibit 3	Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Assets	30
Exhibit 4	Statement of Revenues, Expenditures, and Changes in Fund Balances – Governmental Funds	31
Exhibit 4	Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities	32
Exhibit 5	Statement of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual – General Fund	33
Exhibit 6	Statement of Fund Net Assets – Proprietary Funds	34
Exhibit 7	Statement of Revenues, Expenses, and Changes in Fund Net Assets – Proprietary Funds	35
Exhibit 8	Statement of Cash Flows – Proprietary Funds	36
Exhibit 9	Statement of Fiduciary Net Assets – Fiduciary Funds	37
Exhibit 10	Statement of Changes in Fiduciary Net Assets – Fiduciary Funds	38
	Notes to the Financial Statements	39

	Page
Required Supplemental Financial Data:	
Law Enforcement Officers' Special Separation Allowance – Schedule of Funding Progress	75
Law Enforcement Officers' Special Separation Allowance – Schedule of Employer Contributions	76
Law Enforcement Officers' Special Separation Allowance – Notes to the Required Schedules	76
Other Postemployment Benefits – Schedule of Funding Progress	77
Other Postemployment Benefits – Schedule of Employer Contributions	78
Other Postemployment Benefits – Notes to the Required Schedules	78
Combining and Individual Fund Statements and Schedules:	
Statement of Revenues, Expenditures, and Changes in Fund Balance – General Fund – Budget and Actual	79
Combining Balance Sheet – Nonmajor Governmental Funds	88
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances – Nonmajor Governmental Funds	90
Schedules of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual:	
Multi-Year Grant Fund	92
Emergency Telephone System Fund	93
Revaluation Fund	94
Fire District Fund	95
Fire Equipment Replacement Fund	96
Carova Beach Service District	97
Guinea Mill Watershed Improvements Fund	98
Hog Bridge Ditch Watershed Improvement Fund	99
Moyock Watershed Improvements Fund	100
Northwest Watershed Improvements Fund	101
Whalehead Watershed Improvements Fund	102
Land Banking Fund	103
Capital Improvements Fund	104
School Capital Fund	105
School Capital Projects Fund	106
Transfer Tax Capital Fund	107
Tourism Development Authority Fund	110
County Governmental Facilities Fund	111
Combining Statement of Net Assets – Nonmajor Proprietary Funds	113
Combining Statement of Revenues, Expenses, and Changes in Fund Net Assets – Nonmajor Proprietary Funds	114
Combining Statement of Cash Flows – Nonmajor Proprietary Funds	115

	Page
Newtown Road Sewer Fund	116
Moyock Commons Sewer Fund	117
Southern Outer Banks Water System Fund	118
Solid Waste Fund	120
Ocean Sands Water and Sewer Fund	122
Mainland Water Fund	124
Mainland Water Construction Fund	126
Moyock Central Sewer Construction Fund	127
 Combining Statement of Fiduciary Assets and Liabilities – Agency Funds	 129
 Other Schedules	
Schedule of Ad Valorem Taxes Receivable	131
Analysis of Current Tax Levy – County-Wide Levy	132
Secondary Market Disclosures	133
 Ten Largest Taxpayers	 134
 Statistical Section:	
Schedule 1 – Net Assets by Component	136
Schedule 2 – Changes in Net Assets	137
Schedule 3 – Fund Balances, Governmental Funds	139
Schedule 4 – Changes in Fund Balances, Governmental Funds	140
Schedule 5 – Assessed Value and Actual Value of Taxable Property	141
Schedule 6 – Direct and Overlapping Property Tax Rates	142
Schedule 7 – Principal Taxpayers	143
Schedule 8 – Property Tax Levies and Collections	144
Schedule 9 – Ratios of General Bonded Debt Outstanding	145
Schedule 10 – Legal Debt Margin Information	146
Schedule 11 – Revenue Bond Coverage	147
Schedule 12 – Demographic and Economic Statistics	148
Schedule 13 – Full-time Equivalent County Employees by Function	148
Schedule 14 – Principal Employers	149
Schedule 15 – Operating Indicators by Function	150
Schedule 16 – Capital Asset Statistics by Function	152
 Compliance Section:	
Report on Compliance and on Internal Control Over Financial Reporting Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	153
Report on Compliance with Requirements Applicable to Each Major Program and Internal Control Over Compliance in Accordance with OMB Circular A-133	154
SAS 115 Letter	156
Schedule of Findings and Questioned Costs	157
Schedule of Prior Year Audit Findings	159
Schedule of Expenditures of Federal and State Awards	160



BOARD OF COMMISSIONERS

S. Paul O'Neal, Chairman
O. Vance Aydlett, Jr., Vice-Chairman
J. Owen Etheridge
Gene A. Gregory
Barry Nelms
John D. Rorer
Janet L. Taylor

COUNTY OF CURRITUCK

Post Office Box 39
Currituck, North Carolina 27929-0039
Telephone (252) 232-2075 / Fax (252) 232-3551
State Courier # 10-69-17

Daniel F. Scanlon II

Donald Ike McRee
County Attorney
Gwen H. Keene, CMC
Clerk to the Board

November 30, 2010

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, 2010. The financial statements and supplemental schedules contained herein have been audited by the independent, certified public accounting firm of Pittard, Perry, and Crone Inc., and that firm's unqualified opinion is included in the Financial Section of this report. The report itself, however, is presented by the County, which is responsible for the accuracy of the data and for the completeness and fairness of its presentation including all disclosures. We believe the data presented is accurate in all material respects; that it is presented in a manner designed to set forth fairly the financial position and results of operations of the County as measured by the financial activity of its various funds; and that all disclosures necessary to enable the reader to gain the maximum understanding of the County's financial affairs have been included.

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

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

DESCRIPTION OF THE COUNTY

Founded in 1668, Currituck (Indian for “land of the wild goose”) is the most northeastern county in North Carolina. Currituck County is one of the state’s four original. In addition to the more than 22 miles of beaches along the Atlantic Ocean, the County has numerous sounds, rivers, and creeks that provide some of the most memorable game fishing, waterfowl hunting, and other recreational activities that can be experienced. The County has a permanent population of approximately 25,305; although, the strong tourism industry produces a large seasonal population that results in an average daily population from May 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 38.36 percent from 2001 to 2010.

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

The ad valorem tax base grew from \$8,176,639,688 to \$8,222,673,629 an average increase of 0.56 percent. The octennial revaluation as required by the North Carolina General Statutes became effective on January 1, 2006. Market values of both commercial and residential property throughout the county increased in values. The county-wide tax rate for the fiscal year ending June 30, 2010 was \$0.32 per \$100, which is favorable for new residents and businesses.

Currituck County continues its commitment to expand the Parks and Recreation facilities within the County. Funds have been appropriated for construction of a YMCA/Community center in Maple and a multi-use path along Highway 12 in Corolla.

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. The HVAC systems in the Currituck County High School, Currituck County Middle School and Knotts Island Elementary School were the main focus of this period. These systems were replaced or renovated beginning in June 2010 and are scheduled for completion in early winter 2010. (The Currituck County Board of Education is a separate reporting entity apart from the County; a detailed discussion of their activities and initiatives can be found in their Comprehensive Annual Financial Report.)

The County also had several initiatives in process throughout this year. The Moyock Library and the Lower Currituck - Kilmarlic Fire station renovations were completed and these facilities are now open. A multi-use path with a pocket park is in progress in Corolla; renovations continue at the Rural Life Center on Spot Road; a stormwater drainage project is underway in the Whalehead subdivision; design is underway for a YMCA/Senior Center/Community facility; and construction has begun for a central sewer system in Moyock.

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), Capital Projects (except the County Governmental Facilities Fund and the School Facilities Fund) and Enterprise Funds. Multi-year project budgets are adopted for the Multi-Year Grant Fund, the County Governmental Facilities Fund, the School Facilities Fund and the Mainland Water Construction Fund. Appropriations in the General Fund and the Special Revenue Funds are made at the departmental level; Capital Projects appropriations are made at the project level; and Enterprise Fund appropriations are made at the function level. However, for internal accounting purposes, budgetary control is generally maintained by object class (line item account). Purchase orders that would create an over encumbrance at that level are not written until appropriations are made available either through budget amendments or intradepartmental transfers approved by the county manager. The county manager may transfer amounts within a department up to \$10,000 or between departments within the same fund up to \$1,000 providing an official report on such transfers at the next regular meeting of the Board of Commissioners, or make interfund loans for a period of not more than sixty days. However, the county manager may not transfer any amounts between funds or from any contingency line items within any funds.

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

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

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

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

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

Long-term Financial Planning. The governing board has developed a long-term construction plan for both County governmental facilities and education facilities, which are funded by the County even though they are assets of the school. The County has committed to construct a building for Parks and Recreation in Maple that will be contracted through the YMCA. The County is also expanding the sewer capacity in the Moyock area. In addition, within the next ten years, the County anticipates continued demands for additional recreational, emergency response facilities, utility expansion and schools.

Cash management policies and practices. Cash temporarily idle during the year was invested in certificates of deposit, obligations of the U. S. Treasury, commercial paper and the North Carolina Cash Management Trust. The maturities range from 1 month to 30 years, with an average maturity of 1,384 days for U. S. Treasury obligations and 133 days for commercial paper. The average yield on investments was 1.412% for federal agency funds 0.808% for North Carolina School Bonds, 2.561% for certificates of deposit and 0.709% for commercial paper.

Risk management. The County participates in the North Carolina Association of County Commissioners property and general liability, worker's compensation and Health insurance benefits insurance pools. The pools provide coverage for property, general liability, vehicle, crime, professional liability, environmental impairment, worker's compensation and employee health benefits. The County also maintains flood insurance on structures located in flood prone areas. As of June 30, 2010 the Whalehead Club, the Moyock Library and the Shawboro Elementary School were covered by flood insurance.

OTHER INFORMATION

Currituck County is required by State law (G.S. 159-34) to have an annual independent financial audit. A compliance audit on federal and State financial assistance programs is also required under the federal Single Audit Act of 1984 and the State Single Audit Implementation Act. The County's auditors, Pittard, Perry and Crone Inc., were selected through a formal request for proposals process. The auditor's report on the General Purpose Financial Statements is included in the Financial Section of this report. The auditors' reports required as a part of the single audit are found in the Compliance Section of this report. The findings and questioned costs reported in the Compliance Section are subject to a subsequent review by the appropriate grantor agencies. This review could result in reimbursements to grantor agencies if some expenditures are deemed inappropriate. However, every effort has been made to insure that all disbursements are made in compliance with the applicable financial assistance program provisions. Required refunds, if any, should be immaterial.

This is the tenth Comprehensive Annual Financial Report prepared by Currituck County. It is the County's intention to submit this years 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, 2009. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized comprehensive annual financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

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

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

Respectfully submitted,

Daniel F. Scanlon II
County Manager

Sandra L. Hill
Finance Director

Certificate of Achievement for Excellence in Financial Reporting

Presented to

County of Currituck
North Carolina

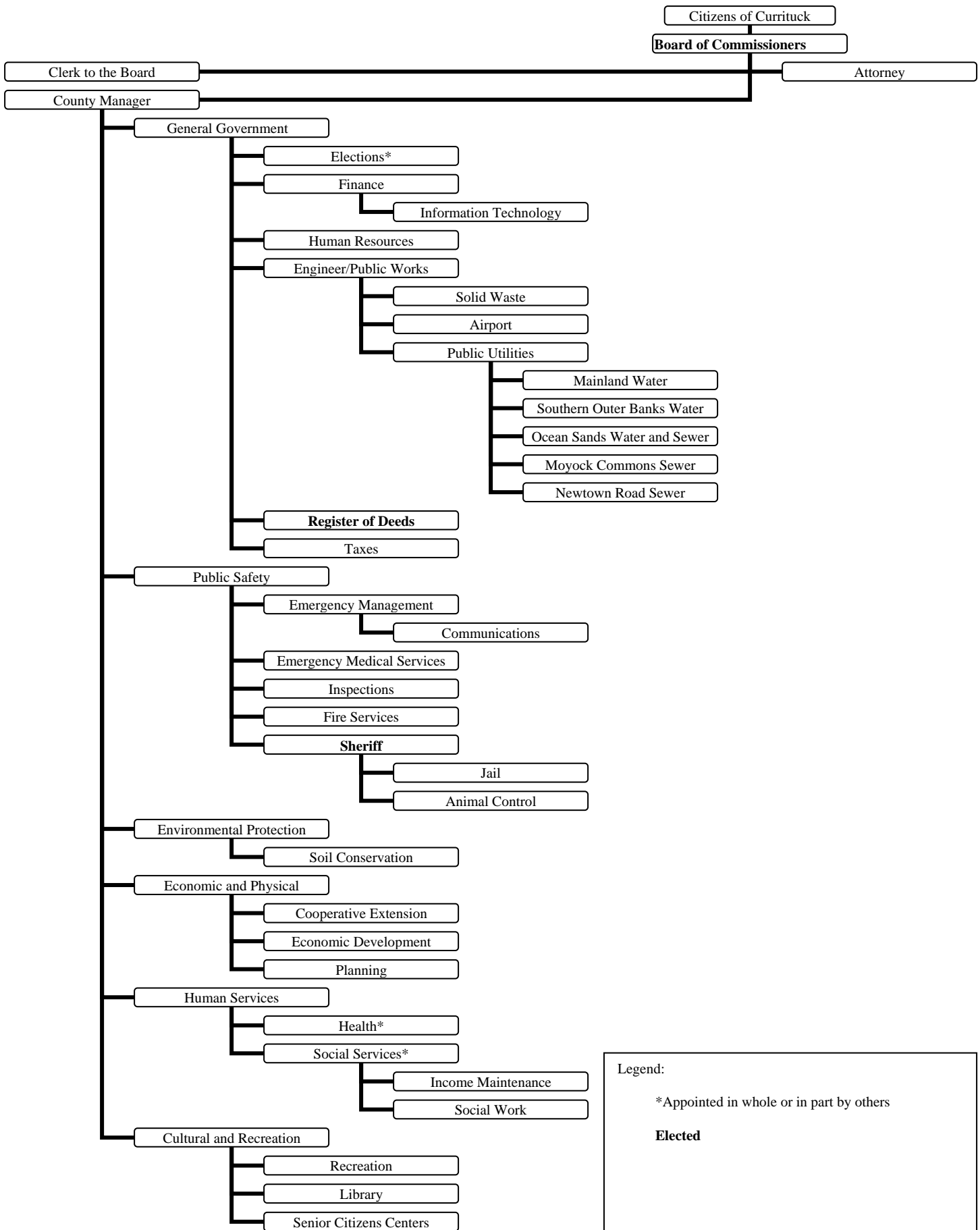
For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended
June 30, 2009

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



President

Executive Director



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

CURRITUCK, NORTH CAROLINA

S. Paul O’Neal , Chairman

Oswald Vance Aydlett, Jr., Vice-Chairman

James Owen Etheridge

Gene A. Gregory

Barry Nelms

John D. Rorer

Janet L. Taylor

OFFICIALS

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



Independent Auditor's Report

To the Board of County Commissioners
Currituck County, North Carolina

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Currituck County, North Carolina, as of and for the year ended June 30, 2010, which collectively comprise the County's basic financial statements as listed in the table of contents. These financial statements are the responsibility of Currituck County's management. Our responsibility is to express an opinion on these basic financial statements based on our audit. We did not audit the financial statements of the Currituck County ABC Board or the Whalehead Preservation Trust and Currituck Wildlife Museum. Those financial statements were audited by other auditors whose reports thereon have been furnished to us; and our opinion, insofar as it relates to the amounts included for the Currituck County ABC Board and the Whalehead Preservation Trust and Currituck Wildlife Museum, is based on the reports of the other auditors.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the basic financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit and the report of the other auditors provide a reasonable basis for our opinions.

In our opinion the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Currituck County, North Carolina as of June 30, 2010, and the respective changes in financial position and cash flows, where appropriate, thereof and the respective budgetary comparison for the general fund for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated November 30, 2010 on our consideration of Currituck County's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, and grants. The purpose of the report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

Management's Discussion and Analysis and the Law Enforcements Officers' Special Separation Allowance and the Other Postemployment Benefits' Schedules of Funding Progress and Employer Contributions are not a required part of the basic financial statements but are supplementary information required by the Governmental Accounting Standards Board. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was performed for the purpose of forming an opinion on the financial statements that collectively comprise the basic financial statements of Currituck County, North Carolina. The combining and individual fund statements, budgetary schedules, and other schedules, as well as the accompanying schedule of expenditures of federal and State awards as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations* and the State Single Audit Implementation Act are presented for purposes of additional analysis and are not a required part of the basic financial statements. The combining and individual fund statements, budgetary schedules, other schedules and the accompanying schedule of expenditures of federal and State awards has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole. The introductory information and the statistical tables have not been subjected to the auditing procedures applied in the audit of the basis financial statements and, accordingly, we express no opinion on them.

Pittard Perry & Crane, Inc.

November 30, 2010

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, 2010. We encourage readers to read the information presented here in conjunction with additional information that we have furnished in the County's financial statements which follow this narrative.

Financial Highlights

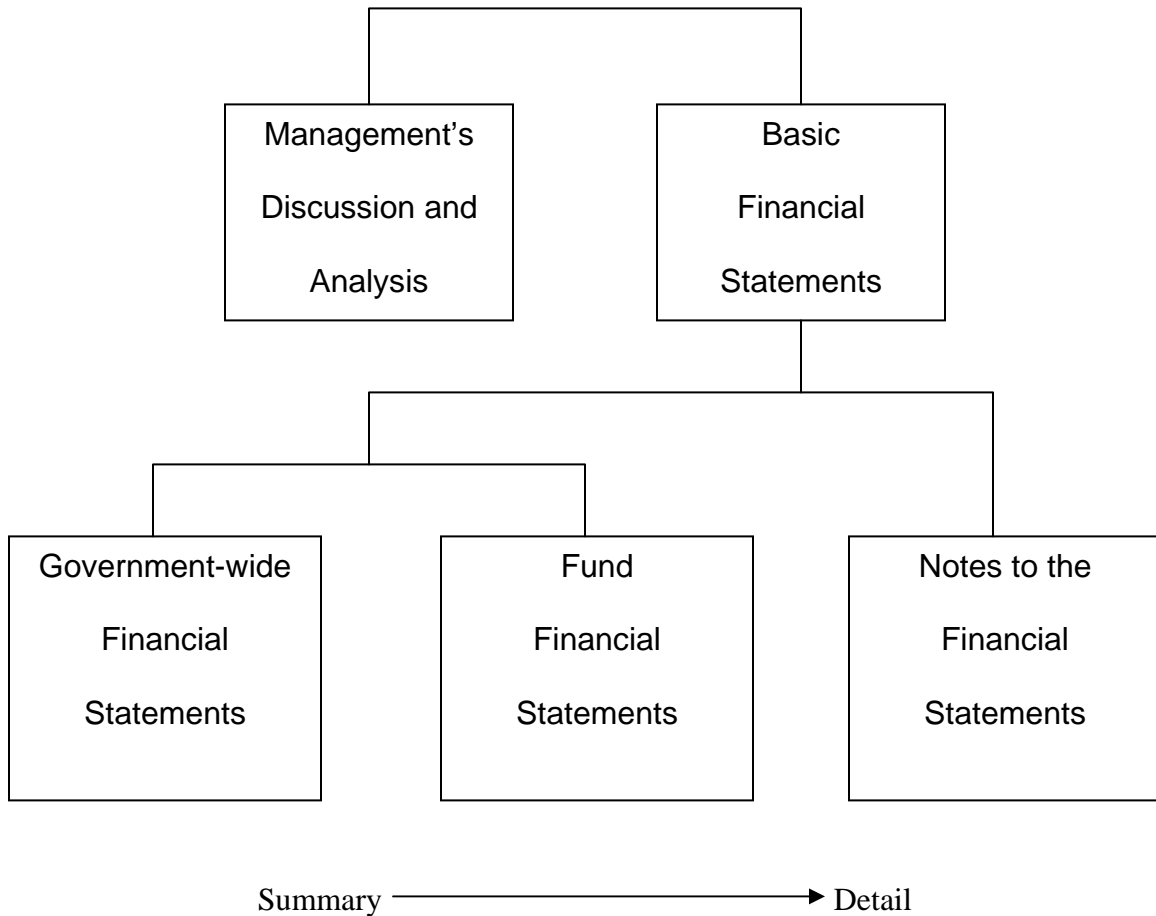
- The assets of Currituck County exceeded its liabilities at the close of the fiscal year by \$158,520,361.
- The government's total net assets increased by \$564,589; an increase of \$823,135 in the business-type activities is offset by a decrease of \$258,546 in the governmental activities.
- As of the close of the current fiscal year, Currituck County's governmental funds reported combined ending fund balances of \$ 56,210,927, an increase of \$941,826 in comparison with the prior year. Approximately 94.50% of this total amount or \$53,121,686 is available for spending at the government's discretion.
- At the end of the current fiscal year, unreserved fund balance for the General Fund was \$6,419,039, or 14.93% of total general fund expenditures for the fiscal year; \$3,195,544 of this amount is designated to fund next year's budget.
- Currituck County's total debt decreased by \$2,516,457 or 6.40% during the current fiscal year. This change is a result of \$2,100,000 additional debt for the Whalehead Stormwater drainage project netted with scheduled debt payments.

Overview of the Financial Statements

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

Required Components of Annual Financial Report

Figure 1



Basic Financial Statements

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

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

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

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

Fund Financial Statements

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

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

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

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

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

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

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

Other Information – In addition to the basic financial statements and accompanying notes, this report includes certain required supplementary information concerning Currituck County's progress in funding its obligation to provide pension benefits to its employees. Required supplementary information can be found beginning on page 74 of this report.

Government-Wide Financial Analysis

As noted earlier, net assets may serve over time as one useful indicator of a government's financial condition. The assets of Currituck County exceeded liabilities by \$158,520,361 as of June 30, 2010. The County's net assets increased by \$564,589 for the fiscal year ended June 30, 2010. One of the largest portions (60.93 %) reflects the County's investment in capital assets (e.g. land, buildings, machinery, and equipment), less any related debt still outstanding that was issued to acquire those items. As of June 30, 2010, long-term debt in governmental activities was for the Currituck County High School, the Shawboro Elementary School, land at the airport, five ambulances and stormwater drainage for the Whalehead subdivision. The Currituck County High School is not a capital asset for the County and therefore is not included in the capital assets. However, the County holds title to the Shawboro Elementary School as a part of the financing agreement and therefore this school is recorded as a County capital asset, net of the associated debt. Currituck County uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although Currituck County's investment in its capital assets is reported net of the outstanding related debt, the resources needed to repay that debt must be provided by other sources, since the capital assets cannot be used to liquidate these liabilities. An additional portion of Currituck County's net assets (< 1%) represents resources that are subject to external restrictions on how they may be used. Although the remaining balance of \$61,932,237 is unrestricted, the County has designated a significant portion of this balance for capital construction projects for schools, County facilities and expansion of water and sewer utilities within the County. As of June 30, 2010, the County has designated \$4,229,327 for future school construction and \$19,859,632 for governmental facilities.

Currituck County's Net Assets

Figure 2

CURRITUCK COUNTY'S NET ASSETS

	Governmental Activities		Business-type Activities		Total	
	2010	2009	2010	2009	2010	2009
Current and other assets	\$ 60,186,590	\$ 59,423,593	\$ 14,520,375	\$ 15,964,997	\$ 74,706,965	\$ 75,388,590
Capital assets	81,786,185	81,651,526	46,916,666	47,245,062	128,702,851	128,896,588
Total assets	\$ 141,972,775	\$ 141,075,119	\$ 61,437,041	\$ 63,210,059	\$ 203,409,816	\$ 204,285,178
Long-term liabilities outstanding	\$ 17,161,056	\$ 13,317,986	\$ 24,527,732	\$ 24,308,964	\$ 41,688,788	\$ 37,626,950
Other liabilities	2,520,094	5,206,962	680,573	3,495,494	3,200,667	8,702,456
Total liabilities	19,681,150	18,524,948	25,208,305	27,804,458	44,889,455	46,329,406
Net assets:						
Invested in capital assets, net of related debt	74,064,100	73,367,483	22,524,024	21,244,084	96,588,124	94,611,567
Unrestricted	48,227,525	49,182,688	13,704,712	14,161,517	61,932,237	63,344,205
Total net assets	\$ 122,291,625	\$ 122,550,171	\$ 36,228,736	\$ 35,405,601	\$ 158,520,361	\$ 157,955,772

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

- Ad valorem tax revenue collected in the County's Governmental Funds increased by \$670,289 due to aggressive efforts to collect delinquent taxes.
- Other taxes decreased by \$1,013,771 in the County's Governmental funds; this is primarily due to decreases of \$646,776 in Occupancy tax and \$619,061 in local option sales taxes, which were offset by an increase of \$410,276 in transfer tax.
- Charges for services remained level with the prior year with a modest growth of \$83,926.
- Operating grants and contributions increased in the governmental funds by \$902,217.
- Capital grants decreased by \$1,202,433 during this year due to completion of capital projects relating to the Airport in the prior year.
- Investment earnings were down in the governmental funds by \$1,735,956, which was due to the depressed investment earnings rates compounded with the cash outlays for the ongoing construction projects.
- Continued low cost of debt due to the County's A2 and A+ bond ratings from Moody's investors Service and Standard and Poor's, respectively
- General government expenditures increased by 9.60% over the prior year due to increased insurance costs, technology and additional fees for the Register of Deeds mandated by the State.
- Public safety expenditures increased by 0.05%; \$9,233. This minimal increase is due to the completion of the Knotts Island Fire Station and Lower Currituck - Kilmarlic Fire Station and delay of purchasing equipment in the Sheriff's department.
- Transportation expenditures increased by \$32,605.
- Environmental protection increased by \$178,360 due to the Whalehead Stormwater drainage project and other smaller drainage projects in the other watershed service districts.
- Economic and physical development expenditures increased by \$920,748 due to increased expenditures in the Tourism Development Authority for advertising.
- Currituck County's funding for education decreased by \$1,428,233 over the prior year, due to completion of capital construction for two elementary schools in the prior year.
- The general fund interest on debt was decreased by \$42,471 due to making scheduled payments.

Currituck County Changes in Net Assets

Figure 3

	Governmental Activities		Business-type Activities		Total	
	2010	2009	2010	2009	2010	2009
Revenues:						
Program revenues:						
Charges for services	\$ 2,346,589	\$ 2,262,663	\$ 8,447,544	\$ 8,546,681	\$ 10,794,133	\$ 10,809,344
Operating grants and contributions	4,165,355	3,263,138	57,113	45,481	4,222,468	3,308,619
Capital grants and contributions	294,155	1,496,588	329,144	-	623,299	1,496,588
General revenues:						
Property taxes	26,954,749	26,284,460	138,053	109,907	27,092,802	26,394,367
Other taxes	19,128,767	20,142,538	-	-	19,128,767	20,142,538
Investment earnings, unrestricted	678,816	2,141,772	148,173	427,232	826,989	2,569,004
Miscellaneous	-	-	-	-	-	-
Total revenues	53,568,431	55,591,159	9,120,027	9,129,301	62,688,458	54,332,256
Expenses:						
General government	8,415,095	7,590,041	-	-	8,415,095	7,590,041
Public safety	17,211,595	17,202,362	-	-	17,211,595	17,202,362
Transportation	783,800	751,195	-	-	783,800	751,195
Economic and physical development	6,713,211	5,792,463	-	-	6,713,211	5,792,463
Environmental protection	568,900	390,630	-	-	568,900	390,630
Human services	4,155,112	4,462,531	-	-	4,155,112	4,462,531
Cultural and recreation	2,577,198	1,368,558	-	-	2,577,198	1,368,558
Education	10,330,209	11,758,442	-	-	10,330,209	11,758,442
Interest on long-term debt	449,982	492,453	-	-	449,982	492,453
Solid Waste	-	-	4,196,020	3,927,902	4,196,020	3,927,902
Water and sewer	-	-	6,398,328	5,591,471	6,398,328	5,591,471
Total expenses	51,205,102	49,808,675	10,594,348	9,519,373	61,799,450	41,109,000
Increase in net assets before transfers and special items	2,363,329	5,782,484	(1,474,321)	(390,072)	889,008	5,392,412
Loss on sale of capital assets	-	(87,869)	-	-	-	-
Special item	(324,419)	-	-	-	(324,419)	-
Transfers	(2,297,456)	(1,713,400)	2,297,456	1,713,400	-	-
Increase in net assets	(258,546)	3,981,215	823,135	1,323,328	564,589	5,392,412
Net assets, July 1	122,550,171	118,568,956	35,405,601	34,014,648	157,955,772	152,583,604
Prior period adjustment	-	-	-	67,625	-	67,625
Net assets, June 30	\$ 122,291,625	\$ 122,550,171	\$ 36,228,736	\$ 35,405,601	\$ 158,520,361	\$ 158,043,641

Governmental activities. Governmental activities decreased the County's net assets by \$258,546. Key elements of this decrease are as follows:

- Completion of several major construction projects, including two fire stations and the Moyock Library
- Decrease in State funding for Support our Students and Human Services
- Decrease in Sales Tax and Occupancy Tax receipts

Business-type activities: Business-type activities increased Currituck County's net assets by \$823,135, accounting for all of the total growth in the government's net assets.

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, unreserved fund balance can be a useful measure of a government's net resources available for spending at the end of the fiscal year.

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

Figure 4
Changes in Fund Balances for Governmental Funds

	Reserved	2010 Unreserved	Total	2009 Total	Change in Fund Balances
General	\$ 2,148,111	\$ 6,419,039	\$ 8,567,150	\$ 10,616,028	\$ (2,048,878)
Tourism Development Authority	\$ 21,342	\$ 6,232,761	6,254,103	7,303,492	(1,049,389)
County Governmental Facilities	19,178,657	500,000	19,678,657	18,789,934	888,723
Other Governmental	897,433	20,813,584	21,711,017	18,559,647	3,151,370
	<u>\$ 22,245,543</u>	<u>\$ 33,965,384</u>	<u>\$ 56,210,927</u>	<u>\$ 55,269,101</u>	<u>\$ 941,826</u>

The general fund is the chief operating fund of Currituck County. At the end of the current fiscal year, unreserved fund balance of the General Fund was \$6,419,039, while total fund balance reached \$8,567,150. As a measure of the general fund's liquidity, it may be useful to compare both unreserved fund balance and total fund balance to total fund expenditures. Unreserved fund balance represents 14.93% of total General Fund expenditures, while total fund balance represents 19.93% of that same amount. The decrease from the prior year is primarily attributed to reduced receipts for sales tax, State and Federal grants and \$502,553 reduction in investment earnings.

Fund balances in the Tourism Development Authority Fund are for tourism promotion and tourism related expenditures, while fund balances in the County Governmental Facilities Fund are for ongoing and future capital construction projects. The total fund balance for the Tourism Development reflects a \$1,049,389 decrease over the prior year due to continued expansion of the Rural Life Center, funding for the YMCA/Community Center and additional seasonal advertising.

At June 30, 2010, the governmental funds of Currituck County reported a combined fund balance of \$56,210,927, a 1.70% increase over last year. This modest growth is due to conservatism by County departments during the current economic decline.

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

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

	Revised Budget	Actual	Variance
Revenues:			
Ad valorem taxes	\$ 25,360,499	26,873,821	1,513,322
Other taxes and licenses	5,482,816	5,471,464	(11,352)
Restricted intergovernmental	373,000	237,490	(135,510)
Unrestricted intergovernmental	3,755,561	3,337,202	(418,359)
Permits and fees	1,395,841	1,537,842	142,001
Sales and services	816,478	612,201	(204,277)
Investment earnings	700,000	109,960	(590,040)
Miscellaneous	866,613	637,261	(229,352)
Total revenues	<u>38,750,808</u>	<u>38,817,241</u>	<u>66,433</u>
Expenditures:			
General government	6,457,979	5,621,535	836,444
Public safety	16,683,523	15,940,267	743,256
Transportation	777,869	592,162	185,707
Environmental protection	217,720	182,274	35,446
Economic and physical development	1,723,474	1,267,369	456,105
Human services	4,574,614	4,108,356	466,258
Cultural and recreational	2,683,466	1,937,287	746,179
Education	10,030,554	10,030,554	-
Debt service	3,306,984	3,306,931	53
Total expenditures	<u>46,456,183</u>	<u>42,986,735</u>	<u>3,469,448</u>
Revenues over (under) expenditures	(7,705,375)	(4,169,494)	3,535,881
Other financing sources (uses):			
Transfers to other funds	(2,164,129)	(2,164,129)	-
Transfers from other funds	4,846,965	4,284,745	(562,220)
Total other financing sources (uses)	<u>2,682,836</u>	<u>2,120,616</u>	<u>(562,220)</u>
Revenues and other financing sources over expenditures and other financing uses	(5,022,539)	(2,048,878)	2,973,661
Appropriated fund balance	<u>5,022,539</u>	<u>-</u>	<u>(5,022,539)</u>
Revenues, appropriated fund balance, and other financing sources over expenditures and other financing uses	<u>\$ -</u>	<u>\$ (2,048,878)</u>	<u>\$ (2,048,878)</u>

Total amendments to the General Fund increased revenues by \$1,017,993. The significant variances in revenues under budget were in restricted intergovernmental and investment earnings, which had unfavorable variances of \$418,359 and \$590,040, respectively. The overall actual General fund revenues were \$66,433 greater than budget. The final budget for expenditures was \$46,456,183, which was a \$2,476,932 increase over the original budget. The general governmental services budget increased \$533,621, which was primarily carry-forward funds from projects initiated in the prior fiscal year; Public Safety budget increased \$767,721 attributed carry-forward from the prior year and replacement of communications equipment damaged by lightning; Cultural and recreational budgets increased by \$774,315 due to continued expansion of the Rural

Life Center. Overall, the expenditures were \$3,469,448 under budget due to voluntary reduced operational spending and delay of capital purchases.

Proprietary Funds. Currituck County’s proprietary funds provide the same type of information found in the government-wide statements but in more detail. Unrestricted net assets of the Solid Waste Fund at the end of the fiscal year amounted to \$6,059,007, and those for the Water and Sewer Districts totaled \$7,494,532. The total growth in net assets for the proprietary funds is shown in Figure 6, below.

Figure 6
Changes in Net Assets for Proprietary Funds

	June 30 2010	June 30 2009	Change in Net Assets
Solid Waste	\$ 6,650,122	\$ 6,293,915	\$ 356,207
Ocean Sands Water and Sewer	7,371,506	7,505,484	(133,978)
Mainland Water	11,208,443	11,843,550	(635,107)
Southern Outer Banks Water	8,900,065	8,734,572	165,493
Moyock Central Sewer	1,182,161	-	1,182,161
Non-Major Proprietary Funds			
Newtown Road Sewer	372,355	483,387	(111,032)
Moyock Commons Sewer	544,084	544,693	(609)
Total	\$ 36,228,736	\$ 35,405,601	\$ 823,135

Capital Asset and Debt Administration

Capital assets. Currituck County’s capital assets for its governmental and business – type activities as of June 30, 2010, totals \$128,702,851, 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:

- Stormwater improvements in the Whalehead Watershed Drainage District
- Construction of the Moyock Library
- Construction of a multi-use path along Highway 12 in Corolla
- Expansion and renovations at the Rural Life Center
- Construction of distribution lines for the Moyock Central Sewer

Figure 7

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

	Governmental		Business-type		Total	
	Activities		Activities		Total	
	2010	2010	2010	2010	2010	2009
Land	\$ 18,629,515	\$ 1,228,349	\$ 19,857,864	\$ 19,850,461		
Buildings and system	50,636,203	29,813,650	80,449,853	81,253,297		
Computer Equipment	1,959,453	361,806	2,321,259	-		
Furniture & Fixtures	5,769,666	4,526	5,774,192	5,877,889		
Equipment	93,874	14,294,489	14,388,363	12,664,595		
Vehicles and motorized equipment	2,648,133	57,167	2,705,300	3,203,264		
Construction in progress	2,049,341	1,156,679	3,206,020	6,047,082		
Total	\$ 81,786,185	\$ 46,916,666	\$ 128,702,851	\$ 128,896,588		

Additional information on the County's capital assets can be found in note III.A. 5, beginning on page 54 of the Basic Financial Statements.

Long-term Debt. As of June 30, 2010, Currituck County had total bonded debt outstanding of \$24,565,000. Of that amount, \$6,540,000 is debt backed by the full faith and credit of the County while the remaining \$18,025,000 is backed by certain revenues of the Mainland Water System. The County also had installment purchase agreements for the construction of the Shawboro Elementary School, land acquisition at the Airport, purchase of five ambulances, for stormwater improvements in the Whalehead Subdivision Watershed Service District and for Southern Outer Banks Water System, with outstanding balances of \$4,726,686, \$1,260,000, \$442,029, \$1,973,379 and \$3,821,469, respectively. These debt instruments are backed by their respective assets.

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

	Governmental		Business-type		Total	
	Activities		Activities		Total	
	2010	2009	2010	2009	2010	2009
Installment Purchase	\$ 8,402,094	\$ 8,284,043	\$ 3,821,469	\$ 4,830,977	\$ 12,223,563	\$ 13,115,020
Revenue bonds	-	-	18,025,000	18,500,000	18,025,000	18,500,000
General obligation bonds	4,145,000	5,020,000	2,395,000	2,670,000	6,540,000	7,690,000
Total debt	\$ 12,547,094	\$ 13,304,043	\$ 24,241,469	\$ 26,000,977	\$ 36,788,563	\$ 39,305,020

Figure 8

Currituck County's total debt decreased by \$2,516,457 (9.36%) during the past fiscal year. The additional \$2,100,000 debt for the Stormwater project in the Whalehead Watershed Improvement District was offset by scheduled payments.

As mentioned in the financial highlights section of this document, Currituck County's bond ratings are A2 from Moody's Investor Service and A+ 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 \$641,438,237. The County has no bonds authorized but un-issued at June 30, 2010.

Additional information regarding Currituck County's long-term debt can be found in note III.B.7. beginning on page 66 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, 2010, Currituck County had the lowest unemployment rate in the State with a rate of 4.90%.
- Property values held constant with a 0.56% increase over the prior year

Budget Highlights for the Fiscal Year Ending June 30, 2011

Governmental Activities: Currituck County's octennial revaluation became effective for the 2006 fiscal year. Governmental fund revenues are budgeted conservatively with a 6.52% reduction from the actual revenues received for the year ended June 30, 2010, while the business fund revenues are projected to be level with less than 1% change from the prior year.

Budgeted expenditures in the General Fund are anticipated to be \$45,172,654, approximately 2.76% decrease over the prior year.

Business – type Activities: All of the enterprise funds are expected to maintain level operations this during the next year. The Mainland Water System completed the expansion of the distribution system and converting to a reverse osmosis system on the Currituck mainland. The Moyock Central Sewer System will begin operations in late spring of 2011.

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, Room 103, PO Box 39, Currituck, North Carolina 27929-0039 or e-mail Sandra.Hill@CurrituckCountyNC.gov.

County of Currituck, North Carolina
Statement of Net Assets
June 30, 2010

	Primary Government			Component Units	
	Governmental Activities	Business-type Activities	Total	Whalehead Preservation Trust and Wildlife Museum	Currituck County ABC Board
ASSETS					
Cash and cash equivalents	\$ 55,633,768	\$ 13,811,941	\$ 69,445,709	\$ 605,530	\$ 532,235
Receivables (net)	1,071,377	820,504	1,891,881	38,251	147
Internal balances	267,945	(267,945)	-		
Due from other governments	2,672,529	-	2,672,529	465,624	-
Due from component unit	59,752	-	59,752	-	-
Inventories	957	-	957	77,255	507,302
Prepaid items	-	-	-	46,073	36,471
Deferred charges - issuance costs	39,557	26,737	66,294	-	-
Deferred charges -refunding	211,052	129,138	340,190	-	-
Prepaid pension costs	229,653	-	229,653	-	-
Endowment fund	-	-	-	13,066	-
Capital assets:					
Land, improvements, non- depreciable collections and construction in progress	20,678,856	2,385,028	23,063,884	853,777	425,900
Other capital assets, net of depreciation	61,107,329	44,531,638	105,638,967	90,671	1,616,686
Total capital assets	81,786,185	46,916,666	128,702,851	944,448	2,042,586
Total assets	141,972,775	61,437,041	203,409,816	2,190,247	3,118,741
LIABILITIES					
Accounts payable and accrued expenses	2,503,961	639,623	3,143,584	45,361	452,370
Unearned revenue	16,133	-	16,133	49,495	-
Customer deposits	-	40,950	40,950	18,000	-
Due to primary government	-	-	-	-	56,508
Long-term liabilities:					
Due within one year	3,465,780	1,886,444	5,352,224	-	-
Due in more than one year	13,695,276	22,641,288	36,336,564	-	-
Total long-term liabilities	17,161,056	24,527,732	41,688,788	-	-
Total liabilities	19,681,150	25,208,305	44,889,455	112,856	508,878
NET ASSETS					
Invested in capital assets, net of related debt	74,064,100	22,524,024	96,588,124	944,448	2,042,586
Restricted for:					
Working capital	-	-	-	-	43,175
Capital assets	-	-	-	760,365	-
Unrestricted (deficit)	48,227,525	13,704,712	61,932,237	372,578	524,102
Total net assets	\$ 122,291,625	\$ 36,228,736	\$ 158,520,361	\$ 2,077,391	\$ 2,609,863

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, 2010

Program Revenues

Functions/Programs	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Primary government:				
Governmental Activities:				
General government	\$ 8,415,095	\$ 953,864	\$ 854,484	\$ -
Public safety	17,211,595	1,013,183	495,545	-
Transportation	783,800	300,395	-	-
Economic and physical development	6,713,211	18,570	-	-
Environmental protection	568,900	-	56,690	-
Human services	4,155,112	-	2,730,538	-
Cultural and recreation	2,577,198	60,577	28,098	294,155
Education	10,330,209	-	-	-
Interest on long-term debt	449,982	-	-	-
Total governmental activities	<u>51,205,102</u>	<u>2,346,589</u>	<u>4,165,355</u>	<u>294,155</u>
Business-type activities:				
Solid Waste	4,196,020	2,562,992	57,113	-
Water and Sewer	6,398,328	5,884,552	-	329,144
Total business-type activities	<u>10,594,348</u>	<u>8,447,544</u>	<u>57,113</u>	<u>329,144</u>
	<u>\$ 61,799,450</u>	<u>\$ 10,794,133</u>	<u>\$ 4,222,468</u>	<u>\$ 623,299</u>
Component units:				
Whalehead Preservation Trust	\$ 1,304,886	\$ 412,021	\$ 414,367	\$ 500,000
ABC Board	3,130,836	3,172,558	-	-
Total component units	<u>\$ 4,435,722</u>	<u>\$ 3,584,579</u>	<u>\$ 414,367</u>	<u>\$ 500,000</u>

General revenues:

Taxes:

Property taxes, levied for general purpose
Property taxes, levied for sewer district
Property taxes, levied for watershed improvement
Local option sales taxes
Land transfer taxes
Occupancy taxes
Animal taxes
Deed stamp excise tax
Franchise taxes
Other taxes
Investment earnings, unrestricted
Gain (loss) on sale of capital assets
Special item
Transfers
Total general revenues and transfers
Change in net assets
Net assets-beginning
Net assets-ending

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

Exhibit 2

Net (Expense) Revenue and Changes in Net Assets					
Primary Government			Component Units		
Governmental Activities	Business-type Activities	Total	Whalehead Preservation Trust and Wildlife Museum	Currituck County ABC Board	
\$ (6,606,747)	\$	\$ (6,606,747)			
(15,702,867)		(15,702,867)			
(483,405)		(483,405)			
(6,694,641)		(6,694,641)			
(512,210)		(512,210)			
(1,424,574)		(1,424,574)			
(2,194,368)		(2,194,368)			
(10,330,209)		(10,330,209)			
(449,982)		(449,982)			
(44,399,003)	-	(44,399,003)			
-	(1,575,915)	(1,575,915)			
-	(184,632)	(184,632)			
-	(1,760,547)	(1,760,547)			
(44,399,003)	(1,760,547)	(46,159,550)			
			\$ 21,502	\$ -	
			-	41,722	
			21,502	41,722	
26,536,387	-	26,536,387	-	-	
-	138,053	138,053	-	-	
418,362	-	418,362	-	-	
6,857,290	-	6,857,290	-	-	
2,300,500	-	2,300,500	-	-	
8,672,218	-	8,672,218	-	-	
12,369	-	12,369	-	-	
546,729	-	546,729	-	-	
410,976	-	410,976	-	-	
328,685	-	328,685	-	-	
678,816	148,173	826,989	9,604	1,453	
-	-	-	(177)	-	
(324,419)	-	(324,419)	-	-	
(2,297,456)	2,297,456	-	-	-	
44,140,457	2,583,682	46,724,139	9,427	1,453	
(258,546)	823,135	564,589	30,929	43,175	
122,550,171	35,405,601	157,955,772	2,046,462	2,566,688	
\$ 122,291,625	\$ 36,228,736	\$ 158,520,361	\$ 2,077,391	\$ 2,609,863	

County of Currituck, North Carolina
Balance Sheet
Governmental Funds
June 30, 2010
Major

	Major			Nonmajor	
	General	Tourism Development Authority Fund	County Governmental Facilities Fund	Other Governmental Funds	Total Governmental Funds
ASSETS					
Cash and cash equivalents	\$ 8,077,244	\$ 6,741,506	\$ 19,837,277	\$ 20,977,741	\$ 55,633,768
Taxes receivable, net	967,186	-	-	8,121	975,307
Other receivables, net	95,370	700	-	-	96,070
Due from other governments	1,740,220	20,642	22,355	889,312	2,672,529
Due from component unit	59,752	-	-	-	59,752
Due from other funds	267,945	-	-	-	267,945
Inventories	957	-	-	-	957
Total assets	\$ 11,208,674	\$ 6,762,848	\$ 19,859,632	\$ 21,875,174	\$ 59,706,328
LIABILITIES AND FUND BALANCES					
Liabilities:					
Accounts payable and accrued liabilities	\$ 1,658,205	\$ 508,745	\$ 180,975	\$ 156,036	\$ 2,503,961
Deferred revenue	983,319	-	-	8,121	991,440
Total liabilities	2,641,524	508,745	180,975	164,157	3,495,401
Fund balances:					
Reserved for:					
Inventories	957	-	-	-	957
State statute	2,147,154	21,342	22,355	897,433	3,088,284
Unreserved	2,691,046	6,137,088	19,156,302	-	27,984,436
Unreserved, reported in nonmajor:					
Special revenue funds	-	-	-	2,934,672	2,934,672
Capital projects funds	-	-	-	16,778,257	16,778,257
Unreserved, designated for subsequent year's budget					
Unreserved, designated for subsequent year's budget	3,195,544	95,673	500,000	-	3,791,217
Unreserved, designated for fire services	532,449	-	-	-	532,449
Unreserved, designated for subsequent year's budget, reported in nonmajor					
Special revenue funds	-	-	-	600,655	600,655
Capital projects funds	-	-	-	500,000	500,000
Total fund balances	8,567,150	6,254,103	19,678,657	21,711,017	56,210,927
Total liabilities and fund balances	\$ 11,208,674	\$ 6,762,848	\$ 19,859,632	\$ 21,875,174	

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

Prepaid pension costs related to Law Enforcement Officer's Separation Allowance	229,653
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.	81,786,185
Liabilities for earned but deferred revenues in fund statements.	975,307
Some liabilities, including bonds payable and other postemployment benefits, are not due and payable in the current period and therefore are not reported in the funds (Note 7).	(16,910,447)
Net assets of governmental activities	\$ 122,291,625

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, 2010

	<u>Major</u>			<u>Nonmajor</u>	
	<u>General Fund</u>	<u>Tourism Development Authority Fund</u>	<u>County Governmental Facilities Fund</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
REVENUES					
Ad valorem taxes	\$ 26,873,821	\$ -	\$ -	\$ 418,362	\$ 27,292,183
Other taxes and licenses	5,471,464	8,672,218	-	4,985,085	19,128,767
Unrestricted intergovernmental	237,490	-	-	-	237,490
Restricted intergovernmental	3,337,202	-	247,557	220,000	3,804,759
Permits and fees	1,537,842	-	-	-	1,537,842
Sales and services	612,201	-	-	-	612,201
Investment earnings	109,960	127,116	218,693	223,047	678,816
Miscellaneous	637,261	24,594	-	-	661,855
Total revenues	<u>38,817,241</u>	<u>8,823,928</u>	<u>466,250</u>	<u>5,846,494</u>	<u>53,953,913</u>
EXPENDITURES					
Current:					
General government	5,621,535	-	-	271,655	5,893,190
Public safety	15,940,267	-	65,596	393,348	16,399,211
Transportation	592,162	-	32,263	-	624,425
Environmental protection	182,274	-	-	1,676,352	1,858,626
Economic and physical development	1,267,369	5,276,693	108,977	177,667	6,830,706
Human services	4,108,356	-	-	-	4,108,356
Cultural and recreational	1,937,287	-	1,525,690	-	3,462,977
Intergovernmental:					
Education	10,030,554	-	-	299,655	10,330,209
Debt service:					
Principal	2,856,949	-	-	-	2,856,949
Interest	449,982	-	-	-	449,982
Total expenditures	<u>42,986,735</u>	<u>5,276,693</u>	<u>1,732,526</u>	<u>2,818,677</u>	<u>52,814,631</u>
Excess (deficiency) of revenues over expenditures	<u>(4,169,494)</u>	<u>3,547,235</u>	<u>(1,266,276)</u>	<u>3,027,817</u>	<u>1,139,282</u>
OTHER FINANCING SOURCES (USES)					
Issuance of debt	-	-	-	2,100,000	2,100,000
Transfers from other funds	4,284,745	-	2,154,999	1,988,000	8,427,744
Transfers to other funds	(2,164,129)	(4,596,624)	-	(3,964,447)	(10,725,200)
Total other financing sources and uses	<u>2,120,616</u>	<u>(4,596,624)</u>	<u>2,154,999</u>	<u>123,553</u>	<u>(197,456)</u>
Net change in fund balance	(2,048,878)	(1,049,389)	888,723	3,151,370	941,826
Fund balances-beginning	10,616,028	7,303,492	18,789,934	18,559,647	55,269,101
Fund balances-ending	<u>\$ 8,567,150</u>	<u>\$ 6,254,103</u>	<u>\$ 19,678,657</u>	<u>\$ 21,711,017</u>	<u>\$ 56,210,927</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, 2010

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

Net changes in fund balances - total governmental funds	\$	941,826
Governmental funds report capital outlays as expenditures. However, in the Statement of Activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the current period		714,160
Capital asset transferred to Moyock Central Sewer project not recorded in the fund statements		(324,419)
Cost of capital asset disposed of during the year, not recognized on modified accrual basis		(255,082)
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds		(337,434)
The issuance of long-term debt (e.g., bonds, leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net assets. Also, governmental funds report the effect of issuance costs, premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. This amount is the net effect of these differences in the treatment of long-term debt and related items.		756,949
Actuarial decrease in prepaid pension costs that do not use current financial resources and are not reported as revenues in the funds		(5,374)
Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.		<u>(1,749,172)</u>
Total changes in net assets of governmental activities		<u><u>(\$258,546)</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 Balances -
Budget and Actual - General Fund
For the Fiscal Year Ended June 30, 2010

	2010			Variance With Final Positive (Negative)	2009
	Original Budget	Final Budget	Actual		Actual
Revenues:					
Ad valorem taxes	\$ 25,360,499	\$ 25,360,499	\$ 26,873,821	\$ 1,513,322	\$ 25,750,315
Other taxes and licenses	5,033,405	5,482,816	5,471,464	(11,352)	5,810,381
Unrestricted intergovernmental	373,000	373,000	237,490	(135,510)	304,553
Restricted intergovernmental	3,610,121	3,755,561	3,337,202	(418,359)	3,074,776
Permits and fees	1,391,000	1,395,841	1,537,842	142,001	1,246,366
Sales and services	765,450	816,478	612,201	(204,277)	652,366
Investment earnings	700,000	700,000	109,960	(590,040)	612,513
Miscellaneous	499,340	866,613	637,261	(229,352)	891,792
Total revenues	<u>37,732,815</u>	<u>38,750,808</u>	<u>38,817,241</u>	<u>66,433</u>	<u>38,343,062</u>
Expenditures					
Current:					
General government	5,924,358	6,457,979	5,621,535	836,444	5,291,527
Public safety	15,915,802	16,683,523	15,940,267	743,256	16,921,209
Transportation	734,014	777,869	592,162	185,707	577,874
Environmental protection	217,720	217,720	182,274	35,446	200,527
Economic and physical development	1,675,329	1,723,474	1,267,369	456,105	1,233,484
Human services	4,392,013	4,574,614	4,108,356	466,258	4,385,682
Cultural and recreational	1,909,151	2,683,466	1,937,287	746,179	1,711,196
Intergovernmental:					
Education	10,030,554	10,030,554	10,030,554	-	9,873,952
Debt service	3,180,310	3,306,984	3,306,931	53	3,232,360
Total expenditures	<u>43,979,251</u>	<u>46,456,183</u>	<u>42,986,735</u>	<u>3,469,448</u>	<u>43,427,811</u>
Revenues over (under) expenditures	<u>(6,246,436)</u>	<u>(7,705,375)</u>	<u>(4,169,494)</u>	<u>3,535,881</u>	<u>(5,084,749)</u>
Other financing sources (uses):					
Issuance of debt	-	-	-	-	751,375
Transfers to other funds	(2,389,670)	(2,164,129)	(2,164,129)	-	(13,563,939)
Transfers from other funds	4,170,343	4,846,965	4,284,745	-	3,443,025
Total other financing sources (uses)	<u>1,780,673</u>	<u>2,682,836</u>	<u>2,120,616</u>	<u>(562,220)</u>	<u>(9,369,539)</u>
Revenues and other financing sources over expenditures and other financing uses	<u>(4,465,763)</u>	<u>(5,022,539)</u>	<u>(2,048,878)</u>	<u>2,973,661</u>	<u>(14,454,288)</u>
Appropriated fund balance	<u>4,465,763</u>	<u>5,022,539</u>	<u>-</u>	<u>(5,022,539)</u>	<u>-</u>
Revenues, appropriated fund balance, and other financing sources over expenditures and other financing uses	<u>\$ -</u>	<u>\$ -</u>	<u>(2,048,878)</u>	<u>\$ (2,048,878)</u>	<u>(14,454,288)</u>
Fund balances:					
Beginning of year, July 1			10,616,028		25,070,316
End of year, June 30			<u>\$ 8,567,150</u>		<u>\$ 10,616,028</u>

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

County of Currituck, North Carolina
Statement of Net Assets
Proprietary Funds
June 30, 2010

	Enterprise Funds						Totals	
	Solid Waste Fund	Ocean Sands Water and Sewer District Fund	Mainland Water Fund	Southern Outer Banks Water System Fund	Moyock Central Sewer Construction Fund	Non-Major Proprietary Funds	June 30, 2010	June 30, 2009
ASSETS								
Current assets:								
Cash and cash equivalents	\$ 6,214,128	\$ 5,120,427	\$ 1,975,954	\$ -	\$ 268,003	\$ 233,429	\$ 13,811,941	\$ 14,906,404
Taxes receivable, net	8,774	42	-	-	-	5,801	14,617	12,154
Receivables, net	105,150	138,964	369,418	173,345	11,722	7,288	805,887	993,276
Deferred charges - bond issuance	-	-	26,737	-	-	-	26,737	30,080
Deferred charges - refunding	-	-	129,138	-	-	-	129,138	145,280
Total current assets	<u>6,328,052</u>	<u>5,259,433</u>	<u>2,501,247</u>	<u>173,345</u>	<u>279,725</u>	<u>246,518</u>	<u>14,788,320</u>	<u>16,087,194</u>
Noncurrent assets:								
Capital assets:								
Land, improvements, and construction in progress	62,962	963,012	5,150	42,600	1,156,679	154,625	2,385,028	5,524,765
Other capital assets, net of depreciation	528,153	1,197,328	29,434,990	12,854,626	-	516,541	44,531,638	41,720,297
Total capital assets	<u>591,115</u>	<u>2,160,340</u>	<u>29,440,140</u>	<u>12,897,226</u>	<u>1,156,679</u>	<u>671,166</u>	<u>46,916,666</u>	<u>47,245,062</u>
Total noncurrent assets	<u>591,115</u>	<u>2,160,340</u>	<u>29,440,140</u>	<u>12,897,226</u>	<u>1,156,679</u>	<u>671,166</u>	<u>46,916,666</u>	<u>47,245,062</u>
Total assets	<u>6,919,167</u>	<u>7,419,773</u>	<u>31,941,387</u>	<u>13,070,571</u>	<u>1,436,404</u>	<u>917,684</u>	<u>61,704,986</u>	<u>63,332,256</u>
LIABILITIES								
Current liabilities:								
Accounts payable	269,045	47,617	20,198	20,589	254,243	745	612,437	1,471,831
Due to operating fund	-	-	-	267,945	-	-	267,945	122,197
Customer deposits	-	650	39,700	100	-	500	40,950	84,569
Accrued salaries	-	-	15,708	11,478	-	-	27,186	77,010
General obligation bonds payable	-	-	285,000	-	-	-	285,000	275,000
Revenue bonds payable	-	-	500,000	-	-	-	500,000	475,000
Notes payable	-	-	-	942,014	-	-	942,014	942,014
Premium on debt issued	-	-	151,173	-	-	-	151,173	170,070
Total current liabilities	<u>269,045</u>	<u>48,267</u>	<u>1,011,779</u>	<u>1,242,126</u>	<u>254,243</u>	<u>1,245</u>	<u>2,826,705</u>	<u>3,617,691</u>
Noncurrent liabilities:								
Liabilities payable from restricted assets:								
Accrued vacation	-	-	31,793	9,870	-	-	41,663	-
General obligation bonds payable	-	-	2,110,000	-	-	-	2,110,000	2,395,000
Revenue bonds payable	-	-	17,525,000	-	-	-	17,525,000	18,025,000
Notes payable	-	-	-	2,879,455	-	-	2,879,455	3,888,964
Other postemployment benefits	-	-	54,372	39,055	-	-	93,427	-
Total noncurrent liabilities	<u>-</u>	<u>-</u>	<u>19,721,165</u>	<u>2,928,380</u>	<u>-</u>	<u>-</u>	<u>22,649,545</u>	<u>24,308,964</u>
Total liabilities	<u>269,045</u>	<u>48,267</u>	<u>20,732,944</u>	<u>4,170,506</u>	<u>254,243</u>	<u>1,245</u>	<u>25,476,250</u>	<u>27,926,655</u>
NET ASSETS								
Invested in capital assets, net of related debt	591,115	2,160,340	8,868,967	9,075,757	1,156,679	671,166	22,524,024	21,244,084
Unrestricted	6,059,007	5,211,166	2,339,476	(175,692)	25,482	245,273	13,704,712	14,161,517
Total net assets	<u>\$ 6,650,122</u>	<u>\$ 7,371,506</u>	<u>\$ 11,208,443</u>	<u>\$ 8,900,065</u>	<u>\$ 1,182,161</u>	<u>\$ 916,439</u>	<u>\$ 36,228,736</u>	<u>\$ 35,405,601</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 Assets
Proprietary Funds
For the Year Ended June 30, 2010

	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, 2010	June 30, 2009
OPERATING REVENUES								
Charges for services	\$ 2,562,992	\$ 882,160	\$ 2,744,217	\$ 1,712,259	\$ -	\$ 69,158	\$ 7,970,786	\$ 8,093,143
Water and sewer taps	-	-	183,500	59,150	204,750	-	447,400	432,567
Miscellaneous	-	3,200	-	20,082	-	6,076	29,358	20,971
Total operating revenues	<u>2,562,992</u>	<u>885,360</u>	<u>2,927,717</u>	<u>1,791,491</u>	<u>204,750</u>	<u>75,234</u>	<u>8,447,544</u>	<u>8,546,681</u>
OPERATING EXPENSES								
Administration	76,785	26,559	322,550	203,312	-	6,723	635,929	474,430
Water operations	-	394,675	1,023,288	611,488	-	-	2,029,451	2,110,729
Sewer operations	-	464,040	-	-	-	79,515	543,555	463,930
Landfill operations	4,086,563	-	-	-	-	-	4,086,563	3,817,586
Depreciation	32,672	200,816	1,349,015	651,329	-	31,876	2,265,708	1,597,890
Total operating expenses	<u>4,196,020</u>	<u>1,086,090</u>	<u>2,694,853</u>	<u>1,466,129</u>	<u>-</u>	<u>118,114</u>	<u>9,561,206</u>	<u>8,464,565</u>
Operating income (loss)	<u>(1,633,028)</u>	<u>(200,730)</u>	<u>232,864</u>	<u>325,362</u>	<u>204,750</u>	<u>(42,880)</u>	<u>(1,113,662)</u>	<u>82,116</u>
NONOPERATING REVENUES (EXPENSES)								
Tax revenue	83,442	666	-	-	-	53,945	138,053	109,907
Unrestricted intergovernmental revenues	57,113	-	-	-	-	-	57,113	45,481
Investment earnings	72,551	66,086	5,302	-	462	3,772	148,173	427,232
Interest expenses	-	-	(873,273)	(159,869)	-	-	(1,033,142)	(1,054,808)
Total nonoperating revenue (expenses)	<u>213,106</u>	<u>66,752</u>	<u>(867,971)</u>	<u>(159,869)</u>	<u>462</u>	<u>57,717</u>	<u>(689,803)</u>	<u>(472,188)</u>
Income (loss) before contributions and transfers	(1,419,922)	(133,978)	(635,107)	165,493	205,212	14,837	(1,803,465)	(390,072)
Capital contributions	-	-	-	-	329,144	-	329,144	-
Transfers from (to) other funds	1,776,129	-	-	-	647,805	(126,478)	2,297,456	1,713,400
Change in net assets	<u>356,207</u>	<u>(133,978)</u>	<u>(635,107)</u>	<u>165,493</u>	<u>1,182,161</u>	<u>(111,641)</u>	<u>823,135</u>	<u>1,323,328</u>
Total net assets - beginning	6,293,915	7,505,484	11,843,550	8,734,572	-	1,028,080	35,405,601	34,014,648
Prior period adjustment	-	-	-	-	-	-	-	67,625
Total net assets - ending	<u>\$ 6,650,122</u>	<u>\$ 7,371,506</u>	<u>\$ 11,208,443</u>	<u>\$ 8,900,065</u>	<u>\$ 1,182,161</u>	<u>\$ 916,439</u>	<u>\$ 36,228,736</u>	<u>\$ 35,405,601</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, 2010

							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, 2010	June 30, 2009
Cash flows from operating activities:								
Cash received from customers	\$ 2,567,223	\$ 840,699	\$ 3,154,508	\$ 1,780,508	\$ 204,750	\$ 69,609	\$ 8,617,297	\$ 8,147,021
Cash paid for goods and services	(4,441,953)	(871,232)	(1,521,765)	(338,551)	-	(87,506)	(7,261,007)	(6,202,152)
Cash paid to employees for services	-	-	(625,781)	(437,083)	-	-	(1,062,864)	(1,041,094)
Customer deposits received	-	650	15,783	-	-	300	16,733	13,216
Customer deposits returned	-	-	(58,961)	(1,325)	-	(66)	(60,352)	-
Other operating revenue	-	3,200	-	20,082	-	6,076	29,358	6,992
Net cash provided (used) by operating activities	<u>(1,874,730)</u>	<u>(26,683)</u>	<u>963,784</u>	<u>1,023,631</u>	<u>204,750</u>	<u>(11,587)</u>	<u>279,165</u>	<u>923,983</u>
Cash flows from noncapital financing activities:								
Tax revenues	85,765	1,124	-	-	-	48,702	135,591	72,174
Loan from other funds	-	-	-	145,747	-	-	145,747	122,197
Transfer from (to) other funds	1,776,129	-	-	-	-	-	1,776,129	1,713,400
Net cash provided by noncapital financing	<u>1,861,894</u>	<u>1,124</u>	<u>-</u>	<u>145,747</u>	<u>-</u>	<u>48,702</u>	<u>2,057,467</u>	<u>1,907,771</u>
Cash flows from capital and related financing activities:								
Acquisition and construction of capital assets	(18,269)	(248,196)	(514,166)	-	(914,158)	-	(1,694,789)	(16,491,256)
Principal paid on bond maturities and installment purchase contracts	-	-	(750,000)	(1,009,509)	-	-	(1,759,509)	(1,740,178)
Interest paid on bond maturities and installment purchase contracts	-	-	(872,685)	(159,869)	-	-	(1,032,554)	(1,054,220)
Transfer from (to) other funds	-	-	-	-	647,805	(126,478)	521,327	-
Grants	57,113	-	-	-	-	-	57,113	89,206
Capital contributions	-	-	-	-	329,144	-	329,144	-
Net cash used by capital and related financing activities	<u>38,844</u>	<u>(248,196)</u>	<u>(2,136,851)</u>	<u>(1,169,378)</u>	<u>62,791</u>	<u>(126,478)</u>	<u>(3,579,268)</u>	<u>(19,196,448)</u>
Cash flows from investing activities:								
Interest on investments	72,551	66,086	5,302	-	462	3,772	148,173	427,232
Net increase (decrease) in cash and cash equivalents	98,559	(207,669)	(1,167,765)	-	268,003	(85,591)	(1,094,463)	(15,937,462)
Cash and cash equivalents, July 1	6,115,569	5,328,096	3,143,719	-	-	319,020	14,906,404	30,843,866
Cash and cash equivalents, June 30	<u>\$ 6,214,128</u>	<u>\$ 5,120,427</u>	<u>\$ 1,975,954</u>	<u>\$ -</u>	<u>\$ 268,003</u>	<u>\$ 233,429</u>	<u>\$ 13,811,941</u>	<u>\$ 14,906,404</u>
Reconciliation of operating income to net cash provided by operating activities:								
Operating income (loss)	\$ (1,633,028)	\$ (200,730)	\$ 232,864	\$ 325,362	\$ 204,750	\$ (42,880)	\$ (1,113,662)	\$ 82,116
Adjustments to reconcile operating income to net cash provided (used) by operating activities:								
Depreciation	32,672	200,816	1,349,015	651,329	-	31,876	2,265,708	1,597,890
Changes in assets and liabilities:								
(Increase) decrease in accounts receivable	4,231	(41,461)	226,791	9,099	-	451	199,111	(392,666)
Increase (decrease) in accounts payable and accrued liabilities	(278,605)	14,042	(864,062)	111	-	(1,268)	(1,129,782)	(362,104)
(Increase) in accrued vacation	-	-	7,982	-	-	-	7,982	(14,469)
Increase in post employment benefits	-	-	54,372	39,055	-	-	93,427	-
Increase (Decrease) in customer deposits	-	650	(43,178)	(1,325)	-	234	(43,619)	13,216
Total adjustments	<u>(241,702)</u>	<u>174,047</u>	<u>730,920</u>	<u>698,269</u>	<u>-</u>	<u>31,293</u>	<u>1,392,827</u>	<u>841,867</u>
Net cash provided (used) by operating activities	<u>\$ (1,874,730)</u>	<u>\$ (26,683)</u>	<u>\$ 963,784</u>	<u>\$ 1,023,631</u>	<u>\$ 204,750</u>	<u>\$ (11,587)</u>	<u>\$ 279,165</u>	<u>\$ 923,983</u>

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

County of Currituck, North Carolina
Statement of Fiduciary Net Assets
Fiduciary Funds
June 30, 2010

	Pension Trust Fund	Agency Funds
	<u> </u>	<u> </u>
Assets:		
Cash and cash equivalents	\$ 783,310	\$ 76,417
Due from other governments	-	22,117
Total assets	<u>783,310</u>	<u>98,534</u>
Liabilities:		
Accounts payable	-	68,202
Due to other governments	<u>-</u>	<u>30,332</u>
Total liabilities	<u>-</u>	<u>98,534</u>
Net assets:		
Assets held for pension benefits	<u>\$ 783,310</u>	<u>\$ -</u>

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

County of Currituck, North Carolina
Statement of Changes in Fiduciary Net Assets
Fiduciary Funds
For The Fiscal Year Ended June 30, 2010

	Post-employment Benefits Fund	
	June 30 2010	June 30 2009
Additions:		
Employer contributions		
Law enforcement separation allowance	\$ 41,414	\$ 37,664
Postemployment benefits	126,668	117,047
	<u>168,082</u>	<u>154,711</u>
Investment income:		
Interest	8,434	25,217
Total additions	<u>176,516</u>	<u>179,928</u>
Deductions:		
Benefits		
Law enforcement separation allowance	29,499	29,499
Postemployment benefits	115,579	110,249
Administrative expense	4,172	255
Total deductions	<u>149,250</u>	<u>140,003</u>
Change in net assets	27,266	39,925
Net assets:		
Beginning of year, July 1		
Law enforcement separation allowance	347,622	335,173
Postemployment benefits	408,422	380,946
Beginning of year, totals	<u>756,044</u>	<u>716,119</u>
End of year, June 30		
Law enforcement separation allowance	356,883	347,622
Postemployment benefits	426,427	408,422
Net assets - end of year, totals	<u>\$ 783,310</u>	<u>\$ 756,044</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, 2010

I. Summary of Significant Accounting Policies

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

A. Reporting Entity

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

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

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

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

B. Basis of Presentation, Basis of Accounting

Basis of Presentation, Measurement Focus – Basis of Accounting

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

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

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

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

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

The County reports the following major governmental funds:

General Fund. This is the County's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.

Tourism Development Authority Fund. This fund accounts for financial resources to be used for tourism promotion and tourism-related expenses.

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

The County reports the following major enterprise funds:

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

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

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

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

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

The County reports the following fiduciary fund types:

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

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

Measurement Focus, Basis of Accounting

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

Government-wide, Proprietary, and Fiduciary Fund Financial Statements. The government-wide, proprietary, and fiduciary fund financial statements are reported using the economic resources measurement focus, except for the agency funds which have no measurement focus. The government-wide, proprietary fund, and fiduciary fund financial statements are reported using the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of when the related cash flows take place. Non-exchange transactions, in which the County gives (or receives) value without directly receiving (or giving) equal value in exchange, include property taxes, grants, entitlements, and donations. On an accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes are levied. Revenue from grants, entitlements, and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied.

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

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the County enterprise funds are charges to customers for sales and services. The County also recognizes as operating revenue the portion of tap fees intended to recover the cost of connecting new customers to the water and sewer system. Operating expenses for enterprise funds include the cost of

sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

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

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

The County considers all revenues available if they are collected within 90 days after year-end, except for property taxes. Ad valorem property taxes are not accrued as a revenue because the amount is not susceptible to accrual. At June 30, taxes receivable are materially past due and are not considered to be an available resource to finance the operations of the current year. Also, as of January 1, 1993, State law altered the procedures for the assessment and collection of property taxes on registered motor vehicles in North Carolina. Effective with this change in law, Currituck County is responsible for billing and collecting the property taxes on all registered motor vehicles. For registered motor vehicles, property taxes are due the first day of the fourth month after the vehicles are registered. The billed taxes are applicable to the fiscal year in which they become due. Therefore, taxes for vehicles registered from March 2009 through February 2010 apply to the fiscal year ended June 30, 2010. Uncollected taxes that were billed during this period are shown as a receivable on these financial statements.

Sales taxes and certain intergovernmental revenues, such as the utilities franchise tax, collected and held by the State at year-end on behalf of the County are recognized as revenue. Intergovernmental revenues and sales and services are not susceptible to accrual because generally they are not measurable until received in cash. Expenditure-driven grants are recognized as revenue when the qualifying expenditures have been incurred and all other grant requirements have been satisfied.

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

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

C. Budgetary Data

The County's budgets are adopted as required by the North Carolina General Statutes. An annual budget is adopted for the General Fund, the Tourism Development Authority, the Carova Beach

Service District, the Guinea Mill Watershed Improvement, Hog Ditch Watershed Improvement, Moyock Watershed Improvement, Northwest Watershed Improvement, Whalehead Watershed Improvement, Fire Districts, Revaluation, Emergency Telephone System, and Fire Equipment Replacement Special Revenue Funds, the Land Banking, Capital Improvements, School Capital, and Transfer Tax Capital Projects Funds and the Solid Waste, Ocean Sands Water and Sewer, Mainland Water, Newtown Road Sewer, Moyock Commons Sewer and Southern Outer Banks Water System Funds. All annual appropriations lapse at the fiscal year-end. Project ordinances are adopted for the County Governmental Facilities and the School Capital Projects Funds, which are consolidated with the capital project funds for reporting purposes; the Multi-year Grant Fund, which is reported with the special revenue funds; the Mainland Water Construction fund, which is consolidated with the Mainland Water operating fund for reporting purposes; and the Moyock Central Sewer Construction Fund.

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

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

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

D. Assets, Liabilities, and Fund Equity

1. Deposits and Investments

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

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

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

2. Cash and Cash Equivalents

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

3. 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, 2009. 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.

4. 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.

5. Inventories and Prepaid Items

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

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

6. Capital Assets

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

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

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

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

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

	<u>Years</u>
Buildings	30
Computer equipment	7
Furniture and equipment	5-10
Vehicles	5
Leasehold improvements	7-10

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

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

7. Long-term Obligations

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

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

The ABC Board incurred long-term debt during the year ended June 30, 2008 of \$1,100,000 to finance the new Grandy store. This note payable carried an interest rate of 4.12% and was paid off early in December 2009. Principal payments of \$304,219 and interest payments of \$5,878 were made during the year.

8. 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 from two 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, 2010 and 2009 amounted to approximately \$3,003 and \$7,500, respectively. The current portion of the accumulated vacation pay for the ABC Board is not considered material.

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

9. Net Assets/Fund Balances

Net Assets

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

Fund Balances

In the governmental fund financial statements, reservations or restrictions of fund balance represent amounts that are not appropriable or are legally segregated for a specific purpose. Designations of fund balance represent tentative management plans that are subject to change.

State law [G.S. 159-13(b)(16)] restricts the appropriation of fund balance to an amount not to exceed the sum of cash and investments minus the sum of liabilities, encumbrances and deferred revenues arising from cash receipts as those amounts stand at the close of the fiscal year preceding the budget year.

The governmental fund types classify fund balances as follows:

Reserved

Reserved for inventories - portion of fund balance not available for appropriation because it represents the year-end fund balance of ending inventories, which are not expendable, available resources.

Reserved by State statute - portion of fund balance, in addition to reserves for encumbrances and reserves for inventories, which is not available for appropriation under State law [G.S. 159-8(a)]. This amount is usually comprised of accounts receivable and interfund receivables that are not offset by deferred revenues.

Unreserved

Designated for subsequent year's expenditures - portion of total fund balance available for appropriation that has been designated for the adopted 2010-11 budget ordinance.

Undesignated - portion of total fund balance available for appropriation that is uncommitted at year-end.

E. Reconciliation of Government-wide and Fund Financial Statements

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

The governmental fund balance sheet includes a reconciliation between fund balance - total governmental funds and net assets – governmental activities as reported in the government-wide statement of net assets. The net adjustment of \$66,080,698 consists of several elements as follows:

Description	Amount
Prepaid pension costs resulting from actuarial study, which are not reported in the funds	\$ 229,653
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)	108,365,781
Less accumulated depreciation	(26,579,596)
Net capital assets	<u>81,786,185</u>
Deferred charges related to advance refunding bond issue	250,609
Liabilities for revenue deferred but earned and therefore reported in the fund statements but not the government-wide	975,307
Bonds, leases, and installment financing	(12,547,094)
Compensated absences	(899,569)
Premium on debt issued	(250,609)
Other postemployment benefits	(3,463,784)
Total adjustment	<u>\$ 66,080,698</u>

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

The governmental fund statement of revenues, expenditures, and changes in fund balances includes a reconciliation between net changes in fund balances – total governmental funds and changes in net assets of governmental activities as reported in the government-wide statement of activities. There are several elements of that total adjustment of (\$1,200,372) as follows:

Description	Amount
Capital outlay expenditures recorded in the fund statements but capitalized as assets in the statement of activities	\$ 4,776,158
Cost of disposed capital asset not recorded on fund statement	(255,082)
Depreciation expense, the allocation of those assets over their useful lives, that is recorded on the statement of activities but not in the fund statements.	(4,061,998)
Capital assets transferred to Moyock Central Sewer Fund not recorded in the fund statements.	(324,419)
New debt issued during the year is recorded as a source of funds on the fund statements; it has no effect on the statement of activities - it affects only the government-wide statement of net assets	(2,100,000)
Principal payments on debt owed are recorded as a use of funds on the fund statements but again affect only the statement of net assets in the government-wide statements	2,856,949
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	(68,804)
Other postemployment benefits	(1,680,368)
Revenues reported in the statement of activities that do not provide current resources are not recorded as revenues in the fund statements.	
Reversal of deferred tax revenue recorded at 7/1/09	(1,312,741)
Recording of tax receipts deferred in the fund statements as of 6/30/10	975,307
Change in prepaid pension cost for law enforcement separation allowance	(5,374)
Total adjustment	<u>\$ (1,200,372)</u>

II. Stewardship, Compliance, and Accountability

A. Significant Violations of Finance-Related Legal and Contractual Provisions

The Rate Covenant for the Mainland Water Revenue bonds requires the minimum debt coverage of one hundred fifteen percent (115%). Due to decreased construction over the past year, the system did not receive the projected number of tap fees to meet this coverage; however, all debt payments were made at their due date. As per the Rate Covenant agreement, the County is consulting with an Independent Consulting Engineer to submit a written report and recommendations with respect to increased rates in the County's rates, fees and other charges and improvements in the operations of and the services rendered by the Water System and the County's accounting and billing procedures necessary to bring the County into compliance with the Rate Covenant.

III. Detail Notes on All Funds

A. Assets

1. Deposits

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

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

At June 30, 2010, the County's deposits had a carrying amount of \$38,111,866 and a bank balance of \$38,635,854. Of the bank balance, \$750,000 was covered by federal depository insurance and \$37,885,854 in interest bearing deposits were covered by collateral held under the Pooling Method.

At June 30, 2010, the County had \$1,850 and the Whalehead Preservation Trust had \$800 cash on hand.

At June 30, 2010, the carrying amount of deposits for Currituck County ABC Board was \$540,737. Of this amount, \$250,000 was covered by federal depository insurance and the remainder was covered by collateral held under the Pooling Method.

At June 30, 2010, the Whalehead Preservation Trust's deposits had a carrying amount of \$604,730 and a bank balance of \$710,120. The Trust maintains its cash balances at three banks. All of the deposits were covered by federal depository insurance. The organization has no formal policy regarding custodial credit risks for deposits.

2. Investments

As of June 30, 2010, the County had the following investments and maturities:

Investment Type	Fair Value	Less Than			More Than 5 Years
		6 Months	6-12 Months	1-5 Years	
Commercial Paper	\$ 8,961,697	\$ 6,974,305	\$ 1,987,392	\$ -	\$ -
Federal agencies	\$ 16,046,160	-	-	16,046,160	-
NC State Education Assistance	\$ 5,000,000	-	-	-	5,000,000
NC Capital Management Trust:					
Cash Portfolio	\$ 1,208,269	N/A	N/A	N/A	N/A
Term Portfolio*	\$ 933,277	-	933,277	-	-
Total Investments	\$ 32,149,403	\$ 6,974,305	\$ 2,920,669	\$ 16,046,160	\$ 5,000,000

* Because of the NC Capital Management Trust Term Portfolio had a duration of 0.8 years, it was presented as an investment with a maturity of 6-12 months.

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

The North Carolina State Education Assistance Authority (NCSEAA) instruments in the portfolio have final stated maturities ranging from 2015 to 2036. Historically they could be redeemed at par and the interest rate reset every 7, 28 or 35 days making the effective maturity date the next reset date, until February 2008 when the auctions began failing. At that time the instruments became illiquid and there was no secondary market. The County has reduced the amount held in NCSEAA instruments; however, these instruments were liquid at year end.

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, 2010, the County's investments in commercial paper were rated P1 by Standard & Poor's, F1 by Fitch Ratings, and A1 by Moody's Investors Service. The County's investments in the NC Capital Management Trust Cash Portfolio carried a credit rating of AAAM by Standard & Poor's as of June 30, 2010. The County's investment in the NC Capital Management Trust Term Portfolio is unrated. The Term Portfolio is authorized to invest in obligations of the US government and agencies, and in high grade money market instruments as permitted under North Carolina General Statutes 159-30 as amended. The County's investments in US Agencies (Federal Home Loan Bank) are rated AAA by Standard & Poor's and Aaa by Moody's Investors Service.

Custodial Credit Risk. For an investment, custodial credit risk is the risk that in the event of the failure of the counterparty, the County will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. As of June 30, 2010, the County had no investments held by a counterparty that were not in the County's name. The County had no policy on custodial credit risk.

Concentration of Credit Risk. The County places no limit on the amount that the County may invest in any one issuer. More than 5 percent of the County's investments are in Federal Home Loan Mortgage Corporation, Federal Home Loan Bank, NCSEAA instruments, F Car Owner Commercial Paper, UBS Finance Commercial Paper, Fannie Mae, and Intessa Funding Commercial Paper. These investments are 21.86%, 21.82%, 15.55%, 12.38%, 9.33%, 6.25% and 6.20%, 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
2007	951,559	311,636	1,263,195
2008	951,720	226,034	1,177,754
2009	961,874	141,876	1,103,750
2010	960,847	55,249	1,016,096
Total	\$ 3,826,000	\$ 734,795	\$ 4,560,795

4. Receivables

Receivables at the government-wide level at June 30, 2010, were as follows:

	Accounts	Taxes and Related Accrued Interest	Due from Other Governments	Total
Governmental Activities:				
General	\$ 95,370	\$ 977,185	\$ 1,740,220	\$ 2,812,775
Tourism Development Authority	700	-	20,642	21,342
County Gov't Facilities	-	-	22,355	22,355
Other Governmental	-	8,121	889,312	897,433
Total receivables	96,070	985,306	2,672,529	3,753,905
Allowance for doubtful accounts	-	(9,999)	-	(9,999)
Total-governmental activities	<u>\$ 96,070</u>	<u>\$ 975,307</u>	<u>\$ 2,672,529</u>	<u>\$ 3,743,906</u>
Business-type Activities				
Solid Waste	\$ 105,150	\$ 9,176	-	\$ 114,326
Ocean Sands Water and Sewer	138,964	42	-	139,006
Mainland Water	399,939	-	-	399,939
Southern Outer Banks Water	173,345	-	-	173,345
Moyock Central Sewer	11,722	-	-	11,722
Other Proprietary	7,288	5,801	-	13,089
Total receivables	836,408	15,019	-	851,427
Allowance for doubtful accounts	(30,521)	(402)	-	(30,923)
Total - business-type activities	<u>\$ 805,887</u>	<u>\$ 14,617</u>	<u>\$ -</u>	<u>\$ 820,504</u>

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

Clerk of Court fee revenues	\$ 33,790
Local option sales tax	1,810,663
Medicaid hold harmless funds	99,078
Sales and use tax refund	302,759
NC Div Health & Human Services	267,913
Ambulance fees/Medicaid reimbursement	<u>3,023</u>
Total	<u>\$2,672,529</u>

5. Capital Assets

Capital asset activity for the year ended June 30, 2010, was as follows:

	Beginning Balances	Increases	Decreases	Ending Balances
Governmental activities:				
Capital assets not being depreciated:				
Land	\$ 18,622,112	7,403	-	\$ 18,629,515
Construction in progress	1,750,666	1,960,298	1,661,623	2,049,341
Total capital assets not being depreciated	20,372,778	1,967,701	1,661,623	20,678,856
Capital assets being depreciated:				
Buildings	63,154,085	2,666,672	540,650	65,280,107
Computer equipment	-	3,418,314	332,000	3,086,314
Furniture and fixtures	8,610,084	736,018	8,931	9,337,171
Equipment	5,227,648	187,812	2,920,309	2,495,151
Vehicles and motor equipment	7,594,416	580,167	686,401	7,488,182
Total capital assets being depreciated'	84,586,233	7,588,983	4,488,291	87,686,925
Less accumulated depreciation for:				
Buildings	12,734,591	1,909,313	-	14,643,904
Computer equipment	-	1,126,861	-	1,126,861
Furniture and fixtures	2,938,978	637,458	8,931	3,567,505
Equipment	3,142,202	40,031	780,956	2,401,277
Vehicles and motor equipment	4,491,714	348,335	-	4,840,049
Total accumulated depreciation	23,307,485	4,061,998	789,887	26,579,596
Total capital assets being depreciated, net	61,278,748			61,107,329
Governmental activity capital assets, net	\$ 81,651,526			\$ 81,786,185

Primary Government

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

General government	\$ 1,478,362
Public safety	1,611,374
Transportation	204,220
Environmental protection	3,857
Economic and physical development	396,258
Human services	63,049
Cultural and recreational	304,878
Total depreciation expense	<u>\$ 4,061,998</u>

Proprietary Funds

	Beginning Balances	Increases	Decreases	Ending Balances
Business-type activities:				
Solid Waste				
Capital assets not being depreciated:				
Land	\$ 62,962	-	-	\$ 62,962
Total capital assets not being depreciated	62,962	-	-	62,962
Capital assets being depreciated:				
Buildings	806,864	18,269		825,133
Equipment	214,078			214,078
Vehicles and motor equipment	12,736			12,736
Total capital assets being depreciated	1,033,678	18,269	-	1,051,947
Less accumulated depreciation for:				
Buildings	386,129	27,301	-	413,430
Equipment	92,257	5,371	-	97,628
Vehicles and motor equipment	12,736	-	-	12,736
Total accumulated depreciation	491,122	32,672	-	523,794
Total capital assets being depreciated, net	542,556			528,153
Solid Waste capital assets, net	\$ 605,518			\$ 591,115

continued

	Beginning Balances	Increases	Decreases	Ending Balances
Ocean Sands Water and Sewer District				
Capital assets not being depreciated:				
Land	\$ 963,012	-	-	\$ 963,012
Total capital assets not being depreciated	<u>963,012</u>	<u>-</u>	<u>-</u>	<u>963,012</u>
Capital assets being depreciated:				
Plant and distribution systems	3,938,654	-	-	3,938,654
Computer equipment	-	523,178	-	523,178
Furniture and maintenance equipment	657,727	-	274,982	382,745
Vehicles and motor equipment	30,153	-	-	30,153
Total capital assets being depreciated	<u>4,626,534</u>	<u>523,178</u>	<u>274,982</u>	<u>4,874,730</u>
Less accumulated depreciation for:				
Plant and distribution systems	2,971,997	131,289	-	3,103,286
Computer equipment	-	185,343	-	185,343
Furniture and maintenance equipment	500,065	3,393	125,239	378,219
Vehicles and motor equipment	4,523	6,030	-	10,553
Total accumulated depreciation	<u>3,476,585</u>	<u>326,055</u>	<u>125,239</u>	<u>3,677,401</u>
Total capital assets being depreciated, net	<u>1,149,949</u>			<u>1,197,329</u>
Ocean Sands Water and Sewer District capital assets, net	<u>\$ 2,112,961</u>			<u>\$ 2,160,341</u>
Mainland Water				
Capital assets not being depreciated:				
Land	\$ 5,150	-	-	\$ 5,150
Construction in process	4,296,416	-	4,296,416	-
Total capital assets not being depreciated	<u>4,301,566</u>	<u>-</u>	<u>4,296,416</u>	<u>5,150</u>
Capital assets being depreciated:				
Buildings	18,324,452	239,142	-	18,563,594
Computer equipment	-	47,154	-	47,154
Equipment	15,679,458	4,569,347	47,154	20,201,651
Vehicles	331,977	-	19,062	312,915
Total capital assets being depreciated	<u>34,335,887</u>	<u>4,855,643</u>	<u>66,216</u>	<u>39,125,314</u>
Less accumulated depreciation for:				
Buildings	1,706,054	614,067	-	2,320,121
Computer equipment	-	37,910	-	37,910
Equipment	6,391,749	672,693	2,095	7,062,347
Vehicles	264,663	24,345	19,062	269,946
Total accumulated depreciation	<u>8,362,466</u>	<u>1,349,015</u>	<u>21,157</u>	<u>9,690,324</u>
Total capital assets being depreciated, net	<u>25,973,421</u>			<u>29,434,990</u>
Mainland Water capital assets, net	<u>\$ 30,274,987</u>			<u>\$ 29,440,140</u>
Newtown Road Sewer District				
Capital assets not being depreciated:				
Land	\$ 87,000	-	-	\$ 87,000
Total capital assets not being depreciated	<u>87,000</u>	<u>-</u>	<u>-</u>	<u>87,000</u>
Capital assets being depreciated:				
Equipment	508,622	-	-	508,622
Total capital assets being depreciated	<u>508,622</u>	<u>-</u>	<u>-</u>	<u>508,622</u>
Less accumulated depreciation for:				
Equipment	285,393	16,954	-	302,347
Total accumulated depreciation	<u>285,393</u>	<u>16,954</u>	<u>-</u>	<u>302,347</u>
Total capital assets being depreciated, net	<u>223,229</u>			<u>206,275</u>
Newtown Road Sewer District capital assets, net	<u>\$ 310,229</u>			<u>\$ 293,275</u>

continued

	Beginning Balances	Increases	Decreases	Ending Balances
Moyock Commons Sewer District				
Capital assets not being depreciated:				
Land	\$ 67,625	-	-	\$ 67,625
Total capital assets not being depreciated	<u>67,625</u>	-	-	<u>67,625</u>
Capital assets being depreciated:				
Buildings	\$ 329,267	-	-	\$ 329,267
Equipment	27,626	-	-	27,626
Total capital assets being depreciated	<u>356,893</u>	-	-	<u>356,893</u>
Less accumulated depreciation for:				
Buildings	\$ 19,207	10,975	-	\$ 30,182
Equipment	12,498	3,947	-	16,445
Total accumulated depreciation	<u>31,705</u>	<u>14,922</u>	-	<u>46,627</u>
Total capital assets being depreciated, net	<u>325,188</u>			<u>310,266</u>
Moyock Commons Sewer District capital assets, net	<u>\$ 392,813</u>			<u>\$ 377,891</u>
Southern Outer Banks Water System				
Capital assets not being depreciated:				
Land	\$ 42,600	-	-	\$ 42,600
Total capital assets not being depreciated	<u>42,600</u>	-	-	<u>42,600</u>
Capital assets being depreciated:				
Buildings	14,817,953	-	-	14,817,953
Computer equipment	-	157,582	-	157,582
Other equipment	1,810,043	-	157,582	1,652,461
Vehicles	133,135	-	-	133,135
Total capital assets being depreciated	<u>16,761,131</u>	<u>157,582</u>	<u>157,582</u>	<u>16,761,131</u>
Less accumulated depreciation for:				
Buildings	2,300,000	493,932	-	2,793,932
Computer equipment	-	142,855	-	142,855
Other equipment	829,660	115,885	114,363	831,182
Vehicles	125,517	13,020	-	138,537
Total accumulated depreciation	<u>3,255,177</u>	<u>765,692</u>	<u>114,363</u>	<u>3,906,506</u>
Total capital assets being depreciated, net	<u>13,505,954</u>			<u>12,854,625</u>
Southern Outer Banks Water capital assets, net	<u>\$ 13,548,554</u>			<u>\$ 12,897,225</u>
Moyock Central Sewer System				
Capital assets not being depreciated:				
Construction in Process	\$ -	1,156,679	-	\$ 1,156,679
Total capital assets not being depreciated	<u>-</u>	<u>1,156,679</u>	-	<u>1,156,679</u>
Moyock Central Sewer System capital assets, net	<u>\$ -</u>			<u>\$ 1,156,679</u>
Business-type activities capital assets, net	<u>\$ 47,245,062</u>			<u>\$ 46,916,666</u>

Construction commitments

Currituck County has active construction projects as of June 30, 2010, for the construction of a multi-use path with pocket park in Corolla, a YMCA with space for a Community Center and Senior Citizens facility, Stormwater improvements at the Whalehead subdivision and construction of a Central Sewer System in Moyock. At June 30, 2010, the government’s commitments with contractors are as follows:

Project	Spent-to-date	Remaining Commitment
Corolla multi-use path/pocket park	\$ 525,260	\$ 845,811
YMCA/Community/Sr Center Facility	\$ 230,711	\$ 11,195,451
Whalehead Stormwater Drainage Project	\$ 1,293,370	\$ 806,630
Moyock Central Sewer Construction	1,156,676	836,985
Total	<u>\$ 3,206,017</u>	<u>\$ 13,684,877</u>

Discretely presented component units

Activity for the ABC Board for the year ended June 30, 2010, was as follows:

	Beginning Balances	Increases	Decreases	Ending Balances
Capital assets not being depreciated:				
Land	\$ 425,900	\$ -	\$ -	\$ 425,900
Capital assets being depreciated:				
Buildings	1,842,303	-	-	1,842,303
Furniture and equipment	200,074	-	-	200,074
Vehicles	34,827	-	-	34,827
Leasehold improvements	5,631	-	-	5,631
Total capital assets being depreciated	<u>2,082,835</u>	-	-	<u>2,082,835</u>
Less accumulated depreciation:				
Total accumulated depreciation	<u>380,795</u>	<u>85,354</u>	-	<u>466,149</u>
ABC capital assets, net	<u>\$ 2,127,940</u>			<u>\$ 2,042,586</u>

Activity for the Whalehead Preservation Trust and Currituck Wildlife Museum as of June 30, 2010, was as follows:

	Beginning Balances	Increases	Decreases	Ending Balances
Capital assets not being depreciated:				
Museum collection	\$ 824,113	\$ 29,664	\$ -	\$ 853,777
Total capital assets not being depreciated	824,113	29,664	-	853,777
Capital assets being depreciated:				
Furniture, fixtures and equipment	210,044	7,604	265	217,383
Total capital assets being depreciated	210,044	7,604	265	217,383
Less accumulated depreciation for:				
Furniture, fixtures and equipment	111,297	15,503	88	126,712
Total accumulated depreciation	111,297	15,503	88	126,712
Total capital assets being depreciated, net	98,747			90,671
Whalehead Preservation Trust capital assets, net	<u>\$ 922,860</u>			<u>\$ 944,448</u>

B. Liabilities

1. Payables

Payables at the government-wide level at June 30, 2010, were as follows:

	Vendors	Other	Total
Governmental Activities:			
General	\$ 1,139,456	\$ 518,749	\$ 1,658,205
Tourism Development Authority	508,745	-	508,745
County Governmental Facilities	180,975	-	180,975
Other Governmental	156,036	-	156,036
Total-governmental activities	<u>\$ 1,985,212</u>	<u>\$ 518,749</u>	<u>\$ 2,503,961</u>
Business-type Activities			
Solid Waste	\$ 269,045	\$ -	\$ 269,045
Ocean Sands Water and Sewer	47,617	-	47,617
Mainland Water	20,198	15,708	35,906
Southern Outer Banks Water	20,589	11,478	32,067
Moyock Central Sewer	254,243	-	254,243
Other Proprietary	745	-	745
Total - business-type activities	<u>\$ 612,437</u>	<u>\$ 27,186</u>	<u>\$ 639,623</u>

2. Pension Plan Obligations

a. Local Governmental Employees' Retirement System

Plan Description. Currituck County and the ABC Board contribute to the statewide Local Governmental Employees' Retirement System (LGERS), a cost-sharing multiple-employer defined

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

Funding Policy. Plan members are required to contribute six percent of their annual covered salary. The County and the ABC Board are required to contribute at an actuarially determined rate. For the County, the current rate for employees not engaged in law enforcement and for law enforcement officers is 6.44% and 6.41%, respectively, of annual covered payroll. For the ABC Board, the current rate for employees not engaged in law enforcement is 4.80% of annual covered payroll. The contribution requirements of members and of Currituck County and the ABC Board are established and may be amended by the North Carolina General Assembly. The County's contributions to LGERS for the years ended June 30, 2010, 2009, and 2008 were \$709,191, \$679,135, and \$615,627, respectively. The ABC Board's contributions to LGERS for the years ended June 30, 2010, 2009, and 2008 were \$11,941, \$11,850, and \$22,802, respectively. The contributions made by the County and the ABC Board equaled the required contributions for each year.

b. Law Enforcement Officers' Special Separation Allowance

1. Plan Description.

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

All full-time County law enforcement officers are covered by the Separation Allowance. At June 30, 2010, the Separation Allowance's membership consisted of:

Retirees receiving benefits	4
Active plan members	63
Total	67

2. Summary of Significant Accounting Policies.

Basis of Accounting. The County has chosen to fund the Separation Allowance by making a deposit to the Post Employment Benefits Fund from the General fund. The amount of this contribution is based on the prior year actuarial study. Pension expenditures are made from the Post Employment Benefits Fund, which is maintained on the modified accrual basis of accounting. Employer contributions to the

plan are recognized when due and when the County has made a formal commitment to provide the contributions. Benefits are recognized when due and payable in accordance with the terms of the plan.

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

3. Contributions.

The County is required by Article 12D of G.S. Chapter 143 to provide these retirement benefits and has chosen to fund the amounts necessary to cover the benefits earned by making contributions based on actuarial valuations. For the current year, the County contributed \$41,414, or 1.35% of annual covered payroll. There were no contributions made by employees. The County’s obligation to contribute to this plan is established and may be amended by the North Carolina General Assembly. Administration costs of the Separation Allowance are financed through investment earnings.

The annual required contribution for the current year was determined as part of the December 31, 2009 actuarial valuation using the projected unit credit actuarial cost method. The actuarial assumptions included (a) 5.00% investment rate of return (net of administrative expenses) and (b) projected salary increases ranging from 4.5% to 12.3% per year. Both (a) and (b) included an inflation component of 3.75%. The assumptions did not include postretirement benefit increases. The actuarial value of assets was determined using the market value of investments. The unfunded actuarial accrued liability is being amortized as a level percentage of projected payroll on a closed basis. The remaining amortization period at December 31, 2009, was 21 years.

Ten Year Trend Information				
For Year Ended	Annual Pension Cost	Percentage of APC	Net Pension	
June 30	(APC)	Contributed	Obligation	
2001	\$ 16,909	158.19%	\$	(21,095)
2002	26,269	100.92%		(21,336)
2003	28,132	92.30%		(19,169)
2004	30,483	127.05%		(27,416)
2005	34,853	105.06%		(29,178)
2006	40,631	95.70%		(27,430)
2007	39,160	604.22%		(224,884)
2008	27,746	142.39%		(236,645)
2009	39,282	95.88%		(235,027)
2010	46,788	88.51%		(229,653)

For more information on the funded status and funding progress of the postemployment defined benefit plan, refer to the Required Supplemental Financial Data beginning on page 74 of this report.

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

Employer annual required contribution	\$ 49,022
Interest on net pension obligation	(17,039)
Adjustment to annual required contribution	14,805
Annual pension cost	<u>\$ 46,788</u>
Employer contributions made for fiscal year	41,414
Decrease in net pension obligation	<u>\$ 5,374</u>
Net pension obligation beginning of fiscal year	(235,027)
Net pension obligation end of fiscal year	<u>\$ (229,653)</u>

c. Supplemental Retirement Income Plan for Law Enforcement Officers

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

Funding Policy. Article 12E of G.S. Chapter 143 requires the County to contribute each month an amount equal to five percent of each officer's salary, and all amounts contributed are vested immediately. Also, the law enforcement officers may make voluntary contributions to the plan. Contributions for the year ended June 30, 2010, were \$196,393, which consisted of \$149,648 from the County and \$46,745 from the law enforcement officers.

d. Supplemental Retirement Income Plan for County Employees

Plan Description. The County, by passage of a local resolution, has elected to contribute to the Supplemental Retirement Income Plan (Plan), a defined contribution pension plan administered by the Department of State Treasurer and a Board of Trustees. The Plan provides retirement benefits to County employees not engaged in law enforcement activities. Article 5 of G.S. Chapter 135 assigns the authority to establish and amend benefit provisions to the North Carolina General Assembly.

Funding Policy. The County established a contribution amount equal to 4.97% 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, 2010 were \$786,521 which consisted of \$572,422 from the County and \$214,099 from the county employees.

e. Registers of Deeds' Supplemental Pension Fund

Plan Description. Currituck County also contributes to the Registers of Deeds' Supplemental Pension Fund (Fund), a noncontributory, defined contribution plan administered by the North Carolina Department of State Treasurer. The Fund provides supplemental pension benefits to any eligible

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

Funding Policy. On a monthly basis, the County remits to the Department of State Treasurer an amount equal to one and one-half percent (1.5%) of the monthly receipts collected pursuant to Article 1 of G.S. 161. Immediately following January 1 of each year, the Department of State Treasurer divides ninety-three percent (93%) of the amount in the Fund at the end of the preceding calendar year into equal shares to be disbursed as monthly benefits. The remaining seven percent (7%) of the Fund's assets may be used by the State Treasurer in administering the Fund. For the fiscal year ended June 30, 2010, the County's required and actual contributions were \$3,542.

f. Deferred Compensation Plan

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

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

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

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

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

	General Employees	Law Enforcement Officers
Retirees receiving benefits	23	4
Active plan members	<u>273</u>	<u>62</u>
Total	296	66

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 14.77% of annual covered payroll. For the current year, the County contributed \$126,668 or .91% of annual covered payroll. The County's required contribution for employees not engaged in law enforcement and for law enforcement officers was \$1,900,463 annually, with an accrued liability of \$1,773,395. There were no contributions made by employees. The County obtains healthcare coverage through a self-funded risk financing pool, administered by the North Carolina Association of County Commissioners for all retirees under the age of 65. For retirees 65 years of age and older, healthcare coverage is provided by Medicare Supplement. The County's obligation to contribute to the HCB Plan is established and may be amended by the Board of Commissioners.

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

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

Annual required contribution (ARC)	\$1,900,463
Contributions for current year	(126,668)
Increase (decrease) in net OPEB obligation	<u>1,773,795</u>
Net OPEB obligation, beginning of year	<u>1,783,416</u>
Net OPEB obligation, end of year	<u><u>\$3,557,211</u></u>

The County's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for 2010 were as follows:

<u>For Year Ended June 30</u>	<u>Annual OPEB Cost</u>	<u>Percentage of Annual OPEB Cost Contributed</u>	<u>Net OPEB Obligation</u>
2009	\$1,900,463	6.16%	\$1,783,416
2010	1,773,795	6.67%	3,557,211

Funded Status and Funding Progress: As of December 31, 2008, 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 \$13,610,360. The covered payroll (annual payroll of active employees covered by the plan) was \$12,861,869, and the ratio of the UAAL to the covered payroll was 105.8%.

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

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

In the December 31, 2008 actuarial valuation, the projected unit credit actuarial cost method was used. The actuarial assumptions included a 4.0%, four percent, investment rate of return (net of administrative expenses), which is the expected long-term investment returns on the employer's own investments calculated based on the funded level of the plan at the valuation date, and an annual medical cost trend increase of 10.5 percent to 5 percent annually. Both rates included a 3.75 percent inflation assumption. The actuarial value of assets, if any, was determined using techniques that spread the effects of short-term volatility in the market value of investments over a 5 year period. The UAAL is being amortized as a level percentage of projected payroll on an open basis. The remaining amortization period at December 31, 2009 was 29 years.

h. Other Employment Benefits

Death Benefits

The County has elected to provide death benefits to employees through the Death Benefit Plan for members of the Local Governmental Employees' Retirement System (Death Benefit Plan), a multiple-employer, State-administered, cost-sharing plan funded on a one-year term cost basis. The beneficiaries of those employees who die in active service after one year of contributing membership in the System, or who die within 180 days after retirement or termination of service and have at least one year of contributing membership service in the System at the time of death are eligible for death benefits. Lump sum death benefit payments to beneficiaries are equal to the employee's 12 highest months salary in a row during the 24 months prior to the employee's death, but the benefit will be a minimum of \$25,000 and will not exceed \$50,000. All death benefit payments are made from the

Death Benefit Plan. The County has no liability beyond the payment of monthly contributions. The contributions to the Death Benefit Plan cannot be separated between the post employment benefit amount and the other benefit amount. The County considers these contributions to be immaterial.

3. Closure and Postclosure Care Costs - Maple Landfill Facility

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

4. Deferred / Unearned Revenues

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

	Unearned or Deferred Revenue	Full Accrual Unearned Revenue
Prepaid taxes not yet earned (General)	\$ -	\$ 16,133
Taxes receivable, net (General)	967,186	-
Taxes receivable, net (Special Revenue)	8,121	-
	<u>\$ 975,307</u>	<u>\$ 16,133</u>

5. Risk Management

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

individual losses in excess of \$50,000 and aggregate annual losses in excess of 115% of expected claims. The pool is reinsured through commercial carrier for individual losses in excess of \$100,000.

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

In accordance with G. S. 159-29, the County’s employees that have access to \$100 or more at any given time of the County’s funds are performance bonded through a commercial surety bond. The Director of Finance and tax collector are each individually bonded for \$500,000 each. The remaining employees that have access to funds are bonded under a blanket bond for \$250,000.

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

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

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

6. Contingent Liabilities

At June 30, 2010, the County was a defendant to various lawsuits. In the opinion of the County's management and the County attorney, the ultimate effect of these legal matters will not have a material adverse effect on the County's financial position.

7. Long-Term Obligations

a. Installment Purchase

Serviced by the County's General Fund:

\$8,000,000 2008 Installment Purchase Agreement for construction of the Shawboro Elementary School, dated July 2, 2007 with semi-annual principal and interest payments due January 1 and July 1, \$1,120,220 2011; \$1,160,226 2012; \$1,201,663 2013; \$1,244,576 2014; interest at 3.54%.

\$4,726,685

\$2,520,000 2009 Installment Purchase Agreement for land acquisition at the Currituck County Airport/Industrial Park, dated July 29, 2008 with annual principal payments due September 11, \$630,000 2011; \$630,000 2012; interest at 0%.

1,260,000

\$744,287 2009 Installment Purchase Agreement for purchase of five ambulances dated July 15, 2008 with annual principal and interest payments due July 15, \$142,978 2011; \$149,604 2012; \$149,448 2013 interest at 4.63%.

442,030

\$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, \$173,515 2011; \$180,756 2012; \$188,298 2013; \$196,155 2014; \$204,340 2015; \$1,030,315 2016 through 2020 interest at 4.13%.

1,973,379

Total serviced by the General Fund

\$8,402,094

Serviced by the Southern Outer Banks Water System Fund:

\$9,800,000 2004 Installment Purchase Agreement for construction of the Southern Outer Banks reverse osmosis water plant and distribution system, dated August 22, 2003 with semi-annual principal payments and interest payments due February 22 and August 22, \$1,045,047 2011; \$1,081,838 2012; \$1,119,923 2013; \$574,661 2014; interest at 3.49%.

3,821,469

Total Installment Purchase Debt

\$12,223,563

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

Year Ending	Governmental Activities		Business-type Activities	
	Principal	Interest	Principal	Interest
June 30				
2011	2,066,714	258,065	1,045,047	124,330
2012	2,120,586	204,166	1,081,838	87,540
2013	1,539,408	148,255	1,119,923	49,454
2014	1,440,732	90,228	574,661	10,028
2015	204,340	48,903	-	-
2016-2020	1,030,314	109,278		
	<u>\$ 8,402,094</u>	<u>\$ 858,894</u>	<u>\$ 3,821,469</u>	<u>\$ 271,352</u>

b. General Obligation Indebtedness

All general obligation bonds serviced by the County's general fund are collateralized by the full faith, credit, and taxing power of the County. The Mainland Water System issues general obligation bonds to provide funds for the acquisition and construction of major water system capital improvements. These bonds are recorded in the Mainland Water Fund because they are expected to

be repaid from the operating revenues of that fund. Principal and interest payments are appropriated when due.

The County's general obligation bonds payable at June 30, 2010, are comprised of the following individual issues:

Serviced by the County's General Fund:

\$8,770,000 2004 General Obligation Refunding Bonds for Currituck County High School, dated April 1, 2004 with annual principal payments due June 1 and semi-annual interest payments due June 1 and December 1, \$865,000 2011, \$855,000 2012 and \$850,000 2013; interest at 5%, \$845,000 2014; interest at 4%, \$730,000 2015; interest at 5%. \$4,145,000

General obligation bonds serviced by the Mainland Water System Fund:

\$4,150,000 2004 General Obligation Refunding Bonds for original Mainland Water plant and distribution system, dated April 1, 2004 with annual principal payments due June 1 and semi-annual interest payments due June 1 and December 1, \$285,000 2011, \$305,000 2012 and \$315,000 2013; interest at 5%, \$330,000 2014; interest at 4%, \$345,000 2015; interest at 5%, \$275,000 2016; interest at 3.5%, \$270,000 2017; interest at 3.6%, \$270,000; interest at 3.7%. 2,395,000

Total General Obligation Bond debt \$6,540,000

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

Year Ending June 30	Governmental Activities		Business-type Activities	
	Principal	Interest	Principal	Interest
2011	865,000	198,800	285,000	105,035
2012	855,000	155,550	305,000	90,785
2013	850,000	112,800	315,000	75,535
2014	845,000	70,300	330,000	59,785
2015	730,000	36,500	345,000	46,585
2016-2018	-	-	815,000	59,035
Total	<u>\$ 4,145,000</u>	<u>\$ 573,950</u>	<u>\$ 2,395,000</u>	<u>\$ 436,760</u>

At June 30, 2010, Currituck County had no bonds authorized but un-issued and a legal debt margin of \$641,438,237.

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. During the year \$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. Revenue bonds outstanding at year end are as follows:

Revenue bonds serviced by the Mainland Water System Fund:

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

Total Revenue Bond debt

18,025,000
18,025,000

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

Year Ending	Business-type Activities		
	June 30	Principal	Interest
2011		500,000	737,222
2012		510,000	716,773
2013		540,000	695,913
2014		560,000	673,828
2015		585,000	650,924
2016-2020		4,430,000	2,823,123
2021-2025		6,400,000	1,726,594
2026-2028		4,500,000	373,008
Total		\$ 18,025,000	\$ 8,397,385

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, 2010:

	Balance			Balance June 30, 2010	Current Portion of Balance
	June 30, 2009	Increases	Decreases		
Governmental activities:					
General obligation debt	\$ 5,020,000	\$ -	\$ 875,000	\$ 4,145,000	\$ 865,000
Unamortized premium on General Obligation debt	\$ 313,262	\$ -	\$ 62,653	250,609	\$ 62,653
Installment purchase	8,284,043	2,100,000	1,981,949	8,402,094	2,066,713
Compensated absences	526,243	844,740	471,414	899,569	471,414
Other postemployment benefits	1,783,416	1,807,036	126,668	3,463,784	-
Total governmental activities	\$ 15,613,702	\$ 4,751,776	\$ 3,517,684	\$ 17,161,056	\$ 3,465,780
Business-type activities:					
General obligation debt	\$ 2,670,000	\$ -	\$ 275,000	\$ 2,395,000	\$ 285,000
Unamortized premium on General Obligation debt	170,070	-	18,897	151,173	18,897
Revenue bonded debt	18,500,000	-	475,000	18,025,000	500,000
Installment purchase	4,830,977	-	1,009,508	3,821,469	1,045,047
Compensated absences	50,740	37,440	46,517	41,663	37,500
Other postemployment benefits	-	93,427	-	93,427	-
Total business-type activities	\$ 26,221,787	\$ 130,867	\$ 1,824,922	\$ 24,527,732	\$ 1,886,444
Discretely presented component units:					
Compensated absences	\$ 7,500	\$ -	\$ 4,497	\$ 3,003	\$ 3,003
Total discretely presented component units long-term liabilities	\$ 7,500	\$ -	\$ 4,497	\$ 3,003	\$ 3,003

Compensated absences typically have been liquidated in the general fund and are accounted for on a LIFO basis, assuming that employees are taking leave as it is earned.

C. Inter-fund Balances and Activity

Transfers to/from other funds

Transfers to/from other funds at June 30, 2010, consists of the following:

From the General fund to the Fire Vehicle Replacement Fund to accumulate resources for equipment replacement	\$ 267,000
property	121,000
From the General fund to the Solid Waste fund for operations	1,776,129
Total transfers from the General fund	<u>\$ 2,164,129</u>

From the Tourism Development Authority to the General fund for Economic Development Operations	110,773
From the Tourism Development Authority to the General fund for Administrative Fee	96,772
From the Tourism Development Authority to the General fund for Sheriff Deputies	950,000
From the Tourism Development Authority to the General fund for Emergency Medical Services Personnel	950,000
From the Tourism Development Authority to the General fund the Currituck Rural Center	373,380
From the Tourism Development Authority to the Carova Beach Service District to accumulate funds for district	300,000
From the Tourism Development Authority fund to the County Governmental Facilities fund for matching funds for Corolla multi-use path PARTF grant matching funds	860,549
From the Tourism Development Authority fund to the County Governmental Facilities fund to accumulate funds for Maple Commerce Park	368,170
From the Tourism Development Authority fund to the County Governmental Facilities fund to accumulate funds for a recreation facility	586,980
Total transfers from the Tourism Development Authority Fund	<u>\$ 4,596,624</u>
From the Whalehead Subdivision Drainage District fund to the General fund for debt service payment	\$ 126,622
From the Capital Improvements fund to the General fund for capital assets purchased in operating fund	542,600
From the Capital Improvements fund to the Moyock Central Sewer Construction fund to accumulate funds for the Moyock Central Sewer project	555,925
From the School Capital fund to the General fund for capital purchases for the Currituck County Schools.	1,100,000
From the Transfer Tax Capital fund to the County Government Facilities fund to accumulate resources for a community center	1,000,000
From the Transfer Tax Capital fund to the Land Banking fund to accumulate resources for future land purchases.	200,000
From the Transfer Tax Capital fund to the Land Banking fund to accumulate resources for farmland preservation.	100,000
From the Transfer Tax Capital fund to the Land Banking fund to accumulate resources for a community center.	339,300
From the Transfer Tax Capital fund to the Land Banking fund to accumulate resources for future school construction	1,000,000
Total transfers from other governmental funds	<u>\$ 4,964,447</u>

From the Moyock Commons Sewer fund to the General fund to repay a portion of funding for sewer plant	34,598
Total transfers from Enterprise funds	<u>\$ 34,598</u>

Balances due to/from other funds

Balances due to/from other funds at June 30, 2010 consists of the following:

Due to the General fund from the Southern Outer Banks Water fund due to expected cash flows.	\$ 267,945
	<u>267,945</u>

IV. Joint Ventures

Albemarle Regional Health Services

The Board of Commissioners vote to join the all ready existing joint venture that operates Albemarle Regional Health Services with the State of North Carolina and four other counties became effective July 1, 1999. The area Boards of Commissioners appoints the fifteen member governing board. The County has an ongoing financial responsibility for Albemarle Regional Health Services because the County is required by State statute to provide public health services either directly or jointly with other counties. The County contributed \$100,000 to Albemarle Regional Health Services during the fiscal year ended June 30, 2010, 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, 2010. Complete financial statements may be obtained from the administrative offices at Albemarle Regional Health Services, Post Office Box 189, Elizabeth City, North Carolina 27909.

Albemarle Mental Health

The County participates in a joint venture to operate Albemarle Mental Health with the State of North Carolina and five other counties. The fifteen member governing board is appointed by the area Boards of Commissioners as follows: Camden County (1), Chowan County (3), Currituck County (2), Dare County (3), Pasquotank County (4), and Perquimans County (2). The County has an ongoing financial responsibility for Albemarle Mental Health because the County is required by State statute to provide mental health services either directly or jointly with other counties. The County contributes support on a per capita basis, currently one dollar per capita, as well as transferring the proceeds of the 5¢-bottle tax. During the fiscal year ended June 30, 2010, the County contributed \$49,880 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, 2010. Complete financial statements may be obtained from the administrative offices at Albemarle Mental Health, Post Office Box 326, Elizabeth City, North Carolina 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 \$109,886 to the Authority during the fiscal year ended June 30, 2010, 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, 2010. 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, 2010, expenditures were \$542,843. 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, 2010. 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.

V. Jointly Governed Organization

Albemarle Commission

The County, in conjunction with nine other counties and fourteen municipalities, established the Albemarle Commission (Commission) to coordinate funding received from various federal and State agencies. Each participating county appoints four members and each participating municipality appoints two members of the Commission's governing board. The County paid membership fees of \$15,425 to the Commission during the fiscal year ended June 30, 2010.

VI. Benefit Payments Issued by the State

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

	<u>Federal</u>	<u>State</u>
Temporary assistance to needy families	\$ 141,225	\$ -
Medicaid	11,292,765	3,909,629
Food stamp program	3,165,711	-
Energy assistance	64,363	-
Adoption assistance	61,344	11,553
Adult assistance	-	110,539
Title IV-E, foster care	9,486	1,983
CWS Adoption	-	131,303
State foster care	-	26,750
Total	<u>\$ 14,734,894</u>	<u>\$ 4,191,757</u>

VII. 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.

Required Supplemental Financial Data

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

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

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

Schedule of Funding Progress for the
Other Postemployment Benefits

Schedule of Employer Contributions for the
Other Postemployment Benefits

Notes to the Required Schedules for the
Other Postemployment Benefits

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

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL)- Projected Unit Credit (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a % of Covered Payroll ((b - a)/c)
12/31/2000	66,095	245,356	179,261	26.94%	1,212,791	14.78%
12/31/2001	65,454	251,094	185,640	26.07%	1,223,022	15.18%
12/31/2002	74,944	256,185	181,242	29.25%	1,368,951	13.24%
12/31/2003	73,834	278,849	205,015	26.48%	1,619,302	12.66%
12/31/2004	121,688	316,302	194,614	38.47%	1,995,744	9.75%
12/31/2005	132,437	316,222	183,785	41.88%	2,101,825	8.74%
12/31/2006	348,239	333,012	(15,227)	104.57%	2,176,986	-0.70%
12/31/2007	311,383	420,658	109,275	74.02%	2,410,732	4.53%
12/31/2008	326,045	470,039	143,994	69.37%	2,786,092	5.17%
12/31/2009	374,287	709,682	335,395	52.74%	3,056,554	10.97%

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

Year Ending June 30	Annual Required Contributions	Percentage Contributed
2001	16,678	160.38%
2002	16,909	156.78%
2003	26,269	98.84%
2004	28,132	137.67%
2005	30,483	120.12%
2006	34,853	111.56%
2007	41,070	576.12%
2008	39,507	100.00%
2009	41,483	90.79%
2010	49,022	84.48%

Notes to the Required Schedules:

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

Valuation date	12/31/2009
Actuarial cost method	Projected unit credit
Amortization method	Level percent of pay closed
Remaining amortization period	21 Years
Asset valuation method	Market value
Actuarial assumptions:	
Investment rate of return*	5.00%
Projected salary increases*	4.5-12.3%
*Includes inflation at	3.75%
Cost of living adjustments	None

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

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL)- Projected Unit Credit (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a % of Covered Payroll ((b - a)/c)
12/31/2008	-	13,610,360	13,610,360	0.00%	12,861,869	105.80%

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

Year Ending June 30	Annual Required Contributions	Percentage Contributed
2009	\$ 1,900,463	1%

Notes to the Required Schedules:

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

Valuation date	12/31/2008
Actuarial cost method	Projected unit credit
Amortization method	Level percent of pay, open
Remaining amortization period	30 Years
Asset valuation method	Market value
Actuarial assumptions:	
Investment rate of return*	4.00%
Projected salary increases*	10.5-5.0%
*Includes inflation at	3.75%

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, 2010

	2010			Variance with Final Budget Positive (Negative)	2009
	Budgeted Amounts		Actual		Actual
	Original	Final			
Revenues:					
Ad valorem taxes:					
Taxes	\$ -	\$ -	\$ 26,683,637	\$ -	\$ 25,641,404
Interest	-	-	190,184	-	108,911
Total	<u>25,360,499</u>	<u>25,360,499</u>	<u>26,873,821</u>	<u>1,513,322</u>	<u>25,750,315</u>
Other taxes and licenses:					
Sexually oriented business license	-	-	2,250	-	250
Animal tax	-	-	12,369	-	12,279
Marriage license	-	-	31,720	-	23,500
Franchise tax	-	-	410,976	-	320,621
Deed stamp excise tax	-	-	546,729	-	459,967
Article 39 local option sales tax	-	-	3,592,510	-	3,675,872
Article 44 local option sales tax	-	-	403,038	-	962,703
Medicaid hold harmless funds	-	-	471,872	-	355,189
Total	<u>5,033,405</u>	<u>5,482,816</u>	<u>5,471,464</u>	<u>(11,352)</u>	<u>5,810,381</u>
Unrestricted intergovernmental:					
Gasoline tax refund	-	-	3,746	-	2,370
Payments in lieu of taxes-outside sources	-	-	199,838	-	195,608
Beer and wine tax	-	-	33,906	-	106,575
Total	<u>373,000</u>	<u>373,000</u>	<u>237,490</u>	<u>(135,510)</u>	<u>304,553</u>
Restricted intergovernmental:					
Federal and State grants	-	-	3,147,725	-	2,864,334
Safe roads act	-	-	4,674	-	3,301
Crime control act	-	-	12,194	-	21,952
Court facility fees	-	-	73,577	-	92,538
Jail fees	-	-	27,361	-	23,426
Officer fees	-	-	59,979	-	57,404
ABC bottles taxes	-	-	11,692	-	11,821
Total	<u>3,610,121</u>	<u>3,755,561</u>	<u>3,337,202</u>	<u>(418,359)</u>	<u>3,074,776</u>
Permits and fees:					
Ambulance service fees	-	-	666,123	-	544,109
Administration and filing fees	-	-	338,440	-	181,863
Register of deeds fees	-	-	199,079	-	207,942
Building permit fees	-	-	283,260	-	226,557
Re-inspection fees	-	-	28,250	-	27,550
Planning fees	-	-	15,720	-	51,962
Land disturbance permit	-	-	2,850	-	2,850
Homeowners' recovery fees	-	-	1,920	-	1,050
Animal control fees	-	-	2,200	-	2,483
Total	<u>1,391,000</u>	<u>1,395,841</u>	<u>1,537,842</u>	<u>142,001</u>	<u>1,246,366</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, 2010

	2010			Variance with Final Budget Positive (Negative)	2009
	Budgeted Amounts		Actual		Actual
	Original	Final			
Sales and services:					
Rents	-	-	167,613	-	123,721
Airport fees	-	-	73,919	-	74,840
Vending sales	-	-	6,374	-	8,010
Senior meals	-	-	-	-	9,304
EMS revenues	-	-	5,961	-	6,490
Jail housing	-	-	19,095	-	89,638
Sale of materials	-	-	3,854	-	3,028
Aviation fuel sales	-	-	226,476	-	253,067
Tax data fees	-	-	284	-	647
Sale of fixed assets	-	-	47,467	-	22,534
Auction proceeds	-	-	581	-	1,104
Recreation fees	-	-	60,577	-	59,983
Total	<u>765,450</u>	<u>816,478</u>	<u>612,201</u>	<u>(204,277)</u>	<u>652,366</u>
Investment earnings	<u>700,000</u>	<u>700,000</u>	<u>109,960</u>	<u>(590,040)</u>	<u>612,513</u>
Miscellaneous:					
Public school capital building fund	-	-	-	-	744,201
Donations	-	-	20,267	-	8,825
Insurance recoveries	-	-	252,685	-	92,296
ABC Education distribution	-	-	14,777	-	12,155
ABC Law enforcement distribution	-	-	10,555	-	8,682
ABC profits	-	-	244,644	-	-
Other	-	-	94,333	-	25,633
Total	<u>499,340</u>	<u>866,613</u>	<u>637,261</u>	<u>(229,352)</u>	<u>891,792</u>
Total revenues	<u>37,732,815</u>	<u>38,750,808</u>	<u>38,817,241</u>	<u>66,433</u>	<u>38,343,062</u>
Expenditures:					
General government:					
Administration:					
Salaries and employee benefits	-	-	347,938	-	334,773
Other operating expenditures	-	-	88,410	-	83,175
Total	<u>462,653</u>	<u>492,653</u>	<u>436,348</u>	<u>56,305</u>	<u>417,948</u>
Legal:					
Salaries and employee benefits	-	-	262,051	-	240,985
Other operating expenditures	-	-	139,486	-	210,117
Capital outlay	-	-	-	-	-
Total	<u>342,546</u>	<u>405,546</u>	<u>401,537</u>	<u>4,009</u>	<u>451,102</u>
Governing body:					
Salaries and employee benefits	-	-	108,599	-	95,613
Other operating expenditures	-	-	24,327	-	33,336
Capital Outlay	-	-	-	-	5,260
Total	<u>156,329</u>	<u>153,829</u>	<u>132,926</u>	<u>20,903</u>	<u>134,209</u>
Elections:					
Salaries and employee benefits	-	-	108,698	-	106,599
Other operating expenditures	-	-	47,429	-	46,996
Total	<u>154,732</u>	<u>158,100</u>	<u>156,127</u>	<u>1,973</u>	<u>153,595</u>
Finance					
Salaries and employee benefits	-	-	271,309	-	263,832
Other operating expenditures	-	-	64,397	-	74,586
Total	<u>344,166</u>	<u>349,596</u>	<u>335,706</u>	<u>13,890</u>	<u>338,418</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, 2010

	2010			Variance with Final Budget Positive (Negative)	2009
	Budgeted Amounts		Actual		Actual
	Original	Final			
Information Technology:					
Salaries and employee benefits	-	-	241,216	-	234,527
Other operating expenditures	-	-	187,465	-	142,056
Capital outlay	-	-	169,421	-	64,840
Total	<u>573,856</u>	<u>618,285</u>	<u>598,102</u>	<u>20,183</u>	<u>441,423</u>
Human resources:					
Salaries and employee benefits	-	-	124,168	-	113,629
Other operating expenditures	-	-	37,854	-	9,892
Total	<u>161,950</u>	<u>165,470</u>	<u>162,022</u>	<u>3,448</u>	<u>123,521</u>
Public information:					
Salaries and employee benefits	-	-	112,153	-	88,837
Other operating expenditures	-	-	55,266	-	48,505
Total	<u>184,334</u>	<u>184,334</u>	<u>167,419</u>	<u>16,915</u>	<u>137,342</u>
Taxes:					
Salaries and employee benefits	-	-	387,902	-	374,912
Other operating expenditures	-	-	69,426	-	96,407
Total	<u>490,792</u>	<u>490,792</u>	<u>457,328</u>	<u>33,464</u>	<u>471,319</u>
Public works:					
Salaries and employee benefits	-	-	516,924	-	492,688
Other operating expenditures	-	-	345,240	-	630,196
Capital outlay	-	-	277,424	-	152,977
Total	<u>1,413,426</u>	<u>1,481,139</u>	<u>1,139,588</u>	<u>341,551</u>	<u>1,275,861</u>
Public utilities:					
Salaries and employee benefits	-	-	138,891	-	133,715
Operating expenditures	-	-	19,800	-	19,457
Capital outlay	-	-	-	-	22,636
Total	<u>158,361</u>	<u>159,151</u>	<u>158,691</u>	<u>460</u>	<u>175,808</u>
Register of deeds:					
Salaries and employee benefits	-	-	284,989	-	275,823
Other operating expenditures	-	-	368,751	-	313,478
Capital outlay	-	-	3,341	-	3,627
Total	<u>566,879</u>	<u>764,220</u>	<u>657,081</u>	<u>107,139</u>	<u>592,928</u>
Court facilities:					
Operating expenditures	-	-	185,483	-	167,661
Total	<u>195,999</u>	<u>199,381</u>	<u>185,483</u>	<u>13,898</u>	<u>167,661</u>
Agency appropriations:					
Operating expenditures	-	-	151,900	-	33,400
Total	<u>36,200</u>	<u>153,400</u>	<u>151,900</u>	<u>1,500</u>	<u>33,400</u>
Central services:					
Operating expenditures	-	-	481,277	-	376,992
Total	<u>682,135</u>	<u>682,083</u>	<u>481,277</u>	<u>200,806</u>	<u>376,992</u>
Total general government	<u>5,924,358</u>	<u>6,457,979</u>	<u>5,621,535</u>	<u>836,444</u>	<u>5,291,527</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, 2010

	2010			Variance with Final Budget Positive (Negative)	2009
	Budgeted Amounts		Actual		Actual
	Original	Final			
Public safety:					
Sheriff:					
Salaries and employee benefits	-	-	4,133,335	-	3,898,444
Other operating expenditures	-	-	799,290	-	743,106
Capital outlay	-	-	317,578	-	665,584
Total	<u>5,256,654</u>	<u>5,363,282</u>	<u>5,250,203</u>	<u>113,079</u>	<u>5,307,134</u>
Jail:					
Salaries and employee benefits	-	-	1,331,111	-	1,342,665
Other operating expenditures	-	-	550,761	-	578,949
Capital outlay	-	-	19,863	-	7,510
Total	<u>2,001,182</u>	<u>1,995,569</u>	<u>1,901,735</u>	<u>93,834</u>	<u>1,929,124</u>
Animal control:					
Salaries and employee benefits	-	-	167,345	-	166,979
Other operating expenditures	-	-	198,160	-	176,403
Capital outlay	-	-	-	-	25,538
Total	<u>386,657</u>	<u>382,657</u>	<u>365,505</u>	<u>17,152</u>	<u>368,920</u>
Jury commission:					
Operating expenditures	-	-	1,970	-	2,003
Total	<u>2,350</u>	<u>2,350</u>	<u>1,970</u>	<u>380</u>	<u>2,003</u>
Emergency medical services:					
Salaries and employee benefits	-	-	4,560,843	-	4,430,188
Other operating expenditures	-	-	531,606	-	683,964
Capital outlay	-	-	40,215	-	840,183
Total	<u>5,262,019</u>	<u>5,310,584</u>	<u>5,132,664</u>	<u>177,920</u>	<u>5,954,335</u>
Emergency management:					
Salaries and employee benefits	-	-	67,888	-	91,946
Other operating expenditures	-	-	53,978	-	58,819
Capital outlay	-	-	23,716	-	3,949
Total	<u>220,763</u>	<u>194,238</u>	<u>145,582</u>	<u>48,656</u>	<u>154,714</u>
Communications:					
Salaries and employee benefits	-	-	637,908	-	610,685
Other operating expenditures	-	-	213,443	-	181,319
Capital outlay	-	-	61,525	-	278,899
Total	<u>805,642</u>	<u>972,885</u>	<u>912,876</u>	<u>60,009</u>	<u>1,070,903</u>
Building inspections:					
Salaries and employee benefits	-	-	430,825	-	407,930
Other operating expenditures	-	-	41,609	-	52,094
Capital outlay	-	-	-	-	22,058
Total	<u>501,824</u>	<u>501,824</u>	<u>472,434</u>	<u>29,390</u>	<u>482,082</u>
Fire prevention:					
Salaries and employee benefits	-	-	62,031	-	60,587
Other operating expenditures	-	-	27,842	-	28,223
Capital outlay	-	-	15,219	-	14,535
Total	<u>115,471</u>	<u>113,621</u>	<u>105,092</u>	<u>8,529</u>	<u>103,345</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, 2010

	2010			Variance with Final Budget Positive (Negative)	2009
	Budgeted Amounts		Actual		Actual
	Original	Final			
Volunteer fire departments:					
Carova Beach Volunteer Fire Department	-	-	280,370	-	258,963
Corolla Fire & Rescue Squad	-	-	416,430	-	258,497
Crawford Volunteer Fire Department	-	-	258,963	-	258,963
Lower Currituck Volunteer Fire Department	-	-	258,963	-	258,963
Knotts Island Volunteer Fire Department	-	-	172,917	-	247,600
Moyock Volunteer Fire Department	-	-	258,963	-	258,963
Total	<u>1,353,240</u>	<u>1,836,513</u>	<u>1,646,606</u>	<u>189,907</u>	<u>1,541,949</u>
Medical examiner:					
Contracted services	-	-	5,600	-	6,700
Total	<u>10,000</u>	<u>10,000</u>	<u>5,600</u>	<u>4,400</u>	<u>6,700</u>
Total public safety	<u>15,915,802</u>	<u>16,683,523</u>	<u>15,940,267</u>	<u>743,256</u>	<u>16,921,209</u>
Transportation:					
Airport:					
Salaries and employee benefits	-	-	85,894	-	97,380
Other operating expenditures	-	-	324,119	-	325,228
Capital outlay	-	-	20,110	-	10,360
Total	<u>549,113</u>	<u>590,746</u>	<u>430,123</u>	<u>160,623</u>	<u>432,968</u>
Inter-county transportation:					
Contracted services	-	-	162,039	-	144,906
Total	<u>184,901</u>	<u>187,123</u>	<u>162,039</u>	<u>25,084</u>	<u>144,906</u>
Total transportation	<u>734,014</u>	<u>777,869</u>	<u>592,162</u>	<u>185,707</u>	<u>577,874</u>
Environmental protection:					
Forestry:					
Contracted services	-	-	58,832	-	58,107
Total	<u>80,264</u>	<u>80,264</u>	<u>58,832</u>	<u>21,432</u>	<u>58,107</u>
Soil and water conservation:					
Salaries and employee benefits	-	-	109,015	-	105,271
Other operating expenditures	-	-	14,427	-	37,149
Total	<u>137,456</u>	<u>137,456</u>	<u>123,442</u>	<u>14,014</u>	<u>142,420</u>
Total environmental protection	<u>217,720</u>	<u>217,720</u>	<u>182,274</u>	<u>35,446</u>	<u>200,527</u>
Economic and physical development:					
Cooperative extension:					
Salaries and employee benefits	-	-	154,233	-	149,156
Other operating expenditures	-	-	86,368	-	87,319
Contracted services	-	-	199,158	-	200,663
Capital outlay	-	-	-	-	7,922
Total	<u>490,363</u>	<u>498,248</u>	<u>439,759</u>	<u>58,489</u>	<u>445,060</u>
Support our students:					
Salaries and employee benefits	-	-	-	-	44,508
Other operating expenditures	-	-	-	-	26,070
Total	<u>80,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>70,578</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, 2010

	2010			Variance with Final Budget Positive (Negative)	2009
	Budgeted Amounts		Actual		Actual
	Original	Final			
Economic development:					
Salaries and employee benefits	-	-	82,815	-	84,852
Other operating expenditures	-	-	27,958	-	37,109
Total	225,243	256,743	110,773	145,970	121,961
Planning and inspections:					
Salaries and employee benefits	-	-	572,510	-	523,374
Other operating expenditures	-	-	144,327	-	72,511
Capital outlay	-	-	-	-	-
Total	879,723	968,483	716,837	251,646	595,885
Total economic and physical development	1,675,329	1,723,474	1,267,369	456,105	1,233,484
Human services:					
Health:					
Contracted services	-	-	100,000	-	127,000
Total	127,000	127,000	100,000	27,000	127,000
Mental health:					
Contracted services	-	-	61,572	-	36,413
Total	62,172	62,172	61,572	600	36,413
Social services:					
Administration:					
Salaries and employee benefits	-	-	2,047,133	-	1,993,063
Other operating expenditures	-	-	453,182	-	436,204
Capital outlay	-	-	16,952	-	8,900
Total	2,564,069	2,660,929	2,517,267	143,662	2,438,167
Public Assistance:					
Electronic issuance	-	-	3,916	-	2,951
Medical Transportation	-	-	40,094	-	40,882
TANF	-	-	(252)	-	(122)
Medical assistance program	-	-	(2,492)	-	321,000
Special assistance for adults	-	-	110,816	-	110,791
Special adoption assistance	-	-	16,527	-	110,791
State foster care and boarding home payments	-	-	80,081	-	87,885
Title IV-E foster care	-	-	13,306	-	22,487
Special assistance for the blind	-	-	673	-	392
Title IV-E adoption assistance	-	-	33,380	-	16,975
Title IV-B adoption assistance	-	-	42,172	-	22,152
Title IV-B adoption assistance vendor payments	-	-	9,385	-	11,415
Child daycare	-	-	688,471	-	775,164
Smart start child daycare	-	-	107,451	-	104,629
ARRA - daycare	-	-	84,260	-	110,791
Home care block grant	-	-	59,078	-	54,022
LINKS special assistance	-	-	6,928	-	7,262
Other assistance	-	-	47,388	-	93,937
Total	1,521,845	1,621,363	1,341,182	280,181	1,671,822
Total social services	4,085,914	4,282,292	3,858,449	423,843	4,109,989
Smart Start - Eat Smart, Move More:					
Operating expenditures	-	-	-	-	4,666
Contracted services	-	-	-	-	4,750
Total	9,470	-	-	-	9,416

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, 2010

	2010			Variance with Final Budget Positive (Negative)	2009
	Budgeted Amounts		Actual		Actual
	Original	Final			
Juvenile crime prevention control					
JCPC council	-	-	12,223	-	13,874
and support services	-	-	51,638	-	61,255
Restitution	-	-	5,736	-	8,322
Teen court	-	-	18,738	-	19,413
Total	<u>107,457</u>	<u>103,150</u>	<u>88,335</u>	<u>14,815</u>	<u>102,864</u>
Total human services	<u>4,392,013</u>	<u>4,574,614</u>	<u>4,108,356</u>	<u>466,258</u>	<u>4,385,682</u>
Cultural and recreational:					
Senior citizens centers:					
Salaries and employee benefits	-	-	160,059	-	158,160
Other operating expenditures	-	-	119,346	-	128,858
Capital outlay	-	-	-	-	-
Total	<u>326,159</u>	<u>325,320</u>	<u>279,405</u>	<u>45,915</u>	<u>287,018</u>
Libraries:					
Salaries and employee benefits	-	-	371,166	-	271,174
Other operating expenditures	-	-	171,677	-	133,203
Total	<u>581,212</u>	<u>581,212</u>	<u>542,843</u>	<u>38,369</u>	<u>404,377</u>
Recreation:					
Salaries and employee benefits	-	-	385,940	-	317,471
Other operating expenditures	-	-	272,800	-	260,361
Capital outlay	-	-	36,321	-	159,894
Total	<u>691,780</u>	<u>731,669</u>	<u>695,061</u>	<u>36,608</u>	<u>737,726</u>
Rural Center					
Salaries and employee benefits	-	-	100,262	-	-
Other operating expenditures	-	-	273,118	-	-
Capital outlay	-	-	-	-	282,075
Total	<u>310,000</u>	<u>989,437</u>	<u>373,380</u>	<u>616,057</u>	<u>282,075</u>
FIT Communities					
Other operating expenditures	-	-	3,961	-	-
Capital outlay	-	-	42,637	-	282,075
Total	<u>-</u>	<u>55,828</u>	<u>46,598</u>	<u>9,230</u>	<u>282,075</u>
Total cultural and recreational	<u>1,909,151</u>	<u>2,683,466</u>	<u>1,937,287</u>	<u>746,179</u>	<u>1,711,196</u>
Education:					
Public schools - current	-	-	8,855,554	-	8,603,952
Public schools - capital outlay	-	-	1,100,000	-	1,220,000
Community college	-	-	75,000	-	50,000
Total education	<u>10,030,554</u>	<u>10,030,554</u>	<u>10,030,554</u>	<u>-</u>	<u>9,873,952</u>
Debt service:					
Principal retirement	-	-	2,856,949	-	2,739,907
Interest and other charges	-	-	449,982	-	492,453
Total debt service	<u>3,180,310</u>	<u>3,306,984</u>	<u>3,306,931</u>	<u>53</u>	<u>3,232,360</u>
Total expenditures	<u>43,979,251</u>	<u>46,456,183</u>	<u>42,986,735</u>	<u>3,469,448</u>	<u>43,427,811</u>
Revenues over (under) expenditures	<u>(6,246,436)</u>	<u>(7,705,375)</u>	<u>(4,169,494)</u>	<u>3,535,881</u>	<u>(5,084,749)</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, 2010

	2010			Variance with Final Budget Positive (Negative)	2009
	Budgeted Amounts		Actual		Actual
	Original	Final			
Other financing sources (uses):					
Transfers to other funds:					
Special Revenue Funds	-	-	(388,000)	-	(5,539,883)
Capital Projects Funds	-	-	-	-	(6,276,058)
Enterprise Funds	-	-	(1,776,129)	-	(1,747,998)
Total transfers to other funds	(2,389,670)	(2,164,129)	(2,164,129)	-	(13,563,939)
Transfers from other funds:					
Tourism Development Authority	-	-	2,480,925	-	1,905,433
Special Revenue Funds	-	-	126,622	-	25,000
Capital Projects Funds	-	-	1,642,600	-	1,477,994
Enterprise Funds	-	-	34,598	-	34,598
Total transfers from other funds	4,170,343	4,846,965	4,284,745	562,220	3,443,025
Issuance of debt	-	-	-	-	751,375
Total other financing sources (uses)	1,780,673	2,682,836	2,120,616	(562,220)	(9,369,539)
Revenues and other financing sources over (under) expenditures and other financing uses	(4,465,763)	(5,022,539)	(2,048,878)	2,973,661	(14,454,288)
Appropriated fund balance	4,465,763	5,022,539	-	(5,022,539)	-
Revenues, other sources, and appropriated fund balance over (under) expenditures	<u>\$ -</u>	<u>\$ -</u>	(2,048,878)	<u>\$ (2,048,878)</u>	(14,454,288)
Fund balances:					
Beginning of year, July 1			10,616,028		25,070,316
End of year, June 30			<u>\$ 8,567,150</u>		<u>\$ 10,616,028</u>

This page left blank intentionally

County of Currituck, North Carolina
Combining Balance Sheet
Non-Major Governmental Funds
June 30, 2010

Special Revenue Funds

	Multi-year Grant Fund	Emergency Telephone System Fund	Revaluation Fund	Fire District Fund	Carova Beach Service District Fund	Fire Equipment Replacement Fund	Guinea Mill Watershed Improvement Fund	Hog Ditch Watershed Improvement Fund	Moyock Watershed Improvement Fund
ASSETS									
Cash and cash equivalents	\$ 74,257	\$ 650,917	\$ 467,724	\$ 48,194	\$ 281,400	\$ 490,981	\$ 66,417	\$ 2,103	\$ 12,224
Accounts receivable, net	-	-	-	-	-	-	-	-	-
Taxes receivable, net	-	-	-	6,091	-	-	630	-	516
Due from other governments	3,530	32,155	-	-	-	2,128	-	-	-
Total assets	\$ 77,787	\$ 683,072	\$ 467,724	\$ 54,285	\$ 281,400	\$ 493,109	\$ 67,047	\$ 2,103	\$ 12,740
LIABILITIES AND FUND BALANCES									
Liabilities:									
Accounts payable and accrued liabilities	\$ -	\$ 14,500	\$ 67,342	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Due to operating fund	-	-	-	-	-	-	-	-	-
Deferred revenue	-	-	-	6,091	-	-	630	-	516
Total liabilities	-	14,500	67,342	6,091	-	-	630	-	516
Fund balances:									
Reserved by state statute	3,530	32,155	-	6,091	-	2,128	630	-	516
Unreserved	74,257	636,417	326,382	42,103	2,745	242,981	65,787	2,103	11,708
Unreserved, designated for subsequent year's budget	-	-	74,000	-	278,655	248,000	-	-	-
Total fund balances	77,787	668,572	400,382	48,194	281,400	493,109	66,417	2,103	12,224
Total liabilities and fund balances	\$ 77,787	\$ 683,072	\$ 467,724	\$ 54,285	\$ 281,400	\$ 493,109	\$ 67,047	\$ 2,103	\$ 12,740

Capital Projects Funds

Northwest Watershed Improvement Fund	Whalehead Watershed Improvement Fund	Total Non-Major Special Revenue Funds	Land Banking Fund	Capital Improvements Fund	School Capital Fund	School Capital Projects Fund	Transfer Tax Capital Fund	Total Non-Major Capital Projects Funds	Total Non-Major Governmental Funds
\$ 6,553	\$ 1,598,714	\$ 3,699,484	\$ 3,520,735	\$ 3,583,740	\$ 777,704	\$ 4,221,180	\$ 5,174,898	\$ 17,278,257	\$ 20,977,741
-	-	-	-	-	-	-	-	-	-
82	802	8,121	-	-	-	-	-	-	8,121
-	38,029	75,842	-	414,311	391,012	8,147	-	813,470	889,312
<u>\$ 6,635</u>	<u>\$ 1,637,545</u>	<u>\$ 3,783,447</u>	<u>\$ 3,520,735</u>	<u>\$ 3,998,051</u>	<u>\$ 1,168,716</u>	<u>\$ 4,229,327</u>	<u>\$ 5,174,898</u>	<u>\$ 18,091,727</u>	<u>\$ 21,875,174</u>
\$ -	\$ 74,194	\$ 156,036	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 156,036
-	-	-	-	-	-	-	-	-	-
82	802	8,121	-	-	-	-	-	-	8,121
82	74,996	164,157	-	-	-	-	-	-	164,157
82	38,831	83,963	-	414,311	391,012	8,147	-	813,470	897,433
6,471	1,523,718	2,934,672	3,190,735	3,583,740	757,704	4,071,180	5,174,898	16,778,257	19,712,929
-	-	600,655	330,000	-	20,000	150,000	-	500,000	1,100,655
<u>6,553</u>	<u>1,562,549</u>	<u>3,619,290</u>	<u>3,520,735</u>	<u>3,998,051</u>	<u>1,168,716</u>	<u>4,229,327</u>	<u>5,174,898</u>	<u>18,091,727</u>	<u>21,711,017</u>
<u>\$ 6,635</u>	<u>\$ 1,637,545</u>	<u>\$ 3,783,447</u>	<u>\$ 3,520,735</u>	<u>\$ 3,998,051</u>	<u>\$ 1,168,716</u>	<u>\$ 4,229,327</u>	<u>\$ 5,174,898</u>	<u>\$ 18,091,727</u>	<u>\$ 21,875,174</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, 2010

	Special Revenue Funds								
	Multi-year Grant Fund	Emergency Telephone System Fund	Revaluation Fund	Fire District Fund	Fire Equipment Replacement Fund	Carova Beach Service District Fund	Guinea Mill Watershed Improvement Fund	Hog Ditch Watershed Improvement Fund	Moyock Watershed Improvement Fund
REVENUES									
Ad valorem taxes	\$ -	\$ -	\$ -	\$ 1,113	\$ -	\$ -	\$ 11,857	\$ 1,110	\$ 15,523
Other taxes and licenses	-	294,715	-	-	-	-	-	-	-
Restricted intergovernmental	-	-	-	-	-	-	-	-	-
Investment earnings	1,193	6,621	6,501	550	6,052	-	780	50	176
Total revenues	1,193	301,336	6,501	1,663	6,052	-	12,637	1,160	15,699
EXPENDITURES									
Current:									
General government	-	-	271,655	-	-	-	-	-	-
Public safety	-	190,954	-	-	202,394	-	-	-	-
Economic and physical development	177,667	-	-	-	-	-	-	-	-
Environmental protection	-	-	-	-	-	18,600	4,500	3,300	18,940
Education	-	-	-	-	-	-	-	-	-
Total expenditures	177,667	190,954	271,655	-	202,394	18,600	4,500	3,300	18,940
Excess (deficiency) of revenues over expenditures	(176,474)	110,382	(265,154)	1,663	(196,342)	(18,600)	8,137	(2,140)	(3,241)
OTHER FINANCING SOURCES (USES)									
Issuance of debt	-	-	-	-	-	-	-	-	-
Transfers (to) from other funds	-	-	121,000	-	267,000	300,000	-	-	-
Total other financing sources and uses	-	-	121,000	-	267,000	300,000	-	-	-
Net change in fund balances	(176,474)	110,382	(144,154)	1,663	70,658	281,400	8,137	(2,140)	(3,241)
Fund balances - beginning	254,261	558,190	544,536	46,531	422,451	-	58,280	4,243	15,465
Fund balances - ending	\$ 77,787	\$ 668,572	\$ 400,382	\$ 48,194	\$ 493,109	\$ 281,400	\$ 66,417	\$ 2,103	\$ 12,224

			Capital Projects Funds						
Northwest Watershed Improvement Fund	Whalehead Watershed Improvement Fund	Total Non-Major Special Revenue Funds	Land Banking Fund	Capital Improvements Fund	School Capital Fund	School Capital Projects Fund	Transfer Tax Capital Fund	Total Non-major Capital Projects Funds	Total Non-Major Governmental Funds
\$ 2,104	\$ 386,655	\$ 418,362	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 418,362
-	-	294,715	-	1,311,355	1,078,515	-	2,300,500	4,690,370	4,985,085
-	-	-	-	-	-	220,000	-	220,000	220,000
68	12,458	34,449	40,097	47,775	9,718	34,219	56,789	188,598	223,047
2,172	399,113	747,526	40,097	1,359,130	1,088,233	254,219	2,357,289	5,098,968	5,846,494
-	-	271,655	-	-	-	-	-	-	271,655
-	-	393,348	-	-	-	-	-	-	393,348
-	-	177,667	-	-	-	-	-	-	177,667
-	1,631,012	1,676,352	-	-	-	-	-	-	1,676,352
-	-	-	-	-	-	299,655	-	299,655	299,655
-	1,631,012	2,519,022	-	-	-	299,655	-	299,655	2,818,677
2,172	(1,231,899)	(1,771,496)	40,097	1,359,130	1,088,233	(45,436)	2,357,289	4,799,313	3,027,817
-	2,100,000	2,100,000	-	-	-	-	-	-	2,100,000
-	(126,622)	561,378	300,000	(1,098,525)	(1,100,000)	1,000,000	(1,639,300)	(2,537,825)	(1,976,447)
-	1,973,378	2,661,378	300,000	(1,098,525)	(1,100,000)	1,000,000	(1,639,300)	(2,537,825)	123,553
2,172	741,479	889,882	340,097	260,605	(11,767)	954,564	717,989	2,261,488	3,151,370
4,381	821,070	2,729,408	3,180,638	3,737,446	1,180,483	3,274,763	4,456,909	15,830,239	18,559,647
\$ 6,553	\$ 1,562,549	\$ 3,619,290	\$ 3,520,735	\$ 3,998,051	\$ 1,168,716	\$ 4,229,327	\$ 5,174,898	\$ 18,091,727	\$ 21,711,017

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, 2010

	Project Authorization	Actual		Total to Date	Variance Positive (Negative)
		Prior Year	Current Year		
Revenues					
Restricted intergovernmental:					
CDBG - 2002	\$ 400,000	\$ 394,349	\$ -	\$ 394,349	\$ (5,651)
Albemarle Commission CDBG funding	85,000	125,000	-	125,000	40,000
Investment Earnings	5,000	7,295	1,193	8,488	3,488
Total revenues	490,000	526,644	1,193	527,837	37,837
Expenditures					
Economic and physical development:					
CDBG scattered site project - 2002					
Housing Rehabilitation - County funding	490,448	283,879	177,667	461,546	28,902
Administration	22,551	22,551	-	22,551	-
Clearance	35,328	34,628	-	34,628	700
Housing Rehabilitation	61,559	60,608	-	60,608	951
Relocation	280,562	276,562	-	276,562	4,000
Total CDBG	890,448	678,228	177,667	855,895	34,553
scattered site project 2002	890,448	678,228	177,667	855,895	34,553
Total expenditures	890,448	832,184	177,667	855,895	34,553
Revenues under expenditures	(400,448)	(305,540)	(176,474)	(328,058)	72,390
Other financing sources:					
Transfers in:					
General Fund	400,448	416,291	-	416,291	15,843
Revenues and other financing	\$ -	\$ 264,647	(176,474)	\$ 88,233	\$ 88,233
sources over (under) expenditures	\$ -	\$ 264,647	(176,474)	\$ 88,233	\$ 88,233
Fund balance:					
Beginning of year, July 1			254,261		
End of Year, June 30			<u>\$ 77,787</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, 2010

	2010			Variance with Final Positive (Negative)	2009
	Budgeted Amounts		Actual		Actual
	Original	Final			
Revenues					
Other taxes and licenses:					
911 system subscriber fees	\$ 247,800	\$ 247,800	\$ 294,715	\$ 46,915	\$ 306,957
Investment earnings	5,000	5,000	6,621	1,621	14,614
Total revenues	252,800	252,800	301,336	48,536	321,571
Expenditures					
Public safety	252,800	252,800	190,954	61,846	76,987
Total expenditures	252,800	252,800	190,954	61,846	76,987
Revenues over (under) expenditures	<u>\$ -</u>	<u>\$ -</u>	110,382	<u>\$ 110,382</u>	244,584
Fund balances:					
Beginning of year, July 1			558,190		313,606
End of year, June 30			<u>\$ 668,572</u>		<u>\$ 558,190</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, 2010

	2010			Variance with Final Positive (Negative)	2009
	Budgeted Amounts		Actual		Actual
	Original	Final			
Revenues:					
Investment earnings	\$ 9,000	\$ 9,000	\$ 6,501	\$ (2,499)	\$ 17,555
Expenditures:					
Current:					
General government:					
Contract services	-	-	256,213	-	-
Capital outlay	-	-	15,442	-	-
Total expenditures	<u>321,000</u>	<u>321,000</u>	<u>271,655</u>	<u>49,345</u>	<u>-</u>
Revenues over (under) expenditures	<u>(312,000)</u>	<u>(312,000)</u>	<u>(265,154)</u>	<u>46,846</u>	<u>17,555</u>
Other financing sources:					
Operating transfer in:					
General Fund	<u>121,000</u>	<u>121,000</u>	<u>121,000</u>	<u>-</u>	<u>121,000</u>
Revenues and other sources over (under) expenditures	\$ (191,000)	\$ (191,000)	(144,154)	\$ 46,846	138,555
Appropriated fund balance	<u>191,000</u>	<u>191,000</u>	<u>-</u>	<u>(191,000)</u>	<u>-</u>
Revenues, other sources, and appropriated fund balance over (under) expenditures	<u>\$ -</u>	<u>\$ -</u>	(144,154)	<u>\$ (144,154)</u>	138,555
Fund balances:					
Beginning of year, July 1			<u>544,536</u>		<u>405,981</u>
End of year, June 30			<u>\$ 400,382</u>		<u>\$ 544,536</u>

County of Currituck, North Carolina
Fire District Fund
Schedule of Revenues, Expenditures, and
Changes in Fund Balances - Budget and Actual
For the Fiscal Year Ended June 30, 2010

	2010			Variance with Final Positive (Negative)	2009
	Budgeted Amounts		Actual		Actual
	Original	Final			
Revenues:					
Ad valorem taxes:					
Prior years	\$ -	\$ -	\$ 733	\$ 733	\$ 1,255
Interest	-	-	380	380	613
Total ad valorem taxes	-	-	1,113	1,113	1,868
Investment earnings	-	-	550	550	2,848
Total revenues	-	-	1,663	1,663	4,716
Expenditures:					
Current:					
Public safety:					
Crawford Fire District	-	-	-	-	26,589
Fruitville Fire District	-	-	-	-	-
Moyock Fire District	-	-	-	-	13,597
Poplar Branch Fire District	-	-	-	-	-
Total expenditures	-	-	-	-	40,186
Revenues over (under) expenditures	-	-	1,663	1,663	(35,470)
Other financing sources (uses):					
Transfers to general fund	-	-	-	-	(25,000)
Revenues and other financing sources under expenditures	\$ -	\$ -	1,663	\$ 1,663	(60,470)
Fund balances:					
Beginning of year, July 1			46,531		107,001
End of year, June 30			\$ 48,194		\$ 46,531

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, 2010

	2010			Variance with Final Positive (Negative)	2009
	Budgeted Amounts		Actual		Actual
	Original	Final			
Revenues:					
Investment earnings	\$ 2,000	\$ 2,000	\$ 6,052	\$ 4,052	\$ 11,295
Expenditures:					
Current:					
Public safety	852,000	626,459	202,394	424,065	177,232
Total expenditures	852,000	626,459	202,394	424,065	177,232
Revenues over (under) expenditures	(850,000)	(624,459)	(196,342)	428,117	(165,937)
Other financing sources:					
Transfers from general fund	492,541	267,000	267,000	-	266,528
Revenues and other financing sources over expenditures	(357,459)	(357,459)	70,658	428,117	100,591
Appropriated fund balance	357,459	357,459	-	(357,459)	-
Revenues, other finance sources and appropriated fund balance over (under) expenditures	\$ -	\$ -	70,658	\$ 70,658	100,591
Fund balances:					
Beginning of year, July 1			422,451		321,860
End of year, June 30			\$ 493,109		\$ 422,451

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, 2010

	2010			Variance with Final Positive (Negative)
	Budgeted Amounts		Actual	
	Original	Final		
Expenditures:				
Current:				
Environmental protection:	\$ -	\$ 300,000	\$ 18,600	\$ 281,400
Total expenditures	<u>-</u>	<u>300,000</u>	<u>18,600</u>	<u>281,400</u>
Other financing sources (uses):				
Transfers from tourism development authority	-	300,000	300,000	-
Total other financing sources (uses)	<u>-</u>	<u>300,000</u>	<u>300,000</u>	<u>-</u>
Other financing sources over (under) expenditures	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 281,400</u>	<u>\$ 281,400</u>
Fund balances:				
Beginning of year, July 1			-	
End of year, June 30			<u>\$ 281,400</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, 2010

	2010			Variance with Final Positive (Negative)	2009
	Budgeted Amounts		Actual		Actual
	Original	Final			
Revenues:					
Ad valorem taxes:					
Current year	\$ 10,644	\$ 10,644	\$ 11,509	\$ 865	\$ 11,377
Prior years	-	-	287	287	144
Interest	-	-	61	61	35
Total ad valorem taxes	<u>10,644</u>	<u>10,644</u>	<u>11,857</u>	<u>1,213</u>	<u>11,556</u>
Investment earnings	<u>750</u>	<u>750</u>	<u>780</u>	<u>30</u>	<u>1,901</u>
Total revenues	<u>11,394</u>	<u>11,394</u>	<u>12,637</u>	<u>1,243</u>	<u>13,457</u>
Expenditures:					
Current:					
Environmental protection:	<u>11,394</u>	<u>11,394</u>	<u>4,500</u>	<u>6,894</u>	<u>-</u>
Total expenditures	<u>11,394</u>	<u>11,394</u>	<u>4,500</u>	<u>6,894</u>	<u>-</u>
Revenues over (under) expenditures	<u>\$ -</u>	<u>\$ -</u>	8,137	<u>\$ 8,137</u>	13,457
Fund balances:					
Beginning of year, July 1			<u>58,280</u>		<u>44,823</u>
End of year, June 30			<u>\$ 66,417</u>		<u>\$ 58,280</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, 2010

	2010			Variance with Final Positive (Negative)	2009
	Budgeted Amounts		Actual		Actual
	Original	Final			
Revenues:					
Ad valorem taxes:					
Current year	\$ 936	\$ 936	\$ 1,100	\$ 164	\$ 1,064
Prior years taxes	-	-	7	7	12
Interest	-	-	3	3	3
Total ad valorem taxes	<u>936</u>	<u>936</u>	<u>1,110</u>	<u>174</u>	<u>1,079</u>
Investment earnings	-	-	50	50	135
Total revenues	<u>936</u>	<u>936</u>	<u>1,160</u>	<u>224</u>	<u>1,214</u>
Expenditures:					
Current:					
Environmental protection:	936	4,536	3,300	1,236	-
Total expenditures	<u>936</u>	<u>4,536</u>	<u>3,300</u>	<u>1,236</u>	<u>-</u>
Revenues over (under) expenditures	-	(3,600)	(2,140)	1,460	1,214
Appropriated fund balance	<u>-</u>	<u>3,600</u>	<u>-</u>	<u>(3,600)</u>	<u>-</u>
Revenues, other finance sources and appropriated fund balance over (under) expenditures	<u>\$ -</u>	<u>\$ -</u>	(2,140)	<u>\$ (2,140)</u>	1,214
Fund balances:					
Beginning of year, July 1			4,243		3,029
End of year, June 30			<u>\$ 2,103</u>		<u>\$ 4,243</u>

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, 2010

	2010			Variance with Final Positive (Negative)	2009
	Budgeted Amounts		Actual		Actual
	Original	Final			
Revenues:					
Ad valorem taxes:					
Current year	\$ 12,667	\$ 12,667	\$ 15,211	\$ 2,544	\$ 14,211
Prior years taxes	-	-	248	248	233
Interest	-	-	64	64	59
Total ad valorem taxes	<u>12,667</u>	<u>12,667</u>	<u>15,523</u>	<u>2,856</u>	<u>14,503</u>
Investment earnings	<u>500</u>	<u>500</u>	<u>176</u>	<u>(324)</u>	<u>1,239</u>
Total revenues	<u>13,167</u>	<u>13,167</u>	<u>15,699</u>	<u>2,532</u>	<u>15,742</u>
Expenditures:					
Current:					
Environmental protection:	<u>13,167</u>	<u>28,167</u>	<u>18,940</u>	<u>9,227</u>	<u>39,710</u>
Total expenditures	<u>13,167</u>	<u>28,167</u>	<u>18,940</u>	<u>9,227</u>	<u>39,710</u>
Revenues over (under) expenditures	<u>-</u>	<u>(15,000)</u>	<u>(3,241)</u>	<u>11,759</u>	<u>(23,968)</u>
Appropriated fund balance	<u>-</u>	<u>15,000</u>	<u>-</u>	<u>(15,000)</u>	<u>-</u>
Revenues and appropriated fund balance over (under) expenditures	<u>\$ -</u>	<u>\$ -</u>	<u>(3,241)</u>	<u>\$ (3,241)</u>	<u>(23,968)</u>
Fund balances:					
Beginning of year, July 1			<u>15,465</u>		<u>39,433</u>
End of year, June 30			<u>\$ 12,224</u>		<u>\$ 15,465</u>

County of Currituck, North Carolina
Northwest Watershed Improvement Fund
Schedule of Revenues, Expenditures, and
Changes in Fund Balances - Budget and Actual
For the Fiscal Year Ended June 30, 2010

	2010			Variance with Final Positive (Negative)	2009
	Budgeted Amounts		Actual		Actual
	Original	Final			
Revenues:					
Ad valorem taxes:					
Current year	\$ 1,748	\$ 1,748	\$ 2,100	\$ 352	\$ 2,024
Prior years taxes	-	-	1	1	57
Interest	-	-	3	3	8
Total ad valorem taxes	<u>1,748</u>	<u>1,748</u>	<u>2,104</u>	<u>356</u>	<u>2,089</u>
Investment earnings	-	-	68	68	125
Total revenues	<u>1,748</u>	<u>1,748</u>	<u>2,172</u>	<u>424</u>	<u>2,214</u>
Expenditures:					
Current:					
Environmental protection:	<u>1,748</u>	<u>1,748</u>	-	<u>1,748</u>	-
Total expenditures	<u>1,748</u>	<u>1,748</u>	-	<u>1,748</u>	-
Revenues over (under) expenditures	<u>\$ -</u>	<u>\$ -</u>	2,172	<u>\$ 2,172</u>	2,214
Fund balances:					
Beginning of year, July 1			<u>4,381</u>		<u>2,167</u>
End of year, June 30			<u>\$ 6,553</u>		<u>\$ 4,381</u>

County of Currituck, North Carolina
Whalehead Watershed Improvement Fund
Schedule of Revenues, Expenditures, and
Changes in Fund Balances - Budget and Actual
For the Fiscal Year Ended June 30, 2010

	2010			Variance with Final Positive (Negative)	2009
	Budgeted Amounts		Actual		Actual
	Original	Final			
Revenues:					
Ad valorem taxes:					
Current year	\$ 371,158	\$ 371,158	\$ 384,463	\$ 13,305	\$ 381,488
Prior year taxes	-	-	1,451	1,451	190
Interest	-	-	741	741	378
Total ad valorem taxes	<u>371,158</u>	<u>371,158</u>	<u>386,655</u>	<u>15,497</u>	<u>382,056</u>
Investment earnings	<u>7,500</u>	<u>7,500</u>	<u>12,458</u>	<u>4,958</u>	<u>26,288</u>
Total revenues	<u>378,658</u>	<u>378,658</u>	<u>399,113</u>	<u>20,455</u>	<u>408,344</u>
Expenditures:					
Current:					
Environmental protection:	<u>878,658</u>	<u>2,352,036</u>	<u>1,631,012</u>	<u>721,024</u>	<u>135,384</u>
Total expenditures	<u>878,658</u>	<u>2,352,036</u>	<u>1,631,012</u>	<u>721,024</u>	<u>135,384</u>
Revenues over (under) expenditures	<u>(500,000)</u>	<u>(1,973,378)</u>	<u>(1,231,899)</u>	<u>741,479</u>	<u>272,960</u>
Other financing sources (uses):					
Transfers to operating fund	-	(126,622)	(126,622)	-	-
Issuance of debt	-	2,100,000	2,100,000	-	-
Total other financing sources (uses)	-	<u>1,973,378</u>	<u>1,973,378</u>	-	-
Revenues and other financing sources (uses) over (under) expenditures	(500,000)	-	741,479	741,479	272,960
Appropriated fund balance	<u>500,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Revenues and appropriated fund balance over (under) expenditures	<u>\$ -</u>	<u>\$ -</u>	741,479	<u>\$ 741,479</u>	272,960
Fund balances:					
Beginning of year, July 1			<u>821,070</u>		<u>548,110</u>
End of year, June 30			<u>\$ 1,562,549</u>		<u>\$ 821,070</u>

County of Currituck, North Carolina
Land Banking Fund
Schedule of Revenues, Expenditures, and
Changes in Fund Balances - Budget and Actual
For the Fiscal Year Ended June 30, 2010

	2010			Variance with Final Positive (Negative)	2009
	Original Budget	Final Budget	Actual		Actual
Revenues:					
Investment earnings	\$ -	\$ -	\$ 40,097	\$ 40,097	\$ 154,876
Total revenues	<u>-</u>	<u>-</u>	<u>40,097</u>	<u>40,097</u>	<u>154,876</u>
Expenditures:					
Capital outlay	500,000	500,000	-	500,000	5,000
Farmland preservation	100,000	100,000	-	100,000	4,250
Total expenditures	<u>600,000</u>	<u>600,000</u>	<u>-</u>	<u>600,000</u>	<u>9,250</u>
Revenues over (under) expenditures	<u>(600,000)</u>	<u>(600,000)</u>	<u>40,097</u>	<u>640,097</u>	<u>145,626</u>
Other financing sources:					
Transfers from transfer tax fund	300,000	300,000	300,000	-	300,000
Revenues and other financing sources over (under) expenditures	(300,000)	(300,000)	340,097	640,097	445,626
Appropriated fund balance	<u>300,000</u>	<u>300,000</u>	<u>-</u>	<u>(300,000)</u>	<u>-</u>
Revenues, other financing sources and appropriated fund balance over expenditures	<u>\$ -</u>	<u>\$ -</u>	340,097	<u>\$ 340,097</u>	445,626
Fund balances:					
Beginning of year, July 1			3,180,638		2,735,012
End of year, June 30			<u>\$ 3,520,735</u>		<u>\$ 3,180,638</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, 2010

	2010			Variance with Final Positive (Negative)	2009
	Budgeted Amounts		Actual		Actual
	Original	Final			
Revenues:					
Other taxes and licenses:					
Article 40 supplemental sales tax	\$ 846,295	\$ 846,295	\$ 829,283	\$ (17,012)	\$ 875,940
Article 42 supplemental sales tax	479,543	479,543	482,072	2,529	492,498
Investment earnings	25,000	25,000	47,775	22,775	111,225
Total revenues	<u>1,350,838</u>	<u>1,350,838</u>	<u>1,359,130</u>	<u>8,292</u>	<u>1,479,663</u>
Other financing uses:					
Transfers to other funds:					
General fund	(542,600)	(542,600)	(542,600)	-	(257,994)
Moyock Central Sewer Construction fund	(1,000,000)	(1,000,000)	(555,925)	444,075	-
County Government Facilities fund	-	-	-	-	(783,509)
Total other financing uses	<u>(1,542,600)</u>	<u>(1,542,600)</u>	<u>(1,098,525)</u>	<u>444,075</u>	<u>(1,041,503)</u>
Revenues over (under) other financing uses	\$ (191,762)	\$ (191,762)	260,605	452,367	438,160
Appropriated fund balance	<u>191,762</u>	<u>191,762</u>	-	<u>(191,762)</u>	<u>-</u>
Revenues and other financing uses over appropriated fund balance	<u>\$ -</u>	<u>\$ -</u>	260,605	<u>\$ 260,605</u>	438,160
Fund balances:					
Beginning of year, July 1			<u>3,737,446</u>		<u>3,299,286</u>
End of year, June 30			<u>\$ 3,998,051</u>		<u>\$ 3,737,446</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, 2010

	2010			Variance with Final Positive (Negative)	2009
	Budgeted Amounts		Actual		Actual
	Original	Final			
Revenues:					
Other taxes and licenses:					
Article 40 supplemental sales tax	\$ 365,656	\$ 365,656	\$ 355,407	\$ (10,249)	\$ 375,403
Article 42 supplemental sales tax	723,565	723,565	723,108	(457)	738,746
Investment earnings	10,779	10,779	9,718	(1,061)	29,963
Total revenues	<u>1,100,000</u>	<u>1,100,000</u>	<u>1,088,233</u>	<u>(11,767)</u>	<u>1,144,112</u>
Other financing uses:					
Transfers to other funds:					
General fund	(1,100,000)	(1,100,000)	(1,100,000)	-	(1,220,000)
Total other financing uses	<u>(1,100,000)</u>	<u>(1,100,000)</u>	<u>(1,100,000)</u>	<u>-</u>	<u>(1,220,000)</u>
Revenues over (under) other financing uses	<u>\$ -</u>	<u>\$ -</u>	(11,767)	<u>\$ (11,767)</u>	(75,888)
Fund balances:					
Beginning of year, July 1			1,180,483		1,256,371
End of year, June 30			<u>\$ 1,168,716</u>		<u>\$ 1,180,483</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, 2010

	Project Authorization	Actual		Total to Date	Variance Positive (Negative)
		Prior Years	Current Year		
Revenues					
Public School Capital Building Fund	\$ 620,980	\$ 1,077,565	\$ -	\$ 1,077,565	\$ 456,585
State Lottery proceeds	220,000	203,740	220,000	423,740	203,740
Investment earnings	1,303,286	2,529,385	34,219	2,563,604	1,260,318
Total revenues	<u>2,144,266</u>	<u>3,810,690</u>	<u>254,219</u>	<u>4,064,909</u>	<u>1,920,643</u>
Expenditures					
Intergovernmental - education:					
Jarvisburg Elementary School construction	14,794,000	14,318,896	13,300	14,332,196	461,804
Knapp Early College Renovations/Bleachers	340,000	126,705	190,898	317,603	22,397
Moyock Elementary School, renovation	1,801,833	1,801,832	-	1,801,832	1
Shawboro Elementary School construction	20,473,208	20,082,357	45,286	20,127,643	345,565
Currituck Middle School - HVAC replacement	120,000	-	-	-	120,000
Knotts Island Elementary School - Chiller replacement	45,000	-	-	-	45,000
Currituck County High School - Chiller replacement	55,000	-	50,171	50,171	4,829
Total expenditures	<u>37,629,041</u>	<u>36,329,790</u>	<u>299,655</u>	<u>36,629,445</u>	<u>999,596</u>
Revenues over (under) expenditures	<u>(35,484,775)</u>	<u>(32,519,100)</u>	<u>(45,436)</u>	<u>(32,564,536)</u>	<u>2,920,239</u>
Other financing sources:					
Issuance of debt	8,000,000	8,000,000	-	8,000,000	-
Transfers from					
General Fund	14,656,058	14,905,353	-	14,905,353	249,295
Governmental Construction Fund	2,250,000	2,250,000	-	2,250,000	-
Transfer Tax Capital Fund	10,578,717	10,578,717	1,000,000	11,578,717	1,000,000
	<u>27,484,775</u>	<u>27,734,070</u>	<u>1,000,000</u>	<u>28,734,070</u>	<u>1,249,295</u>
Total other financing sources	<u>35,484,775</u>	<u>35,734,070</u>	<u>1,000,000</u>	<u>36,734,070</u>	<u>1,249,295</u>
Revenues, other sources over (under) expenditures	<u>\$ -</u>	<u>\$ 3,214,970</u>	<u>954,564</u>	<u>\$ 4,169,534</u>	<u>\$ 4,169,534</u>
Fund balances:					
Beginning of year, July 1			<u>3,274,763</u>		
End of year, June 30			<u>\$ 4,229,327</u>		

County of Currituck, North Carolina
Transfer Tax Capital Fund
Schedule of Revenues, Expenditures, and
Changes in Fund Balances - Budget and Actual
For the Fiscal Year Ended June 30, 2010

	2010			Variance with Final Positive (Negative)	2009
	Budgeted Amounts		Actual		Actual
	Original	Final			
Revenues:					
Other taxes and licenses					
Land transfer tax	\$ 1,600,000	\$ 1,600,000	\$ 2,300,500	\$ 700,500	\$ 1,890,224
Investment earnings	40,000	40,000	56,789	16,789	142,077
Total revenues	<u>1,640,000</u>	<u>1,640,000</u>	<u>2,357,289</u>	<u>717,289</u>	<u>2,032,301</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>1,639,300</u>	<u>1,639,300</u>	<u>2,357,289</u>	<u>717,989</u>	<u>2,032,301</u>
Other financing uses:					
Transfers to general fund	-	-	-	-	-
Transfers to County government facilities	(339,300)	(339,300)	(339,300)	-	(1,000,000)
Transfers to school facilities fund	(1,000,000)	(1,000,000)	(1,000,000)	-	-
Transfers to land banking fund	(300,000)	(300,000)	(300,000)	-	(300,000)
Total other financing uses	<u>(1,639,300)</u>	<u>(1,639,300)</u>	<u>(1,639,300)</u>	<u>-</u>	<u>(1,300,000)</u>
Revenues and other financing uses over (under) expenditures	-	-	717,989	717,989	732,301
Revenues and other financing uses over expenditures	<u>\$ -</u>	<u>\$ -</u>	717,989	<u>\$ 717,989</u>	732,301
Fund balances:					
Beginning of year, July 1			4,456,909		3,724,608
End of year, June 30			<u>\$ 5,174,898</u>		<u>\$ 4,456,909</u>

This page left blank intentionally

This page left blank intentionally

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, 2010

	2010			Variance with Final Positive Negative	2009
	Budgeted Amounts		Actual		Actual
	Original	Final			
Revenues:					
Occupancy Tax	\$ 8,198,608	\$ 8,615,307	\$ 8,672,218	\$ 56,911	\$ 9,276,524
Grants	-	-	-	-	567
Co-op Advertising	-	-	15,325	15,325	33,100
Penalties and interest	-	-	9,269	9,269	9,370
Investment earnings	-	366,549	127,116	(239,433)	311,464
Total revenues	<u>8,198,608</u>	<u>8,981,856</u>	<u>8,823,928</u>	<u>(157,928)</u>	<u>9,631,025</u>
Expenditures:					
Tourism Promotion:					
Salaries	-	-	459,733	-	421,050
Operating Expenses	-	-	232,438	-	205,730
Promotions	-	-	2,048,436	-	1,761,476
Capital Outlay	-	-	83,512	-	52,429
Total Tourism Promotions	<u>2,701,730</u>	<u>3,086,305</u>	<u>2,824,119</u>	<u>262,186</u>	<u>2,440,685</u>
Tourism Related Expenditures:					
Utilities	-	-	1,940	-	2,734
Repairs and maintenance	-	-	15,195	-	8,251
Signs	-	-	6,846	-	11,713
Outer Banks access ramps	-	-	46,720	-	33,140
Rent	-	-	11,900	-	11,900
Contracted services	-	-	222,575	-	72,938
Lifeguard services	-	-	626,111	-	500,000
Historic preservation	-	-	6,008	-	9,852
Corolla Wild Horse support	-	-	74,998	-	54,912
Insurance and bonds	-	-	4,314	-	4,018
Professional services	-	-	25,000	-	-
Whalehead projects	-	-	900,508	-	825,000
Capital outlay	-	-	510,459	-	255,952
Total tourism related expenditures	<u>1,882,155</u>	<u>2,919,445</u>	<u>2,452,574</u>	<u>466,871</u>	<u>1,790,410</u>
Total expenditures	<u>4,583,885</u>	<u>6,005,750</u>	<u>5,276,693</u>	<u>729,057</u>	<u>4,231,095</u>
Revenues over (under) expenditures	<u>3,614,723</u>	<u>2,976,106</u>	<u>3,547,235</u>	<u>571,129</u>	<u>5,399,930</u>
Other financing sources:					
Transfers (to) from other funds:					
General fund	-	-	-	-	4,882,355
General fund	(2,527,743)	(3,077,743)	(2,480,925)	596,818	(1,905,433)
Carova Beach Service District Fund	-	(300,000)	(300,000)	-	-
County Governmental Facilities fund	(1,086,980)	(1,815,699)	(1,815,699)	-	(1,073,360)
Total other financing uses	<u>(3,614,723)</u>	<u>(5,193,442)</u>	<u>(4,596,624)</u>	<u>596,818</u>	<u>1,903,562</u>
Revenues and other financing sources over (under) expenditures and other financing uses	-	(2,217,336)	(1,049,389)	1,167,947	7,303,492
Appropriated fund balance	-	<u>2,217,336</u>	-	<u>(2,217,336)</u>	-
Revenues, other financing sources, and appropriated fund balance over (under) expenditures	<u>\$ -</u>	<u>\$ -</u>	<u>(1,049,389)</u>	<u>\$ (1,049,389)</u>	<u>7,303,492</u>
Fund balances:					
Beginning of year, July 1			<u>7,303,492</u>		-
Fund balance: Tourism promotion			4,949,722		4,781,466
Fund balance: Tourism related expenditures			1,304,381		2,522,026
End of year, June 30			<u>\$ 6,254,103</u>		<u>\$ 7,303,492</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, 2010

	Project Authorization	Actual		Total to Date	Variance
		Prior Years	Current Year		Positive (Negative)
Revenues					
Intergovernmental revenues:					
State aid to airports	\$ 1,158,199	\$ 330,461	\$ -	\$ 330,461	\$ (827,738)
PARTF - Carova park	504,905	250,000	247,557	497,557	(7,348)
PARTF - Corolla multi-use path	500,000	-	-	-	(500,000)
Total	2,163,104	1,960,463	247,557	828,018	(1,335,086)
Investment earnings	1,908,755	3,045,543	218,693	3,264,236	1,355,481
Total revenues	4,071,859	5,896,489	466,250	4,092,254	20,395
Expenditures					
Public safety:					
Knotts Island Fire Station	2,206,411	2,133,829	11,902	2,145,731	60,680
Lower Currituck Station Renovations	325,000	264,487	53,694	318,181	6,819
Total public safety	2,531,411	5,718,754	65,596	2,463,912	67,499
Economic and physical development:					
Cooperative extension building	8,400,000	8,335,444	1,007	8,336,451	63,549
Maple commerce park	368,170	-	107,970	107,970	260,200
	8,768,170	8,335,444	108,977	8,444,421	323,749
Transportation:					
Hangar #3 FY 2006	71,600	1,917	-	1,917	69,683
Rehab Taxiway A	610,000	-	27,660	27,660	582,340
Airport - County Funding	189,935	14,501	4,603	19,104	170,831
Parallel taxiway	940,000	141,029	-	141,029	798,971
Total transportation	1,811,535	4,210,782	32,263	189,710	1,621,825
Cultural and recreational:					
Community park development	2,449,000	2,423,681	-	2,423,681	25,319
Carova Beach park	560,811	479,440	15,675	495,115	65,696
Corolla multi-use path	1,360,549	-	514,738	514,738	845,811
Moyock library	2,517,200	1,674,145	831,156	2,505,301	11,899
Recreation facility - Maple	11,502,249	142,677	164,121	306,798	11,195,451
Total cultural and recreational	18,389,809	4,719,943	1,525,690	6,245,633	12,144,176
Total expenditures	31,500,925	22,984,923	1,732,526	17,343,676	14,157,249
Revenues under expenditures	(27,429,066)	(17,088,434)	(1,266,276)	(13,251,422)	14,177,644
Other financing sources (uses):					
Transfers (to) from other funds:					
General fund	3,910,667	5,309,079	-	5,309,079	1,398,412
Tourism Development Authority	10,446,935	8,631,236	1,815,699	10,446,935	-
Capital improvements fund	1,801,409	7,301,409	-	7,301,409	5,500,000
Transfer tax capital fund	10,770,055	11,177,303	339,300	11,516,603	746,548
School construction fund	(2,250,000)	(2,250,000)	-	(2,250,000)	-
Total other financing sources (uses)	24,679,066	35,271,315	2,154,999	32,324,026	7,644,960
Revenues and other sources over (under) expenditures	(2,750,000)	18,182,881	888,723	19,072,604	21,822,604
Appropriated fund balance	2,750,000	-	-	-	(2,750,000)
Revenues, other sources and appropriated fund balance over (under) expenditures	\$ -	\$ 18,182,881	888,723	\$ 19,072,604	\$ 19,072,604
Fund balances:					
Beginning of year, July 1			18,789,934		
End of year, June 30			<u>\$ 19,678,657</u>		

This page left blank intentionally

**County of Currituck, North Carolina
Combining Statement of Net Assets
Non-Major Proprietary Funds
For the Year Ended June 30, 2010**

	Enterprise Funds		Totals	
	Newtown Road Sewer Fund	Moyock Commons Sewer Fund	June 30, 2010	June 30, 2009
ASSETS				
Current assets:				
Cash and cash equivalents	\$ 78,371	\$ 155,058	\$ 233,429	\$ 319,020
Taxes receivable, net	-	5,801	5,801	558
Receivables, net	935	6,353	7,288	7,739
Total current assets	<u>79,306</u>	<u>167,212</u>	<u>246,518</u>	<u>327,317</u>
Noncurrent assets:				
Capital assets:				
Land, improvements, and construction in progress	87,000	67,625	154,625	154,625
Other capital assets, net of depreciation	206,275	310,266	516,541	548,417
Total capital assets	<u>293,275</u>	<u>377,891</u>	<u>671,166</u>	<u>703,042</u>
Total assets	<u>372,581</u>	<u>545,103</u>	<u>917,684</u>	<u>1,030,359</u>
LIABILITIES				
Current liabilities:				
Accounts payable	26	719	745	2,013
Customer deposits	200	300	500	266
Total liabilities	<u>226</u>	<u>1,019</u>	<u>1,245</u>	<u>2,279</u>
NET ASSETS				
Invested in capital assets, net of related debt	293,275	377,891	671,166	703,042
Unrestricted	79,080	166,193	245,273	325,038
Total net assets	<u>\$ 372,355</u>	<u>\$ 544,084</u>	<u>\$ 916,439</u>	<u>\$ 1,028,080</u>

County of Currituck, North Carolina
Combining Statement of Revenues, Expenses, and Changes in Fund Net Assets
Non-Major Proprietary Funds
For the Year Ended June 30, 2010

	Enterprise Funds		Totals	
	Newtown Road Sewer Fund	Moyock Commons Sewer Fund	June 30, 2010	June 30, 2009
OPERATING REVENUES				
Charges for services	\$ 8,202	\$ 60,956	\$ 69,158	\$ 80,892
Miscellaneous	-	6,076	6,076	645
Total operating revenues	<u>8,202</u>	<u>67,032</u>	<u>75,234</u>	<u>81,537</u>
OPERATING EXPENSES				
Administration	841	5,882	6,723	9,160
Water and sewer district	11,359	68,156	79,515	61,612
Depreciation	16,954	14,922	31,876	31,876
Total operating expenses	<u>29,154</u>	<u>88,960</u>	<u>118,114</u>	<u>102,648</u>
Operating income (loss)	<u>(20,952)</u>	<u>(21,928)</u>	<u>(42,880)</u>	<u>(21,111)</u>
NONOPERATING REVENUES (EXPENSES)				
Tax revenue	-	53,945	53,945	57,226
Interest and investment revenue	1,800	1,972	3,772	31,165
Total nonoperating revenue (expenses)	<u>1,800</u>	<u>55,917</u>	<u>57,717</u>	<u>88,391</u>
Income (loss) before transfers	(19,152)	33,989	14,837	67,280
Transfer	<u>(91,880)</u>	<u>(34,598)</u>	<u>(126,478)</u>	<u>(34,598)</u>
Change in net assets	(111,032)	(609)	(111,641)	32,682
Total net assets - beginning	483,387	544,693	1,028,080	927,773
Prior period adjustment	-	-	-	67,625
Total net assets - ending	<u>\$ 372,355</u>	<u>\$ 544,084</u>	<u>\$ 916,439</u>	<u>\$ 1,028,080</u>

County of Currituck, North Carolina
Combining Statement of Cash Flows
Non-Major Proprietary Fund
For the Year Ended June 30, 2010

	Newtown Road Sewer Fund	Moyock Commons Sewer Fund	Totals	
			June 30, 2010	June 30, 2009
Cash flows from operating activities:				
Cash received from customers	\$ 8,208	\$ 61,401	\$ 69,609	\$ 95,137
Cash paid for goods and services	(13,473)	(74,033)	(87,506)	(73,066)
Customer deposits received	-	300	300	-
Customer deposits returned	(66)	-	(66)	-
Other operating revenue	-	6,076	6,076	645
Net cash provided (used) by operating activities	<u>(5,331)</u>	<u>(6,256)</u>	<u>(11,587)</u>	<u>22,716</u>
Cash flows from noncapital financing activities:				
Tax revenues	-	48,702	48,702	56,830
Cash flows from capital and related financing activities:				
Transfer to operating fund	(91,880)	(34,598)	(126,478)	(34,598)
Acquisition of capital assets	-	-	-	-
Net cash provided by capital and related financing activities	<u>(91,880)</u>	<u>(34,598)</u>	<u>(126,478)</u>	<u>(34,598)</u>
Cash flows from investing activities:				
Interest on investments	<u>1,800</u>	<u>1,972</u>	<u>3,772</u>	<u>31,165</u>
Net increase (decrease) in cash and cash equivalents	(95,411)	9,820	(85,591)	76,113
Cash and cash equivalents, July 1	173,782	145,238	319,020	242,907
Cash and cash equivalents, June 30	<u>\$ 78,371</u>	<u>\$ 155,058</u>	<u>\$ 233,429</u>	<u>\$ 319,020</u>
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:				
Operating income (loss)	<u>\$ (20,952)</u>	<u>\$ (21,928)</u>	<u>\$ (42,880)</u>	<u>\$ (21,111)</u>
Adjustments to reconcile operating income to net cash provided by operating activities:				
Depreciation	16,954	14,922	31,876	31,876
Changes in assets and liabilities:				
(Increase) decrease in accounts receivable	6	445	451	14,244
Increase (decrease) in accounts payable and accrued liabilities	(1,273)	5	(1,268)	(2,293)
Increase (decrease) in customer deposits	(66)	300	234	-
Total adjustments	<u>15,621</u>	<u>15,672</u>	<u>31,293</u>	<u>43,827</u>
Net cash provided (used) by operating activities	<u>\$ (5,331)</u>	<u>\$ (6,256)</u>	<u>\$ (11,587)</u>	<u>\$ 22,716</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, 2010

	2010			Variance Positive (Negative)	2009
	Original Budget	Final Budget	Actual		Actual
Revenues:					
Charges for services:					
Sewer charges	\$ -	\$ -	\$ 7,753	\$ -	\$ 8,340
Penalties and interest, sewer	-	-	449	-	231
Total, sewer operating revenues	<u>8,200</u>	<u>8,200</u>	<u>8,202</u>	<u>2</u>	<u>8,571</u>
Nonoperating revenues:					
Interest earnings	<u>400</u>	<u>1,400</u>	<u>1,800</u>	<u>400</u>	<u>25,739</u>
Total revenues	<u>8,600</u>	<u>9,600</u>	<u>10,002</u>	<u>402</u>	<u>34,310</u>
Other financing sources (uses):					
Rural Center grant	<u>100,000</u>	-	-	-	-
	100,000	-	-	-	-
Appropriated net assets	<u>99,601</u>	<u>99,601</u>	-	<u>(99,601)</u>	-
Total revenues, other financing sources and appropriated net assets	<u>208,201</u>	<u>109,201</u>	<u>10,002</u>	<u>(99,199)</u>	<u>34,310</u>
Expenditures:					
Administration:					
Telephone and postage	-	-	-	-	380
Administrative expenses	-	-	841	-	590
	<u>1,441</u>	<u>1,441</u>	<u>841</u>	<u>600</u>	<u>970</u>
Sewer treatment operations:					
Utilities	-	-	322	-	328
Repairs and maintenance	-	-	1,554	-	4,934
Lab tests	-	-	3,420	-	1,249
System supplies	-	-	2,097	-	27
Contracted services	-	-	3,966	-	2,169
Total	<u>21,760</u>	<u>15,880</u>	<u>11,359</u>	<u>4,521</u>	<u>8,707</u>
Capital outlay	<u>185,000</u>	-	-	-	-
Total expenditures	<u>208,201</u>	<u>17,321</u>	<u>12,200</u>	<u>5,121</u>	<u>9,677</u>
Revenues and appropriated net assets over expenditures	<u>\$ -</u>	<u>\$ 91,880</u>	<u>(2,198)</u>	<u>\$ (94,078)</u>	<u>24,633</u>
Other financing uses:					
Transfers to Moyock Central Sewer Construction Fund	-	(91,880)	(91,880)	-	-
Revenues and appropriated net assets over (under) expenditures and other financing uses	<u>\$ -</u>	<u>\$ -</u>	<u>(94,078)</u>	<u>\$ (94,078)</u>	<u>24,633</u>
Reconciliation from budgetary basis (modified accrual) to full accrual:					
Reconciling items:					
Depreciation			(16,954)		(16,954)
Total reconciling items			<u>(16,954)</u>		<u>(16,954)</u>
Change in net assets			<u>\$ (111,032)</u>		<u>\$ 7,679</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, 2010

	2010			2009	
	Original Budget	Final Budget	Actual	Variance Positive (Negative)	Actual
Revenues:					
Charges for services:					
Sewer charges	\$ -	\$ -	\$ 60,956	\$ -	\$ 72,321
Penalties and interest	-	-	6,076	-	645
Total, sewer operating revenues	<u>75,000</u>	<u>75,000</u>	<u>67,032</u>	<u>(7,968)</u>	<u>72,966</u>
Nonoperating revenues:					
Tax revenue	-	-	53,945	-	57,226
Interest earnings	-	-	1,972	-	5,426
Total nonoperating revenues	<u>55,691</u>	<u>55,691</u>	<u>55,917</u>	<u>226</u>	<u>62,652</u>
Total revenues	<u>130,691</u>	<u>130,691</u>	<u>122,949</u>	<u>(7,742)</u>	<u>135,618</u>
Expenditures:					
Administration:					
Telephone and postage	-	-	305	-	707
Administration	-	-	2,307	-	2,500
Supplies	-	-	1,907	-	4,908
Credit card fees	-	-	15	-	25
Dues and subscriptions	-	-	1,310	-	50
Software license fees	-	-	38	-	-
	<u>5,882</u>	<u>13,882</u>	<u>5,882</u>	<u>-</u>	<u>8,190</u>
Sewer treatment operations:					
Utilities	-	-	9,093	-	7,125
Repairs and maintenance	-	-	18,316	-	7,368
Lab tests	-	-	5,120	-	7,302
Chemicals	-	-	3,038	-	3,067
Contracted services	-	-	24,608	-	28,012
Professional services	-	-	7,981	-	31
Total	<u>90,211</u>	<u>75,866</u>	<u>68,156</u>	<u>22,055</u>	<u>52,905</u>
Capital outlay	-	6,345	-	6,345	-
Total expenditures	<u>96,093</u>	<u>96,093</u>	<u>74,038</u>	<u>22,055</u>	<u>61,095</u>
Revenues over expenditures	<u>\$ 34,598</u>	<u>\$ 34,598</u>	<u>\$ 48,911</u>	<u>\$ 14,313</u>	<u>\$ 74,523</u>
Other financing uses:					
Transfers to Operating Fund	<u>(34,598)</u>	<u>(34,598)</u>	<u>(34,598)</u>	<u>-</u>	<u>(34,598)</u>
Revenues over (under) expenditures and other financing uses	<u>\$ -</u>	<u>\$ -</u>	<u>14,313</u>	<u>\$ 14,313</u>	<u>\$ 39,925</u>
Reconciliation from budgetary basis (modified accrual) to full accrual:					
Capital outlays			-		-
Depreciation			<u>(14,922)</u>		<u>(14,922)</u>
Change in net assets			<u>\$ (609)</u>		<u>\$ 25,003</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, 2010

	2010			Variance Positive (Negative)	2009
	Original Budget	Final Budget	Actual		Actual
Revenues:					
Charges for services:					
Water sales	\$ -	\$ -	\$ 1,347,563	\$ -	\$ 1,467,169
Water tap fees	-	-	59,150	-	93,817
Administration	-	-	364,696	-	209,868
Penalties and interest	-	-	15,017	-	13,979
Other operating revenues	-	-	5,065	-	3,581
Total, water operating revenues	<u>1,989,179</u>	<u>1,989,179</u>	<u>1,791,491</u>	<u>(197,688)</u>	<u>1,788,414</u>
Nonoperating revenues:					
Interest earnings	-	-	-	-	582
Total nonoperating revenues	<u>10,000</u>	<u>10,000</u>	<u>-</u>	<u>(10,000)</u>	<u>582</u>
Total revenues	<u>1,999,179</u>	<u>1,999,179</u>	<u>1,791,491</u>	<u>(207,688)</u>	<u>1,788,996</u>
Expenditures:					
Administration:					
Salaries and benefits	-	-	109,226	-	104,725
Telephone and postage	-	-	11,012	-	9,693
Advertising	-	-	-	-	58
Supplies	-	-	20,317	-	15,511
Dues and subscriptions	-	-	2,635	-	2,695
Other administrative expenditures	-	-	60,122	-	91,838
Total administration expenditures	<u>155,610</u>	<u>256,996</u>	<u>203,312</u>	<u>53,684</u>	<u>224,520</u>
Water treatment operations:					
Salaries and benefits	-	-	327,678	-	314,174
Utilities	-	-	108,473	-	101,160
Gas, oil, etc	-	-	11,021	-	15,550
Repairs and maintenance	-	-	21,670	-	15,425
Lab tests	-	-	2,795	-	11,254
Chemicals	-	-	73,651	-	82,488
Uniforms	-	-	1,734	-	2,366
Contracted services	-	-	25,411	-	15,157
Professional services	-	-	-	-	7,600
Total water treatment operations	<u>669,691</u>	<u>572,805</u>	<u>572,433</u>	<u>372</u>	<u>565,174</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, 2010

	2010			2009	
	Original Budget	Final Budget	Actual	Variance Positive (Negative)	Actual
Debt service:					
Interest and other charges	-	-	159,869	-	194,200
Debt principal	-	-	1,009,509	-	975,178
Total	<u>1,169,378</u>	<u>1,169,378</u>	<u>1,169,378</u>	<u>-</u>	<u>1,169,378</u>
Capital outlays	4,500	-	-	-	25,465
Total expenditures	<u>1,999,179</u>	<u>1,999,179</u>	<u>1,945,123</u>	<u>54,056</u>	<u>1,984,537</u>
Revenues and other financing sources over (under) expenditures	<u>\$ -</u>	<u>\$ -</u>	(153,632)	<u>\$ (153,632)</u>	(195,541)
Reconciliation from budgetary basis (modified accrual) to full accrual:					
Reconciling items:					
Capital outlays			-		25,465
Debt principal			1,009,509		975,178
Postemployment benefits			(39,055)		-
Depreciation			<u>(651,329)</u>		<u>(664,834)</u>
Total reconciling items			<u>319,125</u>		<u>335,809</u>
Change in net assets			<u>\$ 165,493</u>		<u>\$ 140,268</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, 2010

	2010			2009	
	Original Budget	Final Budget	Actual	Variance Positive (Negative)	Actual
Revenues:					
Operating revenues:					
Charges for services:					
Solid waste disposal charges	\$ -	\$ -	\$ 1,897,147	\$ -	\$ 1,910,222
Recycling	-	-	8,880	-	12,849
Tipping fees	-	-	656,965	-	645,275
Total	<u>3,007,830</u>	<u>3,007,830</u>	<u>2,562,992</u>	<u>(444,838)</u>	<u>2,568,346</u>
Nonoperating revenues:					
Ad valorem taxes	-	-	14,513	-	8,946
White goods tax	-	-	15,039	-	10,609
White goods disposal tax	-	-	68,929	-	43,725
Tire tax	-	-	26,283	-	30,430
Other solid waste grants	-	-	15,791	-	4,442
Investment earnings	-	-	72,551	-	209,812
Total	<u>95,000</u>	<u>95,000</u>	<u>213,106</u>	<u>118,106</u>	<u>307,964</u>
Total revenues	<u>3,102,830</u>	<u>3,102,830</u>	<u>2,776,098</u>	<u>(326,732)</u>	<u>2,876,310</u>
Expenditures:					
Solid waste administration:					
Travel	-	-	-	-	-
Training & Education	-	-	-	-	-
Telephone and postage	-	-	336	-	335
Other administrative expenditures	-	-	76,449	-	77,715
Total	<u>77,245</u>	<u>77,245</u>	<u>76,785</u>	<u>460</u>	<u>78,050</u>
Solid waste operations:					
Utilities	-	-	4,205	-	3,838
Repair and maintenance	-	-	11,976	-	9,621
Rent	-	-	51,850	-	22,200
Supplies	-	-	4,577	-	1,714
Professional services	-	-	1,678	-	1,907
Contract services, other	-	-	23,263	-	121,512
Contract services, collection	-	-	1,718,048	-	1,479,730
Contract services, disposal	-	-	1,766,089	-	1,678,961
Site work and landscaping	-	-	14,684	-	17,938
White goods disposal	-	-	23,746	-	23,113
White goods disposal tax	-	-	48,781	-	33,479
Tire disposal	-	-	46,116	-	37,324
Monitoring wells	-	-	4,718	-	4,500
Recycling	-	-	366,832	-	381,749
Total	<u>4,725,934</u>	<u>4,725,934</u>	<u>4,086,563</u>	<u>639,371</u>	<u>3,817,586</u>
Capital outlays	<u>75,780</u>	<u>75,780</u>	<u>18,269</u>	<u>57,511</u>	<u>-</u>
Total expenditures	<u>4,878,959</u>	<u>4,878,959</u>	<u>4,181,617</u>	<u>697,342</u>	<u>3,895,636</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, 2010

	2010			2009	
	Original Budget	Final Budget	Actual	Variance Positive (Negative)	Actual
Revenues and appropriated net assets over expenditures	(1,776,129)	(1,776,129)	(1,405,519)	370,610	(1,019,326)
Other financing sources (uses):					
Transfers from operating fund	1,776,129	1,776,129	1,776,129	-	1,747,998
Revenues and appropriated net assets over (under) expenditures and other financing uses	\$ -	\$ -	370,610	\$ 370,610	728,672
 Reconciliation from budgetary basis (modified accrual) to full accrual:					
Reconciling items:					
Capital outlays			18,269		-
Depreciation			(32,672)		(32,266)
Total reconciling items			(14,403)		(32,266)
Change in net assets			\$ 356,207		\$ 696,406

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, 2010

	2010			Variance Positive (Negative)	2009
	Original Budget	Final Budget	Actual		Actual
Revenues:					
Charges for services:					
Water sales	\$ -	\$ -	\$ 550,877	\$ -	\$ 573,783
Water impact fees	-	-	-	-	5,000
Water tap fees	-	-	-	-	1,125
Penalties and interest, water	-	-	6,485	-	8,067
Other operating revenues, water	-	-	1,600	-	1,383
Total, water operating revenues	<u>558,900</u>	<u>558,900</u>	<u>558,962</u>	<u>62</u>	<u>589,358</u>
Sewer charges	-	-	321,284	-	299,903
Sewer impact fees	-	-	-	-	5,000
Sewer tap fees	-	-	-	-	1,125
Penalties and interest, sewer	-	-	3,514	-	4,969
Other operating revenues, sewer	-	-	1,600	-	1,383
Total, sewer operating revenues	<u>321,000</u>	<u>321,000</u>	<u>326,398</u>	<u>5,398</u>	<u>312,380</u>
Total operating revenues	<u>879,900</u>	<u>879,900</u>	<u>885,360</u>	<u>5,460</u>	<u>901,738</u>
Nonoperating revenues:					
Tax revenue	-	-	666	-	10
Interest earnings	-	-	66,086	-	159,464
Total nonoperating revenues	<u>59,869</u>	<u>59,869</u>	<u>66,752</u>	<u>6,883</u>	<u>159,474</u>
Total revenues	<u>939,769</u>	<u>939,769</u>	<u>952,112</u>	<u>12,343</u>	<u>1,061,212</u>
Appropriated net assets	-	532,500	-	(532,500)	-
Total revenues and appropriated net assets	<u>939,769</u>	<u>1,472,269</u>	<u>952,112</u>	<u>(520,157)</u>	<u>1,061,212</u>
Expenditures:					
Administration:					
Telephone and postage	-	-	5,651	-	4,464
Supplies	-	-	7,159	-	5,021
Dues and subscriptions	-	-	2,580	-	2,180
Software license fees	-	-	640	-	-
Contract services	-	-	10,529	-	10,938
Total	<u>27,969</u>	<u>27,550</u>	<u>26,559</u>	<u>991</u>	<u>22,603</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, 2010

	2010			Variance Positive (Negative)	2009
	Original Budget	Final Budget	Actual		Actual
Water treatment operations:					
Utilities	-	-	8,255	-	9,334
Repairs and maintenance	-	-	7,102	-	25,122
Lab tests	-	-	1,926	-	1,981
System supplies	-	-	9,633	-	15,582
Contracted services	-	-	367,759	-	215,022
Professional services	-	-	-	-	5,380
Total	<u>391,000</u>	<u>471,419</u>	<u>394,675</u>	<u>76,744</u>	<u>272,421</u>
Sewer treatment operations:					
Utilities	-	-	52,004	-	48,960
Repairs and maintenance	-	-	75,231	-	150,952
Lab tests	-	-	27,895	-	20,812
System supplies	-	-	7,471	-	6,495
Chemicals	-	-	13,222	-	10,438
Contracted services	-	-	249,466	-	146,711
Professional services	-	-	38,751	-	17,950
Total	<u>474,000</u>	<u>673,400</u>	<u>464,040</u>	<u>209,360</u>	<u>402,318</u>
Capital outlay	<u>46,800</u>	<u>299,900</u>	<u>248,196</u>	<u>51,704</u>	<u>30,153</u>
Total expenditures	<u>939,769</u>	<u>1,472,269</u>	<u>1,133,470</u>	<u>338,799</u>	<u>727,495</u>
Revenues and appropriated retained earnings over expenditures	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (181,358)</u>	<u>\$ (181,358)</u>	<u>\$ 333,717</u>
Reconciliation from budgetary basis (modified accrual) to full accrual:					
Reconciling items:					
Capital outlays			248,196		30,153
Depreciation			(200,816)		(184,933)
Total reconciling items			<u>47,380</u>		<u>(154,780)</u>
Change in net assets			<u>\$ (133,978)</u>		<u>\$ 178,937</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, 2010

	2010			Variance Positive (Negative)	2009
	Original Budget	Final Budget	Actual		Actual
Revenues:					
Charges for services:					
Water sales	\$ -	\$ -	\$ 2,617,547	\$ -	\$ 2,724,425
Water tap fees	-	-	183,500	-	336,500
Reconnection fees	-	-	47,540	-	48,530
Penalties and interest	-	-	76,446	-	72,596
Billing services	-	-	1,540	-	-
Sale of materials	-	-	1,144	-	24,595
Total	<u>2,835,000</u>	<u>2,835,000</u>	<u>2,927,717</u>	<u>92,717</u>	<u>3,206,646</u>
Nonoperating revenues:					
Interest earnings	-	-	5,302	-	26,209
Other nonoperating revenues	-	-	-	-	-
Total nonoperating revenues	<u>62,688</u>	<u>62,688</u>	<u>5,302</u>	<u>(57,386)</u>	<u>26,209</u>
Total revenues	<u>2,897,688</u>	<u>2,897,688</u>	<u>2,933,019</u>	<u>35,331</u>	<u>3,232,855</u>
Appropriated net assets	-	422,481	-	(422,481)	-
Total revenues and appropriated net assets	<u>2,897,688</u>	<u>3,320,169</u>	<u>2,933,019</u>	<u>(387,150)</u>	<u>3,232,855</u>
Expenditures:					
Administration:					
Salaries and benefits	-	-	49,424	-	50,225
Administrative support	-	-	182,547	-	-
Credit card fees	-	-	8,644	-	7,562
Telephone and postage	-	-	38,219	-	31,063
Travel	-	-	2,553	-	1,099
Training and education	-	-	2,525	-	979
Advertising	-	-	422	-	364
Supplies	-	-	26,377	-	13,138
Dues and subscriptions	-	-	4,830	-	4,245
Software license fees	-	-	2,940	-	-
Loss on sale of capital assets	-	-	3,971	-	-
Other administration	-	-	98	-	1,422
	<u>298,365</u>	<u>314,481</u>	<u>322,550</u>	<u>(8,069)</u>	<u>110,097</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, 2010

	2010			Variance Positive (Negative)	2009
	Original Budget	Final Budget	Actual		Actual
Water treatment operations:					
Salaries and benefits	-	-	561,365	-	577,585
Utilities	-	-	192,036	-	106,261
Repairs and maintenance	-	-	59,186	-	116,956
Fuel	-	-	21,014	-	23,590
Lab tests	-	-	9,606	-	15,300
Chemicals	-	-	67,931	-	64,899
Uniforms	-	-	1,559	-	953
Purchase of water from another	-	-	-	-	323,787
Contracted services	-	-	49,075	-	60,008
Professional services	-	-	136	-	3,879
Total	<u>971,638</u>	<u>1,383,003</u>	<u>961,908</u>	<u>421,095</u>	<u>1,293,218</u>
Debt service:					
Interest and other charges	-	-	872,685	-	860,020
Debt principal	-	-	750,000	-	765,000
Total	<u>1,622,685</u>	<u>1,622,685</u>	<u>1,622,685</u>	<u>-</u>	<u>1,625,020</u>
Capital outlay	<u>5,000</u>	<u>-</u>	<u>114,542</u>	<u>(114,542)</u>	<u>50,677</u>
Total expenditures	<u>2,897,688</u>	<u>3,320,169</u>	<u>3,021,685</u>	<u>298,484</u>	<u>3,079,012</u>
Revenues and appropriated net assets over (under) expenditures	<u>\$ -</u>	<u>\$ -</u>	<u>(88,666)</u>	<u>\$ (88,666)</u>	<u>\$ 153,843</u>
Reconciliation from budgetary basis (modified accrual) to full accrual:					
Reconciling items:					
Capital outlays			114,542		50,677
Debt principal			750,000		765,000
Depreciation			(1,349,015)		(683,981)
Amortization of issuance costs, refunding costs and premium			(588)		(588)
Postemployment benefits			(54,372)		-
Accrued vacation			(7,008)		20,084
Bad debt accrual			-		(30,000)
Total reconciling items			<u>(546,441)</u>		<u>121,192</u>
Change in net assets			<u>\$ (635,107)</u>		<u>\$ 275,035</u>

County of Currituck, North Carolina
Mainland Water Construction Fund
Schedule of Revenues and Expenditures
Budget and Actual (Non-GAAP)
From Inception and for the Fiscal Year Ended June 30, 2010

	Project Authorization	Actual		Total to Date	Variance Positive (Negative)
		Prior Years	Current Year		
Revenues					
Intergovernmental revenues:					
Investment earnings	\$ -	\$ 201,231	\$ 2,335	\$ 203,566	\$ 203,566
Total revenues	-	201,231	2,335	203,566	203,566
Expenditures					
Wells	1,242,450	1,235,847	751	1,236,598	5,852
Reverse osmosis water plant	13,468,798	12,537,646	155,082	12,692,728	776,070
Water tanks	2,613,322	2,582,086	-	2,582,086	31,236
Distribution system	6,675,430	6,017,634	288,852	6,306,486	368,944
Total expenditures	24,000,000	22,373,213	444,685	22,817,898	1,182,102
Revenues under expenditures	(24,000,000)	(22,171,982)	(442,350)	(22,614,332)	1,385,668
Other financing sources (uses):					
Transfers (to) from other funds:					
Mainland water fund	5,000,000	5,000,000	-	5,000,000	-
Issuance of debt	19,000,000	19,000,000	-	19,000,000	-
Total other financing sources (uses)	24,000,000	24,000,000	-	24,000,000	-
Revenues and other sources over (under) expenditures	\$ -	\$ 1,828,018	\$ (442,350)	\$ 1,385,668	\$ 1,385,668

County of Currituck, North Carolina
Moyock Central Sewer Construction Fund
Schedule of Revenues and Expenditures
Budget and Actual (Non-GAAP)
From Inception and for the Fiscal Year Ended June 30, 2010

	Project Authorization	Actual		Total to Date	Variance Positive (Negative)
		Prior Years	Current Year		
Revenues					
Impact Fees	\$ 204,750	\$ -	\$ 204,750	\$ 204,750	\$ -
Intergovernmental revenues:					
Rural Center Grant - Economic Development	540,000	-	-	-	(540,000)
Rural Center Grant - Newtown Sewer improvement	100,000	-	-	-	(100,000)
Investment earnings	-	-	462	462	462
Total intergovernmental revenues	640,000	-	462	462	(639,538)
Total revenues	844,750	-	205,212	205,212	(639,538)
Expenditures					
Capital outlay	1,492,555	-	836,985	836,985	655,570
Total expenditures	1,492,555	-	836,985	836,985	655,570
Revenues under expenditures	(647,805)	-	(631,773)	(631,773)	16,032
Non-operating Revenues (Expenses)					
Transfers from other funds:					
Capital improvements fund	555,925	-	555,925	555,925	-
Newtown Road Sewer fund	91,880	-	91,880	91,880	-
Total transfers from other funds	647,805	-	647,805	647,805	-
Revenues over (under) expenditures and other financing sources	\$ -	\$ -	\$ 16,032	\$ 16,032	\$ 16,032
Reconciling items:					
Capital outlays			836,985		
Capital contributions			329,144		
Total reconciling items			1,182,161		
Change in net assets			\$ 1,182,161		

This page left blank intentionally

County of Currituck, North Carolina
Agency Funds
Combining Statement of Changes in Assets and Liabilities
For the Fiscal Year Ended June 30, 2010

	Balance June 30 2009	Additions	Deductions	Balance June 30 2010
Social Services				
Assets:				
Cash and cash equivalents	\$ 37,542	\$ 122,240	\$ 91,580	\$ 68,202
Liabilities:				
Accounts Payable	\$ 37,542	\$ 165,623	\$ 134,963	\$ 68,202
Fines and Forfeitures				
Assets:				
Cash and cash equivalents	\$ -	\$ 333,758	\$ 326,408	\$ 7,350
Due from other governments	30,548	22,117	30,548	22,117
Total assets	<u>\$ 30,548</u>	<u>\$ 355,875</u>	<u>\$ 356,956</u>	<u>\$ 29,467</u>
Liabilities:				
Due to other governments	<u>\$ 30,548</u>	<u>\$ 325,327</u>	<u>\$ 326,408</u>	<u>\$ 29,467</u>
Motor Vehicle Tax				
Assets:				
Cash and cash equivalents	\$ 293	\$ 4,289	\$ 4,287	\$ 295
Liabilities:				
Due to other governments	<u>\$ 293</u>	<u>\$ 4,289</u>	<u>\$ 4,287</u>	<u>\$ 295</u>
Deed of Trust Fee				
Assets:				
Cash and cash equivalents	\$ -	\$ 5,310	\$ 4,740	\$ 570
Liabilities:				
Due to other governments	<u>\$ -</u>	<u>\$ 5,310</u>	<u>\$ 4,740</u>	<u>\$ 570</u>
Totals - All Agency Funds				
Assets:				
Cash and cash equivalents	\$ 37,835	\$ 465,597	\$ 427,015	\$ 76,417
Due from other governments	30,548	22,117	30,548	22,117
Total assets	<u>\$ 68,383</u>	<u>\$ 487,714</u>	<u>\$ 457,563</u>	<u>\$ 98,534</u>
Liabilities:				
Accounts payable	37,542	165,623	134,963	68,202
Intergovernmental payable	<u>30,841</u>	<u>334,926</u>	<u>335,435</u>	<u>30,332</u>
Total liabilities	<u>\$ 68,383</u>	<u>\$ 500,549</u>	<u>\$ 470,398</u>	<u>\$ 98,534</u>

This page left blank intentionally

County of Currituck, North Carolina
General Fund
Schedule of Ad Valorem Taxes Receivable
June 30, 2010

Fiscal Year	Uncollected Balance June 30, 2009	Additions	Collections And Credits	Uncollected Balance June 30, 2010
2009-2010	\$ -	\$ 26,347,506 (a)	\$ 25,734,946 (b)	\$ 612,560 (c)
2008-2009	981,087	4,458	806,290	179,255
2007-2008	165,831	4,308	103,756	66,383
2006-2007	50,735	3,693	24,105	30,323
2005-2006	30,109	-	8,376	21,733
2004-2005	29,408	-	5,720	23,688
2003-2004	22,042	-	2,504	19,538
2002-2003	15,841	-	914	14,927
2001-2002	8,357	-	928	7,429
2000-2001	10,211	-	339	9,872
1999-2000	10,195	-	10,195	-
	1,323,816	26,359,965	26,698,073 (d)	985,708
Less: allowance for uncollectible accounts:				
				(9,999)
				(402)
Ad valorem taxes receivable - net:				\$ 975,307
<u>Reconciliation with revenues:</u>				
				\$ 26,873,821
				14,513
				26,888,334
Reconciling items:				
				(190,184)
				(77)
				(190,261)
Total collections and credits				\$ 26,698,073 (d)

County of Currituck, North Carolina
Analysis of Current Tax Levy
County - wide Levy
For the Fiscal Year Ended June 30, 2010

	County - wide			Total Levy	
	Property Valuation	Rate	Amount of Levy	Property excluding Registered Motor Vehicles	Registered Motor Vehicles
Original levy:					
Property taxed at current year's rate	\$ 8,158,058,750	0.32	\$ 26,105,788	\$ 25,716,414	\$ 389,374
Motor vehicles taxed at prior year's rate	78,255,504	0.32	250,418	(0)	250,418
Penalties	-		22,536	22,536	-
Total	<u>8,236,314,254</u>		<u>26,378,742</u>	<u>25,738,950</u>	<u>639,792</u>
Discoveries:					
Current year taxes	12,723,438	0.32	40,715	40,715	-
Penalties	-		12,414	12,414	-
Total	<u>12,723,438</u>		<u>53,129</u>	<u>53,129</u>	<u>-</u>
Abatements	<u>(26,364,063)</u>		<u>(84,365)</u>	<u>(57,769)</u>	<u>(26,596)</u>
Total property valuation	<u><u>\$ 8,222,673,629</u></u>				
Net levy			26,347,506 (a)	25,734,310	613,196
Uncollected taxes at June 30, 2010			<u>612,560 (c)</u>	<u>556,936</u>	<u>55,624</u>
Current year's taxes collected			<u><u>\$ 25,734,946 (b)</u></u>	<u><u>\$ 25,177,374</u></u>	<u><u>\$ 557,572</u></u>
Current levy collection percentage			<u><u>97.68%</u></u>	<u><u>97.84%</u></u>	<u><u>90.93%</u></u>

County of Currituck, North Carolina
Analysis of Current Tax Levy
County - wide Levy
For the Fiscal Year Ended June 30, 2010

Secondary Market Disclosures:

Assessed Valuation:

Assessment Ratio ¹	100 %
Real Property	\$ 7,776,494,654
Personal Property	375,780,709
Public Service Companies ²	70,398,266
Total Assessed Valuation	\$ 8,222,673,629
Tax Rate per \$100	0.32
Levy (includes discoveries, releases and abatements) ³	\$ 26,347,506

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

Guinea Mill watershed improvement district	11,792
Hog Ditch watershed improvement district	1,106
Moyock watershed improvement district	15,444
Northwest watershed improvement district	2,166
Whalehead watershed improvement district	385,963
Moyock Commons sewer district	56,888
Total	\$ 26,820,865

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, 2010

Taxpayer	Type of Business	2010 Assessed Valuation	Percentage of Total Assessed Valuation
Coastland Properties I LLC	Land Development	\$ 56,361,000	0.69 %
Dominion Power	Utility	52,910,484	0.64
Coastland Corporation	Land Development	39,151,900	0.48
Pine Island Properties LLC	Land Development	22,132,000	0.27
Pine Island Holdings LLC	Land Development	21,900,282	0.27
Corolla Bay LLC	Land Development	17,524,554	0.21
Richardson, Ernest	Real Estate Investor	15,134,020	0.18
Carolina Telephone	Utility	12,051,530	0.15
Johnson, James E., Jr.	Real Estate Investor	10,608,449	0.13
Turnpike Properties LLC	Land Development	9,668,149	0.12
Total		<u>\$ 257,442,368</u>	<u>3.14 %</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 county's current levels of outstanding debt and the county's ability to issue additional debt in the future.

Demographic and Economic Information:

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

Operating Information:

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

Schedule 1

Currituck County, North Carolina
 Net Assets by Component
 (accrual basis of accounting)

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

Note: Accrual-basis financial information for the county government as a whole is available back to 2003 only, the year GASB Statement 34 was implemented.

Schedule 2

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

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

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

Note: Accrual-basis financial information for the county government as a whole is only available back to 2003, the year GASB Statement 34 was implemented.

Schedule 3

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

	Fiscal Year							
	2003	2004	2005	2006	2007	2008	2009	2010
General Fund								
Reserved	964,081	2,585,457	1,860,239	3,274,084	2,582,266	2,561,068	1,761,527	2,148,111
Unreserved	17,787,660	19,739,626	22,297,036	24,165,647	21,068,742	22,509,248	8,854,501	6,419,039
Total General Fund	<u>\$ 18,751,741</u>	<u>\$ 22,325,083</u>	<u>\$ 24,157,275</u>	<u>\$ 27,439,731</u>	<u>\$ 23,651,008</u>	<u>\$ 25,070,316</u>	<u>\$ 10,616,028</u>	<u>\$ 8,567,150</u>
All Other Governmental Funds								
Reserved	56,558	53,702	608,390	744,618	769,510	1,220,692	715,021	941,130
Unreserved								
Designated								
Special revenue funds	1,248,837	1,457,146	2,057,547	2,365,459	2,195,443	1,770,885	10,006,848	9,768,088
Capital project funds	24,757,080	27,121,787	32,751,680	39,038,133	42,182,550	33,655,022	33,931,204	36,934,559
Total all other governmental funds	<u>\$ 26,062,475</u>	<u>\$ 28,632,635</u>	<u>\$ 35,417,617</u>	<u>\$ 42,148,210</u>	<u>\$ 45,147,503</u>	<u>\$ 36,646,599</u>	<u>\$ 44,653,073</u>	<u>\$ 47,643,777</u>

Note: Due to changes in the county's fund structure connected with the implementation of GASB Statement 34, fund balance information is available back to 2003 only.

Schedule 4

Currituck County, North Carolina

Changes in Fund Balances, Governmental Funds

(modified accrual basis of accounting)

	Fiscal Year									
	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
Revenues										
Ad valorem taxes	\$ 14,653,879	\$ 15,135,412	\$ 16,011,134	\$ 17,193,047	\$ 18,059,472	\$ 23,402,553	\$ 23,611,381	\$ 25,939,378	\$ 26,163,466	\$ 27,292,183
Other taxes and licenses	10,683,942	12,427,393	15,624,113	19,821,148	21,063,030	19,369,494	20,677,091	21,148,755	19,766,673	19,128,767
Unrestricted intergovernmental	3,109,522	6,668,179	217,477	147,669	155,552	369,270	380,293	355,499	304,553	237,490
Restricted intergovernmental	418,250	227,763	2,569,567	4,678,096	3,611,061	4,139,479	3,903,127	4,681,893	3,855,575	3,804,759
Permits and fees	1,122,547	1,432,312	1,800,213	2,065,709	1,959,085	1,953,439	1,790,528	1,595,122	1,246,366	1,537,842
Sales and services	174,980	194,263	240,456	296,943	416,792	386,698	530,740	648,891	652,366	612,201
Investment earnings	2,403,063	1,619,659	1,049,079	460,406	1,147,418	2,459,527	3,475,928	3,795,801	2,158,155	678,816
Miscellaneous	51,212	34,032	65,904	669,244	313,648	113,654	205,215	102,892	934,262	661,855
Total revenues	32,617,395	37,739,013	37,577,943	45,332,262	46,726,058	52,194,114	54,574,303	58,268,231	55,081,416	53,953,913
Expenditures										
General government	2,839,045	2,972,758	4,298,172	8,302,780	5,039,224	5,290,398	5,215,589	5,385,330	5,291,527	5,893,190
Public safety	5,565,195	6,674,795	9,750,951	11,541,352	10,416,287	12,608,149	15,829,185	16,135,119	19,217,793	16,399,211
Transportation	471,376	317,674	770,532	1,799,434	581,917	884,938	1,049,293	1,077,529	4,081,199	624,425
Environmental protection	236,738	196,662	155,943	173,025	295,125	255,142	302,508	373,132	384,871	1,858,626
Economic and physical development	2,356,759	1,826,188	2,432,324	3,150,728	4,282,719	3,758,124	11,942,884	8,783,920	6,131,755	6,830,706
Human services	2,716,222	2,752,164	2,961,950	3,279,706	3,684,564	4,051,203	4,187,991	4,503,615	4,385,682	4,108,356
Cultural and recreation	705,316	808,645	1,080,901	1,284,754	3,207,252	1,528,882	1,429,959	2,021,669	3,387,383	3,462,977
Education	6,724,065	6,847,235	8,361,774	7,422,207	8,956,381	12,281,089	13,869,357	30,841,156	16,974,635	10,330,209
Capital outlay	4,540,300	6,191,629	20,023	-	-	-	-	-	-	-
Debt service										
Debt issuance cost	-	-	-	98,891	-	-	-	-	-	-
Principal	1,428,346	1,664,397	1,702,233	900,000	950,000	950,000	930,000	2,067,425	2,739,907	2,856,949
Interest	884,354	739,676	654,140	555,056	404,700	354,100	325,600	418,693	492,453	449,982
Total expenditures	28,467,716	30,991,823	32,188,943	38,507,933	37,818,169	41,962,025	55,082,366	71,607,588	63,087,205	52,814,631
Excess of revenues over (under) expenditures	4,149,679	6,747,190	5,389,000	6,824,329	8,907,889	10,232,089	(508,063)	(13,339,357)	(8,005,789)	1,139,282
Other Financing Sources (Uses)										
Bonds issued	-	-	-	-	-	-	-	-	-	-
Refunding bonds issued	-	-	-	8,770,000	-	-	-	-	-	-
Premium on debt issued	-	-	-	626,527	-	-	-	-	-	-
Payments to escrow agent	-	-	-	(9,427,636)	-	-	-	-	-	-
Transfers in	15,138,501	4,913,809	4,746,373	5,407,382	8,074,095	17,388,303	14,868,931	9,736,807	18,415,835	8,427,744
Transfers out	(17,136,513)	(8,017,457)	(4,746,373)	(6,057,100)	(8,453,608)	(17,607,343)	(4,628,944)	(11,479,046)	(20,129,235)	(10,725,200)
State school bond proceeds	-	-	-	-	-	-	-	-	-	-
Installment purchase proceeds	-	-	-	-	-	-	-	8,000,000	3,271,375	2,100,000
Sale of capital assets	30,202	13,472	-	-	-	-	-	-	-	-
Total other financing sources (uses)	\$ (1,967,810)	\$ (3,090,176)	\$ -	\$ (680,827)	\$ (379,513)	\$ (219,040)	\$ 10,239,987	\$ 6,257,761	\$ 1,557,975	\$ (197,456)
Net change in fund balances	\$ 2,181,869	\$ 3,657,014	\$ 5,389,000	\$ 6,143,502	\$ 8,528,376	\$ 10,013,049	\$ 9,731,924	\$ (7,081,596)	\$ (6,447,814)	\$ 941,826
Debt service as a percent of noncapital expenditures	9.67%	9.69%	7.32%	3.78%	3.58%	3.11%	2.28%	4.64%	6.93%	6.88%

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					
2001	\$1,849,487,582	\$109,535,034	\$147,102,278	\$89,415,378	\$6,673,281	\$2,188,866,991	\$ 0.62	\$2,320,690,665	94.32%
2002	1,949,665,059	101,726,671	149,092,903	98,924,686	6,624,821	2,292,784,498	0.62	2,431,621,612	94.29%
2003	2,042,912,920	110,569,358	159,221,290	108,068,935	8,015,445	2,412,757,058	0.62	2,560,600,483	94.23%
2004	2,162,700,341	105,925,104	175,413,064	120,905,026	8,644,348	2,556,299,187	0.62	2,709,746,613	94.34%
2005	2,310,860,353	79,897,713	186,272,020	120,316,713	13,463,722	2,683,883,077	0.62	2,847,455,323	94.26%
2006	5,324,828,115	1,830,395,901	227,537,047	146,887,271	11,593,386	7,518,054,948	0.32	7,714,703,609	97.45%
2007	5,573,495,713	1,800,024,666	231,711,563	153,363,256	13,701,974	7,744,893,224	0.32	7,903,781,250	97.99%
2008	5,752,757,371	1,742,428,352	237,046,250	167,481,922	13,614,832	7,886,099,063	0.32	8,052,933,751	97.93%
2009	5,840,230,099	1,773,215,441	220,186,251	168,836,102	14,565,509	7,987,902,384	0.32	8,176,639,688	97.69%
2010	5,902,568,741	1,793,244,633	199,934,713	175,941,576	17,655,061	8,054,034,602	0.32	8,222,673,629	97.95%

Source: Currituck County Tax Department

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

¹ Includes tax-exempt property.

Schedule 6

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

	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
County Direct Rates										
General	0.620	0.620	0.620	0.620	0.620	0.320	0.320	0.320	0.320	0.320
<u>Overlapping Rates</u>¹										
Poplar Branch Fire District	0.040	0.040	0.040	0.040	0.040	-	-	-	-	-
Fruitville Fire District	0.080	0.080	0.080	0.080	0.080	-	-	-	-	-
Moyock Fire District	0.065	0.065	0.065	0.065	0.065	-	-	-	-	-
Crawford Fire District	0.060	0.060	0.060	0.060	0.060	-	-	-	-	-
Guinea Mill Watershed Improvement District	0.010	0.010	0.010	0.010	0.010	0.010	0.010	0.010	0.010	0.010
Hog Ditch Watershed Improvement District	-	-	-	-	-	0.010	0.010	0.010	0.010	0.010
Moyock Watershed Improvement District	-	-	0.030	0.030	0.030	0.015	0.015	0.015	0.015	0.015
Northwest Watershed Improvement District	-	-	-	0.070	0.070	0.020	0.020	0.020	0.020	0.020
Whalehead Watershed Improvement District	-	-	-	0.070	0.070	0.025	0.010	0.040	0.040	0.040
Ocean Sands Water and Sewer District	0.310	0.230	0.200	0.200	0.150	0.015	-	-	-	-
Moyock Commons Sewer District	0.500	0.500	0.500	0.500	0.500	0.245	0.245	0.245	0.245	0.245

Source: County of Currituck Budget Ordinance

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

Schedule 7

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

Taxpayer	Type of Business	Fiscal Year 2010			Fiscal Year 2001		
		Assessed Value	Rank	Percentage of Total County Taxable Assessed Value	Assessed Value	Rank	Percentage of Total County Taxable Assessed Value
Coastland Properties 1, LLC	Land Development	\$ 56,361,000	1	0.69%	\$ 9,524,500	5	0.41%
Dominion Power	Utility	52,910,484	2	0.64%	36,787,198	1	1.59%
Coastland Corporation	Land Development	39,151,900	3	0.48%	11,062,920	4	0.48%
Pine Island Properties LLC	Land Development	22,132,000	4	0.27%			
Pine Island Holdings	Land Development	21,900,282	5	0.27%			
Corolla Bay LLC	Land Development	17,524,554	6	0.21%			
Richardson, Ernest	Real Estate Investor	15,134,020	7	0.18%			
Carolina Telephone	Utility	12,051,530	8	0.15%	8,372,440	7	0.36%
Johnson, James E, Jr.	Real Estate Investor	10,608,449	9	0.13%			
Turnpike Properties	Land Development	9,668,149	10	0.12%	11,125,938	3	0.48%
Currituck Associates Residential Partners	Land Development				22,094,435	2	0.95%
Beach Mar IV LLC	Land Development				8,464,581	6	0.36%
Whalehead Properties	Land Development				7,567,494	8	0.33%
Ocean Hill Properties	Land Development				7,338,605	9	0.32%
DeGabrielle, Robert R	Land Development				6,316,882	10	0.27%
Total		\$ 257,442,368		3.14%	\$ 128,654,993		5.55%

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
2001	14,459,054	(47,079)	14,411,975	13,882,561	96.01%	464,895	14,347,456	99.55%
2002	15,112,177	13,675	15,125,852	14,638,016	96.86%	480,409	15,118,425	99.95%
2003	15,916,809	(18,159)	15,898,650	15,411,378	96.82%	472,374	15,883,752	99.91%
2004	16,896,180	(88,578)	16,807,602	16,388,762	97.00%	399,302	16,788,064	99.88%
2005	17,729,373	41,814	17,771,187	17,253,685	97.32%	493,814	17,747,499	99.87%
2006	24,979,301	(159,674)	24,819,627	24,362,825	97.53%	444,965	24,819,627	100.00%
2007	25,399,676	(101,431)	25,298,245	24,934,696	98.17%	327,892	25,267,922	99.88%
2008	26,009,032	(211,438)	25,797,594	25,322,859	97.36%	408,352	25,731,211	99.74%
2009	26,235,228	(45,704)	26,189,524	25,209,211	96.09%	800,407	26,009,618	99.31%
2010	26,378,391	(31,236)	26,347,155	25,734,726	97.56%	-	25,734,726	97.68%

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					
2001	14,468,034	-	4,520,750	-	-	18,988,784	3.86%	0.87%	\$ 1,038	\$ 1,038
2002	12,727,361	-	4,283,750	-	-	17,011,111	3.29%	0.74%	\$ 893	\$ 893
2003	10,700,000	-	4,141,750	-	-	14,841,750	2.62%	0.62%	\$ 755	\$ 755
2004	9,670,000	-	3,920,000	-	9,386,321	22,976,321	3.67%	0.90%	\$ 652	\$ 1,103
2005	8,720,000	-	3,690,000	-	8,537,182	20,947,182	2.96%	0.78%	\$ 549	\$ 926
2006	7,770,000	-	3,445,000	-	7,658,149	18,873,149	2.49%	0.25%	\$ 476	\$ 800
2007	6,840,000	-	3,195,000	-	6,748,170	16,783,170	2.06%	0.22%	\$ 423	\$ 707
2008	5,920,000	6,852,575	2,935,000	19,000,000	5,806,155	40,513,730	4.97%	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	4.82%	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	4.51%	0.46%	\$ 971	\$ 1,454

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

	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
Assessed Value of Property	\$ 2,320,690,665	\$ 2,431,621,612	\$ 2,560,600,483	\$ 2,709,746,613	\$ 2,847,455,323	\$ 7,714,703,609	\$ 7,903,781,250	\$ 8,052,933,751	\$ 8,176,639,688	\$ 8,222,673,629
Debt Limit, 8% of Assessed Value (Statutory Limitation)	185,655,253	194,529,729	204,848,039	216,779,729	227,796,426	617,176,289	632,302,500	644,234,700	654,131,175	657,813,890
Amount of Debt Applicable to Limit										
General Obligation Bonds	17,020,750	15,883,750	14,841,750	13,590,000	12,410,000	11,215,000	10,035,000	9,923,550	7,690,000	6,540,000
Revenue Bonds	-	-	-	-	-	-	-	19,000,000	18,500,000	18,025,000
Installment Purchase Agreements	1,968,034	1,127,361	-	9,386,321	8,537,182	7,658,149	6,748,170	12,658,730	13,115,021	12,230,653
Less: General Obligation Bonds paid from Enterprise Funds	(4,520,750)	(4,283,750)	(4,141,750)	(3,920,000)	(3,690,000)	(3,445,000)	(3,195,000)	(2,935,000)	(2,670,000)	(2,395,000)
Revenue Bonds from Enterprise Funds	-	-	-	-	-	-	-	(19,000,000)	(18,500,000)	(18,025,000)
Total net debt applicable to limit	14,468,034	12,727,361	10,700,000	19,056,321	17,257,182	15,428,149	13,588,170	19,647,280	18,135,021	16,375,653
Legal Debt Margin	<u>\$ 171,187,219</u>	<u>\$ 181,802,368</u>	<u>\$ 194,148,039</u>	<u>\$ 197,723,408</u>	<u>\$ 210,539,244</u>	<u>\$ 601,748,140</u>	<u>\$ 618,714,330</u>	<u>\$ 624,587,420</u>	<u>\$ 635,996,154</u>	<u>\$ 641,438,237</u>
Total net debt applicable to the limit as a percentage of debt limit	0.62%	0.52%	0.42%	0.70%	0.61%	0.20%	0.17%	0.24%	0.22%	0.20%

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

	PERIOD ENDING	6/30/08	6/30/09	6/30/10
REVENUES				
Water Sales	\$	2,479,589	\$ 2,724,425	\$ 2,617,547
Water Impact Fees		193,300	336,500	183,500
	\$	<u>2,672,889</u>	<u>\$ 3,060,925</u>	<u>\$ 2,801,047</u>
Reconnection Fees	\$	26,530	\$ 48,530	\$ 47,540
Penalties		61,127	72,596	76,446
Sale of materials		-	24,595	2,684
Investment Earnings		200,131	26,209	5,302
	\$	<u>287,788</u>	<u>\$ 171,930</u>	<u>\$ 131,972</u>
TOTAL REVENUES	\$	2,960,677	\$ 3,232,855	\$ 2,933,019
EXPENSES				
Personnel	\$	585,721	\$ 627,810	\$ 610,789
Operations		862,531	805,505	673,669
Capital Outlay		121,959	50,677	114,542
TOTAL EXPENSES, EXCLUDING DEBT	\$	<u>1,570,211</u>	<u>\$ 1,483,992</u>	<u>\$ 1,399,000</u>
REVENUES AVAILABLE FOR DEBT	\$	1,390,466	\$ 1,748,863	\$ 1,534,019
2004 General Obligation Bond Refunding	\$	260,000	\$ 265,000	\$ 275,000
Interest: 2004 General Obligation Bond Refunding		131,784	123,985	116,035
2008 Water Revenue Bonds		-	500,000	475,000
Interest: 2008 Revenue Bonds		-	736,035	756,650
TOTAL DEBT	\$	<u>391,784</u>	<u>\$ 1,625,020</u>	<u>\$ 1,622,685</u>
MINIMUM 1.15 DEBT COVERAGE	\$	450,552	\$ 1,868,773	\$ 1,866,088
TOTAL DEBT SERVICE COVERAGE		3.55	1.08	0.95

Note: Only three years of data are presented. This is a new schedule that is 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 (<i>thousands of dollars</i>) ^d	Per Capita Personal Income ^d	Public School Enrollment ^b	Unemployment Rate ^c
2001	18,289	491,334	26,195	3,392	2.43%
2002	19,059	516,392	26,516	3,400	2.00%
2003	19,653	567,165	27,587	3,427	1.80%
2004	20,834	626,832	28,733	3,685	2.40%
2005	22,617	707,359	30,947	3,854	2.90%
2006	23,580	757,409	32,284	4,156	2.40%
2007	23,731	815,543	34,167	4,120	2.80%
2008	23,773	844,131	34,939	4,070	3.60%
2009	25,305	*	*	3,961	6.20%
2010	25,305	*	*	3,913	4.90%

* Information not yet available

^a North Carolina Department of Commerce

^b Currituck County Board of Education

^c North Carolina Employment Security Commission

^d Bureau of Economic Analysis

Schedule 13

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

Function	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
General government	36.18	37.23	38.22	40.22	44.92	52.50	53.50	56.60	58.00	58.00
Public safety	88.38	106.58	123.22	133.62	146.62	162.42	164.92	181.92	189.92	188.92
Transportation	-	-	-	1.00	1.00	1.00	2.00	2.00	2.00	2.00
Environmental protection	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00
Community development	23.72	19.86	21.42	25.42	25.42	28.42	28.42	27.42	25.42	24.00
Cultural & recreation	8.36	9.64	9.79	9.79	10.79	14.15	17.60	12.85	16.85	19.10
Human services	34.00	35.25	35.75	38.75	39.75	43.00	42.75	43.75	42.75	42.75
Proprietary operations	11.45	12.70	12.70	17.70	20.10	20.00	20.00	22.00	22.00	23.00
	<u>204.09</u>	<u>223.26</u>	<u>243.10</u>	<u>268.50</u>	<u>290.60</u>	<u>323.49</u>	<u>331.19</u>	<u>348.54</u>	<u>358.94</u>	<u>359.77</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>Employer</u>	<u>2010</u>			<u>2001</u>		
	<u>Employees^a</u>	<u>Rank</u>	<u>Percentage of Total County Employment^b</u>	<u>Employees^a</u>	<u>Rank</u>	<u>Percentage of Total County Employment^b</u>
Currituck County Board of Education	500-999	1	12.68%	500-999	1	15.75%
County of Currituck	429	2	7.26%	100-249	3	3.67%
Presidential Airways Inc.	100-249	3	2.95%	----	----	----
Sentara Health Center	100-249	4	2.95%	100-249	6	3.67%
Food Lion LLC	100-249	5	2.95%	100-249	4	3.67%
Southland Trade Corp.	100-249	6	2.95%	50-99	7	1.57%
Corolla Classic Vacations	50-99	7	1.26%	----	----	----
Twiddy & Co. of Duck Inc.	50-99	8	1.26%	50-99	10	1.57%
Bank of Hampton Roads	50-99	9	1.26%	----	----	----
Hardee's	50-99	10	1.26%	----	----	----
Resort Quest Outer Banks	----	----	----	250-499	2	7.87%
Griggs Lumber & Produce Co. Inc.	----	----	----	100-249	5	3.67%
NC Dept. of Transportation	----	----	----	50-99	8	1.57%
OSC-Central Payroll	----	----	----	50-99	9	1.57%
Total	<u>1350-2890</u>		<u>36.78%</u>	<u>1350-2890</u>		<u>44.58%</u>

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

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

Schedule 15

Currituck County, North Carolina
Operating Indicators by Function

Function	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
Governmental Activities:										
Public Safety										
Law Enforcement ¹										
Deputies	39	38	44	49	52	59	59	59	63	63
Emergency Medical Services ²										
Emergency Medical Technicians	30	30	43	45	49	55	56	71	71	72
Human Services ³										
Number of Physicians	*	6	6	*	*	3	7	6	*	*
Population/physician ratio	*	3,216	3,288	*	*	7,860	3,390	3,962	*	*
Education ⁴										
Schools	7	7	8	8	8	8	8	8	10	10
Teachers	240	273	273	257	254	346	314	315	295	264
Student Enrollment	3,392	3,400	3,729	3,685	3,854	4,156	4,120	4,070	3,961	3,913
SAT Scores	992	1,024	988	1,003	1,013	1,502 ^a	1,466	1,465	1,459	1,414
Enterprise Activities:										
Newtown Road Sewer ⁵										
Treatment capacity (MGD)	*	*	*	*	*	*	0.025	0.025	0.025	0.025
Annual engineering maximum plant capacity (millions of gallons)	*	*	*	*	*	*	0.025	0.025	0.025	0.025
Amount treated annually (millions of gallons)	*	*	*	*	*	*	*	*	*	3.898
Unused capacity (millions of gallons)	*	*	*	*	*	*	*	*	*	0.014
Percentage of capacity utilized	*	*	*	*	*	*	*	*	*	42.72%
Residential sewer customers	*	*	*	*	*	*	24	28	28	27
Commercial sewer customers	*	*	*	*	*	*	-	1	1	1
Moyock Commons Sewer ⁵										
Treatment capacity (MGD)	*	*	*	*	*	*	0.040	0.040	0.040	0.040
Annual engineering maximum plant capacity (millions of gallons)	*	*	*	*	*	*	0.040	0.040	0.040	0.040
Amount treated annually (millions of gallons)	*	*	*	*	*	*	*	*	*	2.720
Unused capacity (millions of gallons)	*	*	*	*	*	*	*	*	*	0.033
Percentage of capacity utilized	*	*	*	*	*	*	*	*	*	18.68%
Number of residential customers	*	*	*	*	*	*	-	-	-	-
Number of commercial customers	*	*	*	*	*	*	23	21	23	23
Southern Outer Banks Water ⁵										

Average daily usage (in 1,000 gallons)	*	*	*	*	*	*	240	615	333	437
Water storage capacity (MGD)										1,500
Number of water pumping stations										1
Number of residential customers	*	*	*	*	*	*	1,181	1,179	1,179	1,183
Number of commercial customers	*	*	*	*	*	*	2	2	20	22
Ocean Sands Water and Sewer ⁵										
Average daily water usage (in 1,000 gallons)	*	*	*	*	*	*	160	180	171	190
Water storage capacity (MGD)	*	*	*	*	*	*	0.150	0.150	0.150	0.150
Sewer treatment capacity (MGD)	*	*	*	*	*	*	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
Amount sewer treated annually (millions of gallons)	*	*	*	*	*	*	*	*	*	57
Unused sewer capacity (millions of gallons)	*	*	*	*	*	*	*	*	*	0.100
Percentage of sewer capacity utilized	*	*	*	*	*	*	*	*	*	83.33%
Number of residential water customers	*	*	*	*	*	*	954	954	955	954
Number of commercial water customers	*	*	*	*	*	*	-	-	8	8
Number of residential sewer customers	*	*	*	*	*	*	953	954	955	954
Number of commercial sewer customers	*	*	*	*	*	*	-	-	8	8
Mainland Water ⁵										
Water storage capacity (MGD)										3,600
Residential water customers	*	*	*	*	*	*	4,891	4,559	4,594	4,686
Commercial water customers	*	*	*	*	*	*	*	397	374	385
Solid Waste ⁶										
Total number of households served	10,667	11,348	11,460	11,971	12,591	13,217	13,813	14,176	14,192	14,192
Total tonnage disposed	27,619	28,225	34,592	41,298	37,234	34,878	31,374	26,300	26,977	24,602
Recycling Program:										
Households served by program	10,667	11,348	11,460	11,971	12,591	13,217	13,813	14,176	14,192	14,192
Tonnage recovered	1,033	1,012	1,032	728	2,009	1,392	1,516	1,713	1,725	1,849
Mulching/composting program										
Households served by program	10,667	11,348	11,460	11,971	12,591	13,217	10,097	10,462	10,477	10,477
Tonnage recovered	1,088	1,050	1,065	12,800	1,780	1,323	1,746	1,023	1,055	1,335
Total cost of solid waste program	\$ 2,309,240	\$ 2,154,794	\$ 2,264,910	\$ 2,901,485	\$ 3,747,674	\$ 4,015,956	\$ 3,804,292	\$ 3,521,710	\$ 3,600,877	\$ 3,960,588
Cost per household	\$ 216	\$ 190	\$ 198	\$ 242	\$ 297	\$ 304	\$ 275	\$ 250	\$ 254	\$ 280
Cost per ton	\$ 78	\$ 76	\$ 62	\$ 53	\$ 91	\$ 107	\$ 110	\$ 120	\$ 121	\$ 143

¹Currituck County Sheriff's Department

²Currituck County Emergency Medical Services Department

³NC Department of Commerce

⁴Currituck County Schools

⁵Currituck County Utilities Department

⁶Currituck County Public Works Department

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

*Data not available

Schedule 16

Currituck County, North Carolina
Capital Asset Statistics by Function

Function	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
Governmental Activities:										
General Government										
Buildings ³	25	33	44	52	53	54	54	57	58	61
Public Safety										
Law Enforcement ¹										
Stations	1	1	1	1	1	1	1	1	1	1
Satellite Stations	3	3	3	3	3	3	3	3	3	3
Emergency Medical Services ²										
Stations	6	6	6	6	8	11	11	11	11	11
Cultural and Recreation										
Libraries	2	2	2	2	2	2	2	2	2	3
Parks	1	1	1	1	2	2	2	2	3	3
Enterprise Activities:										
Newtown Road Sewer ⁴										
Miles of sewer lines	*	*	*	*	*	*	1	1	1	1
Number of treatment plants	*	*	*	*	*	*	1	1	1	1
Moyock Commons Sewer ⁴										
Miles of sewer lines	*	*	*	*	*	*	1	1	1	1
Number of treatment plants							1	1	1	1
Southern Outer Banks Water ⁴										
Miles of water lines	*	*	*	*	*	*	27.07	27.07	27.07	27.57
Number of water wells	*	*	*	*	*	*	47	47	47	47
Ocean Sands Water and Sewer ⁴										
Miles of water lines	*	*	*	*	*	*	11.09	11.09	11.09	11.09
Miles of sewer lines	*	*	*	*	*	*	12.40	12.40	12.40	12.40
Number of sewer treatment plants	*	*	*	*	*	*	1	1	1	1
Mainland Water ⁴										
Miles of water lines	*	*	*	*	*	*	300	350	355	355
Number of water wells	*	*	*	*	*	*	28	28	31	31
Number of water pumping stations										7

¹Currituck County Sheriff's Department

²Currituck County Emergency Medical Services Department

³Currituck County Public Works Department

⁴Currituck County Utilities Department

*Data not available



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

To the Board of County Commissioners
Currituck County, North Carolina

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregated remaining fund information of the County of Currituck, North Carolina, as of and for the year ended June 30, 2010, which collectively comprises the County of Currituck's basic financial statements, and have issued our report thereon dated November 30, 2010. We did not audit the financial statements of the Currituck County ABC Board, or The Whalehead Preservation Trust and The Currituck Wildlife Museum. Those financial statements were audited by other auditors whose reports thereon have been furnished to us, and our opinion, insofar as it relates to the amounts included for the Currituck County ABC Board and The Whalehead Preservation Trust and The Currituck Wildlife Museum is based solely on the reports of the other auditors. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

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

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

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

Compliance and Other Matters

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

We noted certain matters that we reported to the management of Currituck County in a separate letter dated November 30, 2010.

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

-Pittard Perry & Crone, Inc.

November 30, 2010



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

To the Board of County Commissioners
Currituck County, North Carolina

Compliance

We have audited the County of Currituck, North Carolina, compliance with the types of compliance requirements described in OMB *Circular A-133 Compliance Supplement* and the *Audit Manual for Governmental Auditors in North Carolina*, issued by the Local Government Commission, that are applicable to each of its major federal programs for the year ended June 30, 2010. Currituck County's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal programs is the responsibility of Currituck County's management. Our responsibility is to express an opinion on Currituck County's compliance based on our audit.

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

In our opinion, Currituck County complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended June 30, 2010.

Internal Control Over Compliance

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

Our consideration of the internal control over compliance would not necessarily disclose all matters in the internal control that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that non compliance with applicable requirements of laws, regulations, contracts and grants that would be material in relation to a major federal program being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over compliance and its operation that we consider to be material weaknesses.

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

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

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

Pittard Perry + Crane, Inc.

November 30, 2010



To the Board of County Commissioners
Currituck County, North Carolina

In planning and performing our audit of the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the County of Currituck as of and for the year ended June 30, 2010 in accordance with auditing standards generally accepted in the United States of America, we considered the County of Currituck's internal control over financial reporting (internal control) as a basis for designing our auditing procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the governmental unit's internal control. Accordingly, we do not express an opinion on the effectiveness of the governmental unit's internal control.

Our consideration of internal control was for the limited purpose described in the preceding paragraph and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. However, as discussed below, we identified no deficiency in internal control that we consider to be material weaknesses and one deficiency that we consider to be a significant deficiency.

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 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. We did not identify any deficiencies in internal control that we consider to be material weaknesses.

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. We consider the following deficiency in the County of Currituck's internal control to be a significant deficiency:

Debt Covenants for Revenue Bonds

As explained in footnote #2 on page 50 of the financial statements, the County is not in compliance with its debt covenants pertaining to the Mainland Water Revenue Bonds. Due to decreased construction over the past year, the County did not receive the projected tap fees to meet their 115% minimum debt coverage. The County has taken steps to remedy this noncompliance.

The communication is intended solely for the information and use of management, the Currituck County Board of Commissioners, and others within the organization, and is not intended to be and should not be used by anyone other than these specified parties.

Pittard Perry & Crone, Inc.

November 30, 2010

CURRITUCK COUNTY, NORTH CAROLINA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the Fiscal Year Ended June 30, 2010

Section I Summary of Auditor's Results

Financial Statements

Type of auditor's report issued: Unqualified

Internal control over financial reporting:

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

Noncompliance material to financial statements noted _____ yes __X__ no

Federal Awards

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

Internal control over major federal programs

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

Noncompliance material to federal awards _____ yes __X__ no

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

Identification of major federal programs:

CFDA Numbers	Names of Federal Program or Cluster
93.778	Medical Assistance Program
10.551 10.561	Food Stamp Cluster
93.558 93.596 93.575 93.667	Child Care Cluster

Dollar threshold used to distinguish between
Type A and Type B Programs \$402,937

Auditee qualified as low-risk auditee? yes no

Section II Financial Statement Findings

None Reported

Section III Federal Award Findings and Questioned Costs

None Reported

CURRITUCK COUNTY, NORTH CAROLINA
SUMMARY SCHEDULE OF PRIOR YEAR AUDIT FINDINGS
For the Year Ended June 30, 2010

There were no prior year audit findings.

COUNTY OF CURRITUCK
SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS
For the Fiscal Year Ending June 30, 2010

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				
<u>Food Stamps Administrative Match</u>				
for the Supplemental Nutrition Assistance Program	10.561	184,303	-	-
Total Supplemental Nutrition Assistance Program Cluster		184,303	-	-
Total U.S. Department of Agriculture		184,303	-	-
U.S. Department of Health and Human Services				
North Carolina Department of Health and Human Services				
<u>Division of Social Services:</u>				
TANF Benefit Payments	93.558	141,225	-	-
Work First - Services	93.558	318,431	-	-
Low Income Home Energy Assistance				
Administration	93.568	13,355	-	-
Direct Payments	93.568	64,363	-	-
Crisis Intervention Program	93.568	71,932	-	-
Family Preservation				
	93.556	892	-	-
Permanency Planning	93.645	7,263	1,921	-
SSBG	93.667	44,068	2,635	-
LINKS	93.674	8,646	317	-
NC Health Choice	93.767	17,212	595	-
Foster Care and Adoption				
Title IV-E Foster Care - Administration	93.658	139,172	18,545	-
Foster Care - Direct Benefit Payments	93.658	9,486	1,983	-
Adoption - Administration	93.659	18,537	-	-
Adoption Assistance - Direct Payments	93.659	61,344	11,553	-
Total Foster Care and Adoption Cluster		228,539	32,081	-
Division of Child Development:				
<u>Child Care Development Fund Cluster</u>				
Division of Social Services				
Child Care Development Fund - Administration	93.596	80,000	-	-
Division of Child Development:				
Child Care and Development Block Grant	93.575	265,953	-	-
Child Care and Development Fund - Mandatory	93.596	80,260	-	-
Child Care and Development Fund - Match	93.596	139,532	75,007	-
Total Child Care Development Fund Cluster		565,745	75,007	-

continued

COUNTY OF CURRITUCK
SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS
For the Fiscal Year Ending June 30, 2010

GRANTOR, PASS THROUGH GRANTOR PROGRAM TITLE	CFDA	AMOUNT EXPENDED		COUNTY
		FEDERAL	STATE	
Social Services Block Grant	93.667	14,621		
TANF	93.558	92,819		
Smart Start			35,668	
State Appropriations			174,503	
Total Subsidized Child Care		673,185	285,178	-
Centers for Medicare and Medicaid Services:				
Passed-through NC Department of Health and Human Services, Division of Medical Assistance:				
Direct Benefit Payments	93.778	11,292,765	3,909,629	-
Administration	93.778	331,594	8,417	-
Total U.S. Department of Health and Human Services		13,213,470	4,240,773	-
U.S. Department of Homeland Security				
Passed through NC Department of Crime Control and Public Safety				
Emergency Management	97.042	31,289	-	-
Homeland Security	97.073	1,194	-	-
Homeland Security	97.067	969	-	-
Total U.S. Department of Homeland Security		33,452	-	-
TOTAL FEDERAL AWARDS		13,431,225	4,240,773	-
STATE AWARDS -				
North Carolina Department of Health and Human Services				
Division of Social Services:				
State/County Special Assistance for Adults		-	110,539	-
State Foster Care Benefits		-	26,750	-
CWS Adoption Benefit Payments		-	131,303	-
State Adult Protective Services		-	14,896	-
TANF Incentive		-	223	-
Smart Start		-	11,057	-
Total North Carolina Department of Health and Human Services		-	294,768	-
NC Department of Juvenile Justice and Delinquency Prevention				
Juvenile Crime Prevention Programs		-	72,095	16,240
Total North Carolina Department of Health and Human Services		-	72,095	16,240
North Carolina Department of Transportation				
Public Transportation Division:				
ROAP		-	141,442	-
Total North Carolina Department of Transportation		-	141,442	-
North Carolina Department of Administration				
Veterans Service		-	2,000	-
Total North Carolina Department of Administration		-	2,000	-

continued

COUNTY OF CURRITUCK
SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS
For the Fiscal Year Ending June 30, 2010

GRANTOR, PASS THROUGH GRANTOR PROGRAM TITLE	CFDA	AMOUNT EXPENDED		COUNTY
		FEDERAL	STATE	
North Carolina Department of Environment and Natural Resources				
Parks and Recreation Trust Fund		-	247,557	-
		-	247,557	-
TOTAL STATE AWARDS		-	757,862	16,240
TOTAL FEDERAL AND STATE AWARDS		13,431,225	4,998,635	16,240

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

1

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

2

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

Program Title	CFDA	Federal Expenditures	State Expenditures
Partnership of Adolescents and Support Services		-	51,638
Victim Compensation and Juvenile Restitution		-	5,736
Teen Court		-	18,738
JCPC Council Administration		-	12,223
Elderly and Disabled Transportation		-	141,442

3

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