

COMPREHENSIVE ANNUAL FINANCIAL REPORT
For the Fiscal Year Ended June 30, 2019



County of Currituck, North Carolina

Prepared by the Currituck County Finance Department

County of Currituck, North Carolina
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June 30, 2019

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**BOARD OF COMMISSIONERS**

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

COUNTY OF CURRITUCK

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Benjamin C. Stikeleather
County Manager
Donald Ike McRee
County Attorney
Leeann Walton
Clerk to the Board

December 20, 2019

The Board of Commissioners
Currituck County, North Carolina

We are pleased to present the Comprehensive Annual Financial Report (CAFR) of Currituck County for the fiscal year ended June 30, 2019. The financial statements and supplemental schedules contained herein have been audited by the independent, certified public accounting firm of Carr, Riggs & Ingram, LLC, and that firm's unmodified opinion is included in the Financial Section of this report. The report itself, however, is presented by the County, which is responsible for the accuracy of the data and for the completeness and fairness of its presentation including all disclosures. We believe the data presented is accurate in all material respects; that it is presented in a manner designed to set forth fairly the financial position and results of operations of the County as measured by the financial activity of its various funds; and that all disclosures necessary to enable the reader to gain the maximum understanding of the County's financial affairs have been included.

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

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

DESCRIPTION OF THE COUNTY

Founded in 1668, Currituck (Indian for "land of the wild goose") is the most northeastern county in North Carolina. Currituck County is one of the state's four original counties. In addition to the more than 22 miles of

beaches along the Atlantic Ocean, the County has numerous sounds, rivers, and creeks that provide some of the most memorable game fishing, waterfowl hunting, and other recreational activities that can be experienced. The County has a permanent population of approximately 27,978; although, the strong tourism industry produces a large seasonal population that results in an average daily population from mid-April through September estimated to be approximately 45,000 to 55,000. There are no incorporated areas located within Currituck County.

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

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

ECONOMIC CONDITIONS AND OUTLOOK

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

Currituck County is in the Hampton Roads Metropolitan Statistical Area (MSA). Currituck, located within sixteen miles of Interstate 64 and the Chesapeake Expressway, makes the county convenient to the Norfolk International Airport and to the deepwater ports in Hampton Roads. This favorable location continues to attract residents and the population has increased 18.18 percent from 2010 to 2019.

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

During the past year, the ad valorem tax base increased from \$6,246,566,250 to \$6,403,894,792, an increase of 2.52 percent, which reflects an increase in construction within the County. The octennial revaluation as required by the North Carolina General Statutes became effective on January 1, 2013. The county-wide tax rate for the fiscal year ending June 30, 2019 was \$0.48 per \$100, which is favorable for new residents and businesses.

Currituck County continues its commitment to expand the Parks and Recreation facilities within the County. The County is currently designing a recreation facility for the Moyock area. Continued expansion of the multi-use paths, NC 12 beautification projects, and design of a Maritime Museum are in process on the Currituck Outer Banks. The Ocean Sands water and sewer district sewer expansion was completed this year and demolition of the old sewer plant is in process.

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

MAJOR INITIATIVES

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

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

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

Factors Affecting Financial Condition

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

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

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

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

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

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

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

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

Also worth noting are the continued development of the Maple Commerce Park and the addition of a new College of the Albemarle Public Safety Training Center 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 construction of a Public Safety facility in cooperation with the College of the Albemarle to provide fire and rescue training for Northeastern North Carolina. In addition, within the next ten years, the County anticipates continued demands for additional recreational, emergency response facilities, utility expansion and schools.

Cash management policies and practices. Cash temporarily idle during the year was invested in savings accounts, certificates of deposit, obligations of the U. S. Treasury, commercial paper and the North Carolina Cash Management Trust throughout the year. The maturities range from 220 days to 3.51 years. The average yield on investments was 0.391% for savings accounts, 2.550% for commercial paper and 2.200% for federal agencies.

Risk management. The County participates in the North Carolina Association of County Commissioners (NCACC) property and general liability, worker's compensation. The pools provide coverage for property, general liability, vehicle, crime, professional liability, environmental impairment, and worker's compensation benefits. The County contracts with CIGNA to provide health insurance benefits to full-time employees. The County also maintains flood insurance on structures located in flood prone areas. As of June 30, 2019 the Whalehead Club, Bridal suite restroom facility at Historic Corolla Park, and the Moyock Library were covered by flood insurance.

OTHER INFORMATION

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

This is the seventeenth Comprehensive Annual Financial Report prepared by Currituck County. It is the County's intention to submit this year's report to the Government Finance Officers Association (GFOA) for its Certificate of Achievement for Excellence in Financial Reporting Program. This program recognizes governmental units that publish easily read and efficiently organized Comprehensive Annual Financial Reports that conform 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, 2018. 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,

Benjamin C. Stikeleather

Benjamin C. Stikeleather
County Manager

Sandra L. Hill

Sandra L. Hill
Finance Director



Government Finance Officers Association

**Certificate of
Achievement
for Excellence
in Financial
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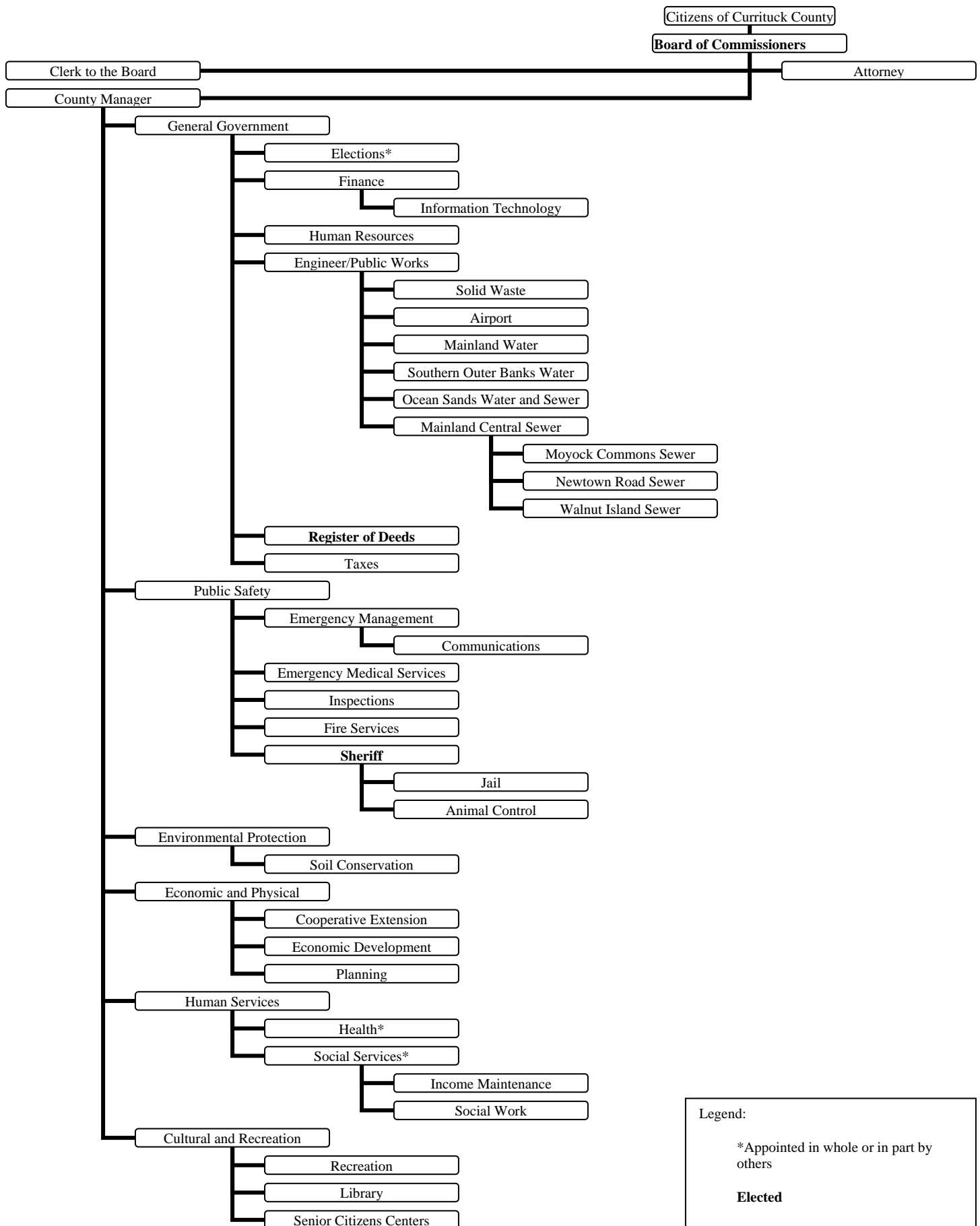
**County of Currituck
North Carolina**

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

June 30, 2018

Christopher P. Morill

Executive Director/CEO



COUNTY OF CURRITUCK, NORTH CAROLINA

BOARD OF COUNTY COMMISSIONERS

Bob White, Chairman

Michael H. Payment, Vice Chairman

Paul Beaumont

J. Owen Etheridge

Mary “Kitty” Etheridge

Selina Jarvis

Kevin McCord

COUNTY OFFICIALS

Benjamin C. Stikeleather

County Manager

Leeann Walton

Clerk to the Board

Donald I. McRee Jr.

County Attorney

Sydni Banks

Elections Supervisor

Matthew Beickert

Sheriff

Denise A. Hall

Register of Deeds

Cameron S. Lowe

Cooperative Extension Director

Larry Lombardi

Economic Development Director

Mary Beth Newns

Emergency Management Director

Eric Weatherly

Engineer

Ralph Melton

Fire and EMS Director

Sandra L. Hill

Finance Director

Sarah Tyson

Human Resources Director

Tina I. Scanlon

Information Technology Director

William Newns

Chief Building Inspector

Laurie LoCicero

Planning Director

Jason S. Weeks

Recreation Director

Samantha Hurd

Social Services Director

Tracy L. Sample

Tax Administrator

Tameron Kugler

Tourism Director

Laura Salmons

Librarian

Independent Auditors' Report

To the Board of County Commissioners
Currituck County, North Carolina

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component unit, each major fund, and the aggregate remaining fund information of Currituck County, North Carolina as of and for the year then ended June 30, 2019, and the related notes to the financial statements, which collectively comprise Currituck County's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

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

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

express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinions

In our opinion, based on our audit and the report of the other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Currituck County, North Carolina as of June 30, 2019, and the respective changes in financial position and cash flows, where applicable, thereof and the respective budgetary comparison for the General Fund and the Tourism Development Authority for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis, the Other Postemployment Benefits' Schedules of Changes in the Total OPEB Liability and Related Ratios, the Local Government Employee's Retirement System Schedules of the County's Proportionate Share of Net Pension Liability and County Contributions, the Register of Deeds' Supplemental Pension Fund Schedules of the County's Proportionate Share of the Net Pension Asset and County Contributions and the Firefighters' and Rescue Squad Workers' Pension Fund Schedules of the County's Proportionate Share of the Net Pension Liability and County Contributions on pages 19 through 30, 105, 106, 107, and 109, the Law Enforcement Officers' Special Separation Allowance Schedules of the Changes in Total Pension Liability and Total Pension Liability as a Percentage of Covered Payroll, page 108, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We and other auditors have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary and Other Information

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

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

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated December 20, 2019 on our consideration of Currituck County's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of the report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Currituck County's internal control over financial reporting and compliance.

Cam, Riggs & Ingram, L.L.C.

New Bern, NC
December 20, 2019

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Management's Discussion and Analysis

As management of Currituck County, we offer readers of Currituck County's financial statements this narrative overview and analysis of the financial activities of Currituck County for the fiscal year ended June 30, 2019. We encourage readers to read the information presented here in conjunction with additional information that we have furnished in the County's financial statements which follow this narrative.

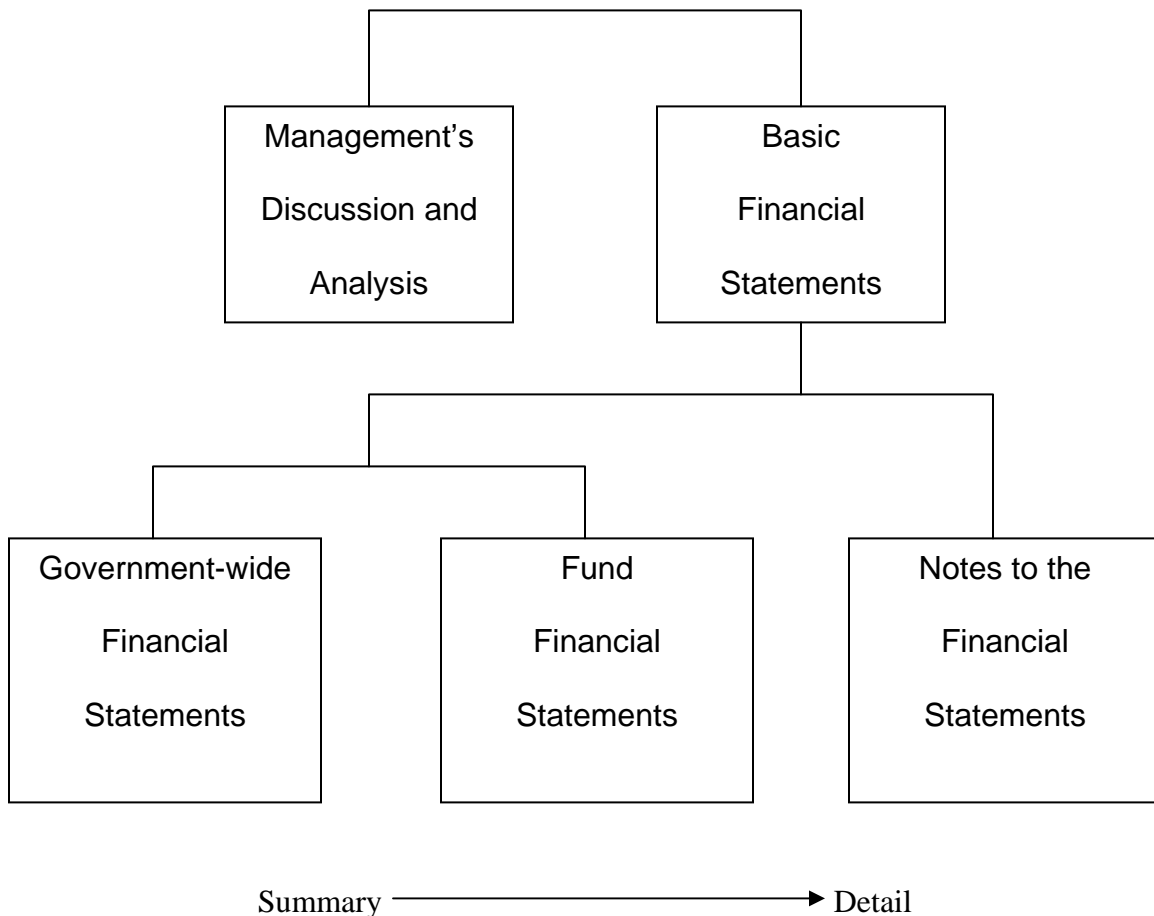
Financial Highlights

- The assets and deferred outflows of resources of Currituck County exceeded its liabilities and deferred inflows of resources at the close of the fiscal year by \$198,856,200(*net position*).
- The government's total net position increased by \$9,018,328 due to increases in the completion of capital projects funded in prior years and increases in tax collections.
- As of the close of the current fiscal year, Currituck County's governmental funds reported combined ending fund balances of \$85,807,533, after a net increase in fund balance of \$11,949,023. Approximately 46.23% of this total amount, or \$39,664,696, is restricted or nonspendable.
- At the end of the current fiscal year, unassigned fund balance for the General Fund was \$12,199,631 or 25.32% of total general fund expenditures for the fiscal year.
- Currituck County's governmental funds debt decreased by \$1,580,311 or 49.13% during the current fiscal year.
- Currituck County's proprietary funds debt decreased by \$4,060,000 or 16.25%, which is attributed to early retirement of debt for the Mainland Central Sewer System and by making scheduled payments for previous outstanding debt.
- Currently, the County does not hold any debt that has been rated by investment rating agencies.

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

Required Components of Annual Financial Report

Figure 1



Basic Financial Statements

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

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

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

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

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

Government-wide Financial Statements

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

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

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

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

Fund Financial Statements

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

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

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

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

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

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

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

Other Information – In addition to the basic financial statements and accompanying notes, this report includes certain required supplementary information concerning Currituck County's progress in funding its obligation to provide pension and other benefits to its employees. Required supplementary information can be found beginning on page 104 of this report.

Government-Wide Financial Analysis

As noted earlier, net position may serve over time as one useful indicator of a government's financial condition. The County's assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$198,856,200 as of June 30, 2019. The County's net position increased by \$9,018,328 for the fiscal year ended June 30, 2019. One of the largest portions \$127,884,298 (64.31%) reflects the County's net investment in capital assets (e.g. land, buildings, machinery, and equipment). As of June 30, 2019, long-term debt in governmental activities was for stormwater drainage for the Whalehead subdivision. Currituck County uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although Currituck County's investment in its capital assets is reported net of the outstanding related debt, the resources needed to repay that debt must be provided by other sources, since the capital assets cannot be used to liquidate these liabilities. An additional portion of Currituck County's net position \$39,590,510 (19.91%) represents resources that are subject to external restrictions on how they may be used. The remaining balance of \$31,381,392 (15.78%) is unrestricted.

Currituck County's Net Position

Figure 2

	Governmental Activities		Business-type Activities		Total	
	2019	2018	2019	2018	2019	2018
Current and other assets	\$ 88,998,375	\$ 77,322,454	\$ 19,198,352	\$ 21,018,633	\$ 108,196,727	\$ 98,341,087
Capital assets	94,903,529	101,845,435	55,526,594	53,497,935	150,430,123	155,343,370
Total assets	183,901,904	179,167,889	74,724,946	74,516,568	258,626,850	253,684,457
Total deferred outflows of resources	5,950,435	3,869,270	336,906	216,654	6,287,341	4,085,924
Long-term liabilities outstanding	35,567,943	34,569,626	23,397,008	27,113,704	58,964,951	61,683,330
Other liabilities	2,607,201	2,762,779	722,029	669,663	3,329,230	3,432,442
Total liabilities	38,175,144	37,332,405	24,119,037	27,783,367	62,294,181	65,115,772
Total deferred inflows of resources	3,490,403	2,632,826	273,407	183,911	3,763,810	2,816,737
Net position:						
Net investment in capital assets	93,267,704	98,629,299	34,616,594	28,527,935	127,884,298	127,157,234
Restricted	39,590,510	35,385,491	-	-	39,590,510	35,385,491
Unrestricted	15,328,578	9,057,138	16,052,814	18,238,009	31,381,392	27,295,147
Total net position	\$ 148,186,792	\$ 143,071,928	\$ 50,669,408	\$ 46,765,944	\$ 198,856,200	\$ 189,837,872

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

- Continued diligence in the collection of property taxes by maintaining a collection percentage of 99.09%, higher than the statewide average of 98.92%.
- Management's proactive stance on monitoring spending across County departments to ensure compliance with the budget.
- Continued low cost of debt

Currituck County Changes in Net Position Figure 3

	Governmental Activities		Business-type Activities		Total	Total
	2019	2018	2019	2018	2019	2018
Revenues:						
Program revenues:						
Charges for services	\$ 4,255,858	\$ 3,807,151	\$ 14,002,911	\$ 13,323,741	\$ 18,258,769	\$ 17,130,892
Operating grants and contributions	3,144,614	2,816,257	49,650	111,589	3,194,264	2,927,846
Capital grants and contributions	1,033,473	1,083,311	-	-	1,033,473	1,083,311
General revenues:						
Property taxes	33,811,863	31,577,071	615,922	609,886	34,427,785	32,186,957
Other taxes	29,763,490	28,020,220	-	-	29,763,490	28,020,220
Other , Unrestricted	1,760,571	888,609	330,282	181,218	2,090,853	1,069,827
Investment earnings, unrestricted	784,783	609,114	231,758	134,193	1,016,541	743,307
Total revenues	74,554,652	68,801,733	15,230,523	14,360,627	89,785,175	83,162,360
Expenses:						
General government	8,837,696	7,720,712	-	-	8,837,696	7,720,712
Public safety	24,646,123	23,107,388	-	-	24,646,123	23,107,388
Transportation	1,908,078	879,908	-	-	1,908,078	879,908
Economic and physical development	6,614,928	7,125,880	-	-	6,614,928	7,125,880
Environmental protection	1,102,947	1,352,279	-	-	1,102,947	1,352,279
Human services	4,270,307	4,183,766	-	-	4,270,307	4,183,766
Cultural and recreation	5,516,269	3,521,851	-	-	5,516,269	3,521,851
Education	12,193,477	11,377,025	-	-	12,193,477	11,377,025
Interest on long-term debt	51,626	79,098	-	-	51,626	79,098
Solid Waste	-	-	4,970,865	4,716,685	4,970,865	4,716,685
Water and sewer	-	-	9,693,392	9,534,844	9,693,392	9,534,844
Total expenses	65,141,451	59,347,907	14,664,257	14,251,529	79,805,708	73,599,436
Increase in net position before transfers, special item and capital contributions	9,413,201	9,453,826	566,266	109,098	9,979,467	9,562,924
Gain (Loss) on sale of capital assets	(961,139)	(5,569)	-	(21,234)	(961,139)	(26,803)
Transfers	(3,337,198)	(1,818,270)	3,337,198	1,818,270	-	-
Increase in net position	5,114,864	7,629,987	3,903,464	1,906,134	9,018,328	9,536,121
Net position, beginning	143,071,928	50,669,408	46,765,944	198,856,200	189,837,872	249,525,608
Net position, beginning, restated	143,071,928	135,441,941	46,765,944	44,859,810	189,837,872	180,301,751
Net position, ending	\$ 148,186,792	\$ 143,071,928	\$ 50,669,408	\$ 46,765,944	\$ 198,856,200	\$ 189,837,872

Governmental activities. Governmental activities increased the County's net position by \$5,114,864. Key elements of this decrease are as follows:

- Increased revenues from property and other taxes
- Increased revenues from other taxes resulting from increased land transfers
- Increased revenues from charges for services

Business-type activities: Business-type activities increased Currituck County's net position by \$3,903,464. The main element of this increase is from increased consumption revenue in public utility systems and retirement of debt in the Mainland Central Sewer system.

The cumulative effect of all activities increased Currituck County's net position by \$9,018,328.

Financial Analysis of the County's Funds

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

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

The General Fund is the chief operating fund of Currituck County. At the end of the current fiscal year, Currituck County's unassigned fund balance available in the General Fund was \$12,199,631, while total fund balance reached \$23,580,379. The County currently has an available fund balance of 25.32% of general fund expenditures, while total fund balance represents 48.93% of that same amount.

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

Figure 4
Changes in Fund Balances for Governmental Funds

	2019 Total	2018 Total	Change in Fund Balances
General	\$ 23,580,379	\$ 20,903,382	\$ 2,676,997
County Governmental Facilities	15,851,043	11,727,704	4,123,339
School Facilities	7,420,975	6,326,217	1,094,758
Tourism Development Authority	16,482,964	14,350,042	2,132,922
Transfer Tax Capital Fund	11,460,153	11,856,794	(396,641)
Other Governmental	11,012,019	8,694,371	2,317,648
	<u>\$ 85,807,533</u>	<u>\$ 73,858,510</u>	<u>\$ 11,949,023</u>

Increased revenues from property and other taxes, as well as debt retirement account for the increased fund balance in the General fund. The total fund balance for the County Governmental Facilities and School Facilities reflect increases due to funding of projects in the current year that will be completed in future years. Fund balances in the Tourism Development Authority Fund, which increased due to increases in visitors to our beaches, are for tourism promotion and tourism related expenditures, which funds a portion of the recreation expansion projects. Decrease in fund balance in the Transfer Tax Capital Fund is due to retirement of debt in the Mainland Sewer fund that was funded through increases in transfer taxes. The increase in fund balance for the other governmental funds is the result of funding for capital projects that will be completed in future years.

At June 30, 2019, the governmental funds of Currituck County reported a combined fund balance of \$85,807,533, a 16.18% increase over last year. This increase is primarily due to increases in revenues from property taxes and other taxes.

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

Figure 5
General Fund Budget to Actual Summary

	Revised Budget	Actual	Variance
Revenues:			
Ad valorem taxes	\$ 29,793,360	\$ 31,045,361	\$ 1,252,001
Other taxes and licenses	6,415,750	7,512,094	1,096,344
Restricted intergovernmental	159,200	165,706	6,506
Unrestricted intergovernmental	2,546,329	2,511,227	(35,102)
Permits and fees	2,653,316	3,208,383	555,067
Sales and services	874,745	828,872	(45,873)
Investment earnings	163,447	362,225	198,778
Miscellaneous	646,640	742,738	96,098
Total revenues	43,252,787	46,376,606	3,123,819
Expenditures:			
General government	7,253,594	6,511,257	742,337
Public safety	21,134,166	19,862,435	1,271,731
Transportation	650,225	434,911	215,314
Environmental protection	215,008	183,957	31,051
Economic and physical development	1,705,579	1,474,568	231,011
Human services	4,687,481	4,046,505	640,976
Cultural and recreational	2,152,335	1,957,267	195,068
Education	12,295,108	12,085,949	209,159
Debt service	1,655,772	1,631,937	23,835
Total expenditures	51,749,268	48,188,786	3,560,482
Revenues over (under) expenditures	(8,496,481)	(1,812,180)	6,684,301
Other financing sources (uses):			
Transfers to other funds	(3,604,483)	(3,604,483)	-
Transfers from other funds	7,846,434	7,682,652	(163,782)
Total other financing sources (uses)	4,241,951	4,078,169	(163,782)
Revenues and other financing sources over expenditures and other financing uses	(4,254,530)	2,265,989	6,520,519
Appropriated fund balance	4,254,530	-	(4,254,530)
Revenues, appropriated fund balance, and other financing sources over expenditures and other financing uses	\$ -	\$ 2,265,989	\$ 2,265,989

Total amendments to the General Fund increased budgeted revenues by \$1,261,954. General fund revenues recognized increases over the prior year, with a total revenue increase of \$1,964,359. The overall actual General fund revenues were \$3,123,819 greater than budget, primarily due to increased property tax collections and other tax revenues. The final budget for expenditures was \$51,749,268, which was a \$1,562,199 increase over the original budget. The increase from the original budget is primarily due

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

Proprietary Funds. Currituck County's proprietary funds provide the same type of information found in the government-wide statements but in more detail. Unrestricted net position of the Solid Waste Fund at the end of the fiscal year amounted to \$2,438,736, and those for the Water and Sewer Districts totaled \$13,614,078. The total change in net position for the proprietary funds is shown in Figure 6.

Figure 6
Changes in Net Position for Proprietary Funds

	June 30 2019	June 30 2018	Change in Net Position
Solid Waste	\$ 2,835,496	\$ 2,994,649	\$ (159,153)
Ocean Sands Water and Sewer	7,869,463	8,105,007	(235,544)
Mainland Water	10,016,318	8,408,466	1,607,852
Southern Outer Banks Water	19,764,986	18,938,776	826,210
Mainland Central Sewer	9,787,588	3,367,309	6,420,279
Non-Major Proprietary Funds			
Newtown Road Sewer	-	161,345	(161,345)
Maple Commerce Park Sewer	-	1,542,644	(1,542,644)
Moyock Commons Sewer	-	287,413	(287,413)
Walnut Island Sewer	-	2,960,335	(2,960,335)
Ocean Sands Water & Sewer System			
Developmental Fees	7,383	-	7,383
Mainland Water System			
Developmental Fees	308,242	-	308,242
Southern Outer Banks Water System			
Developmental Fees	68,682	-	68,682
Mainland Central Sewer System			
Developmental Fees	11,250	-	11,250
Total	<u>\$ 50,669,408</u>	<u>\$ 46,765,944</u>	<u>\$ 3,903,464</u>

Capital Asset and Debt Administration

Capital assets. Currituck County's capital assets for its governmental and business – type activities as of June 30, 2019, totals \$150,430,123, net of depreciation. These assets include buildings, land, machinery and equipment, park facilities, water and sewer distribution systems and vehicles.

Major capital asset transactions during the year include:

- Design of the Public Safety Facility
- Connecting Corolla – Phase V
- Ocean Sands Sewer replacement and expansion

Figure 7

CURRITUCK COUNTY'S CAPITAL ASSETS
(net of depreciation)

	Governmental Activities	Business-type Activities	Total	Total
	2019	2019	2019	2018
Land	\$ 20,710,078	\$ 1,970,953	\$ 22,681,031	\$ 22,677,669
Buildings and system	43,068,119	41,317,983	84,386,102	89,689,854
Computer Equipment	364,228	735,816	1,100,044	1,044,507
Furniture & Fixtures	25,742,380	-	25,742,380	20,497,152
Equipment	1,022,235	11,331,582	12,353,817	15,505,213
Vehicles and motorized equipment	2,884,215	170,260	3,054,475	3,181,459
Construction in progress	1,112,274	-	1,112,274	2,747,516
Total	\$ 94,903,529	\$ 55,526,594	\$ 150,430,123	\$ 155,343,370

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

Long-term Debt. As of June 30, 2019, Currituck County had total bonded debt outstanding of \$12,035,000, which is backed by certain revenues of the Mainland Water System. The County also had installment purchase agreements for stormwater improvements in the Whalehead Subdivision Watershed Service District, Southern Outer Banks Water System and Ocean Sands Water and Sewer District, with outstanding balances of \$1,635,825, \$2,125,000, and \$6,750,000, respectively. These debt instruments are backed by their respective assets.

Figure 8

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

	Governmental Activities		Business-type Activities		Total	
	2019	2018	2019	2018	2019	2018
Installment Purchase	\$ 1,635,825	\$ 3,216,136	\$ 8,875,000	\$ 11,845,000	\$ 10,510,825	\$ 15,061,136
Revenue bonds	-	-	12,085,000	13,125,000	12,085,000	13,125,000
General obligation bonds	-	-	-	-	-	-
Compensated absences	1,283,814	1,298,100	86,087	90,015	1,369,901	1,388,115
Net pension liability (LCERS)	6,448,511	4,424,464	400,678	277,409	6,849,189	4,701,873
Total pension liability (LEOSA)	2,290,154	2,247,435	-	-	2,290,154	2,247,435
Total OPEB liability	23,909,639	23,383,491	2,000,243	1,776,280	25,909,882	25,159,771
Total debt	\$ 35,567,943	\$ 34,569,626	\$ 23,397,008	\$ 27,113,704	\$ 58,964,951	\$ 61,683,330

Currituck County's total debt decreased by \$2,718,379 (4.40%) during the past fiscal year. This decrease is due to early retirement of debt for the Mainland Central Sewer District. This debt is also offset by making scheduled payments on existing debt.

As mentioned in the financial highlights section of this document, Currituck County retired all debt that was rated by rating agencies in prior fiscal year. Currently the County has no rated debt.

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 \$501,800,758, see Schedule 10, page 188. The County has no bonds authorized but unissued at June 30, 2019.

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

Economic Factors and Next Year's Budgets and Rates

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

- As of June 30, 2019, Currituck County had one of the lowest unemployment rates in the State with a rate of 3.7%, compared to the State average of 5.1%.

Budget Highlights for the Fiscal Year Ending June 30, 2020

Governmental Activities: Currituck County's octennial revaluation became effective for the 2014 fiscal year. Governmental fund revenues in the general funds are budgeted conservatively with a 4.34% decrease from the actual revenues received for the year ended June 30, 2019 due to collections of motor vehicle taxes for overlapping years and increases in permits and fees realized after the budget was adopted.

Budgeted expenditures in the General Fund are anticipated to be \$51,264,951 before transfers to other funds, approximately 0.94% decrease over the prior year budget. The County anticipates growth due to increases in construction and expenses are anticipated to be steady in proportion to this growth.

The County is in the process of construction of a Public Safety and Training facility in the upcoming fiscal year. This project will be funded through revenues accumulated in prior years, debt of \$21,400,000 that was approved in October 2019 and funding from various capital grants.

Business – type Activities: For the upcoming fiscal year, the County will continue to evaluate the operations of all business-type activities. Expansion of the Ocean Sands Sewer system replacement was completed in the current fiscal year and this project still has the removal of the old system that will be completed in the fiscal year ending June 30, 2020. The County is also in the process of considering options for sewer expansion in the northern Currituck mainland.

Requests for Information

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

County of Currituck, North Carolina
Statement of Net Position
June 30, 2019

	Primary Government			Component Unit
	Governmental Activities	Business-type Activities	Total	Currituck County ABC Board
ASSETS				
Cash and cash equivalents	\$ 2,000,000	\$ 12,325,620	\$ 14,325,620	\$ 1,351,210
Restricted Cash	1,858,182	1,539,724	3,397,906	-
Investments	79,969,980	3,700,498	83,670,478	-
Receivables (net)	449,051	769	449,820	-
Other receivables (net)	270,237	1,683,101	1,953,338	-
Due from other governments	3,931,227	-	3,931,227	-
Due from component unit	327,509	-	327,509	-
Internal balances	51,360	(51,360)	-	-
Inventories	74,186	-	74,186	662,931
Prepaid items	-	-	-	37,086
Net pension asset	66,643	-	66,643	-
Capital assets:				
Land, improvements, non-depreciable collections and construction in progress	21,822,352	1,970,953	23,793,305	425,900
Other capital assets, net of depreciation	73,081,177	53,555,641	126,636,818	1,358,216
Total capital assets	94,903,529	55,526,594	150,430,123	1,784,116
Total assets	183,901,904	74,724,946	258,626,850	3,835,343
DEFERRED OUTFLOWS OF RESOURCES	5,950,435	336,906	6,287,341	73,015
LIABILITIES				
Accounts payable and accrued expenses	2,607,201	627,367	3,234,568	371,106
Customer deposits	-	94,662	94,662	-
Due to primary government	-	-	-	327,509
Long-term liabilities:				
Net pension liability - LGERS	6,448,511	400,678	6,849,189	93,470
Total pension liability - LEOSSA	2,290,154	-	2,290,154	-
Due in more than one year	26,333,453	20,511,330	46,844,783	244,458
Due within one year	495,825	2,485,000	2,980,825	4,544
Total long-term liabilities	35,567,943	23,397,008	58,964,951	342,472
Total liabilities	38,175,144	24,119,037	62,294,181	1,041,087
DEFERRED INFLOWS OF RESOURCES	3,490,403	273,407	3,763,810	5,906
NET POSITION				
Net investment in capital assets	93,267,704	34,616,594	127,884,298	1,784,116
Restricted for:				
Stabilization by State Statute	4,583,841	-	4,583,841	-
Public Safety	1,020,278	-	1,020,278	-
Education	4,164,001	-	4,164,001	-
Tourism	16,304,038	-	16,304,038	-
Working capital	-	-	-	175,341
Capital assets	13,518,352	-	13,518,352	-
Unrestricted (deficit)	15,328,578	16,052,814	31,381,392	901,908
Total net position	\$ 148,186,792	\$ 50,669,408	\$ 198,856,200	\$ 2,861,365

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

County of Currituck County, North Carolina
Statement of Activities
For the Year Ended June 30, 2019

Program Revenues

Functions/Programs	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Primary government:				
Governmental Activities:				
General government	\$ 8,837,696	\$ 1,394,939	\$ 70,572	\$ -
Public safety	24,646,123	2,068,414	859,670	-
Transportation	1,908,078	408,216	3,781	45,855
Economic and physical development	6,614,928	272,050	182,589	498,873
Environmental protection	1,102,947	-	89,439	-
Human services	4,270,307	119	1,938,563	-
Cultural and recreation	5,516,269	112,120	-	-
Education	12,193,477	-	-	488,745
Interest on long-term debt	51,626	-	-	-
Total governmental activities	65,141,451	4,255,858	3,144,614	1,033,473
Business-type activities:				
Solid Waste	4,970,865	3,410,411	49,650	-
Water and Sewer	9,693,392	10,592,500	-	-
Total business-type activities	14,664,257	14,002,911	49,650	-
	\$ 79,805,708	\$ 18,258,769	\$ 3,194,264	\$ 1,033,473
Component units:				
ABC Board	\$ 4,653,594	\$ 4,651,824	\$ -	\$ -
Total component units	\$ 4,653,594	\$ 4,651,824	\$ -	\$ -

General revenues:

Taxes:

Property taxes, levied for general purpose
Property taxes, levied for sewer district
Property taxes, levied for public safety
Property taxes, levied for watershed improvement
Local option sales taxes
Land transfer taxes
Occupancy taxes
Deed stamp excise tax
Franchise taxes
Other taxes

Investment earnings, unrestricted

Miscellaneous, unrestricted

Gain (loss) on sales of assets

Total general revenues, excluding transfers and special items

Transfers

Total general revenues and transfers

Change in net position

Net position, beginning

Net position-ending

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

Exhibit 2

Net (Expense) Revenue and Changes in Net Position			
Primary Government			Component Unit
Governmental Activities	Business-type Activities	Total	Currituck County ABC Board
\$ (7,372,185)	\$ -	\$ (7,372,185)	\$ -
(21,718,039)	-	(21,718,039)	-
(1,450,226)	-	(1,450,226)	-
(5,661,416)	-	(5,661,416)	-
(1,013,508)	-	(1,013,508)	-
(2,331,625)	-	(2,331,625)	-
(5,404,149)	-	(5,404,149)	-
(11,704,732)	-	(11,704,732)	-
(51,626)	-	(51,626)	-
(56,707,506)	-	(56,707,506)	-
-	(1,510,804)	(1,510,804)	-
-	899,108	899,108	-
-	(611,696)	(611,696)	-
(56,707,506)	(611,696)	(57,319,202)	-
			(1,770)
			(1,770)
31,016,348	-	31,016,348	-
-	615,922	615,922	-
1,432,598	-	1,432,598	-
1,362,917	-	1,362,917	-
11,127,886	-	11,127,886	-
4,492,630	-	4,492,630	-
12,479,113	-	12,479,113	-
922,383	-	922,383	-
319,659	-	319,659	-
421,819	-	421,819	-
1,760,571	330,282	2,090,853	1,770
784,783	231,758	1,016,541	-
(961,139)	-	(961,139)	-
65,159,568	1,177,962	66,337,530	1,770
(3,337,198)	3,337,198	-	-
61,822,370	4,515,160	66,337,530	1,770
5,114,864	3,903,464	9,018,328	-
143,071,928	46,765,944	189,837,872	2,861,365
\$ 148,186,792	\$ 50,669,408	\$ 198,856,200	\$ 2,861,365

County of Currituck, North Carolina
Balance Sheet
Governmental Funds
June 30, 2019
Major

	Major					Nonmajor	
	General	County Governmental Facilities Fund	School Facilities Fund	Tourism Development Authority Fund	Transfer Tax Capital Fund	Other Governmental Funds	Total Governmental Funds
ASSETS							
Cash and cash equivalents	\$ 2,000,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,000,000
Restricted Cash	1,308,171	-	550,011	-	-	-	1,858,182
Investments	19,593,388	15,978,334	6,869,007	16,473,551	11,460,153	9,595,547	79,969,980
Taxes receivable, net	436,743	-	-	-	-	12,308	449,051
Other receivables, net	221,336	-	-	48,901	-	-	270,237
Due from other governments	2,315,148	17,834	1,957	12,360	-	1,583,928	3,931,227
Due from component unit	327,509	-	-	-	-	-	327,509
Due from other funds	51,360	-	-	-	-	-	51,360
Inventories	1,834	-	-	72,352	-	-	74,186
Total assets	<u>\$ 26,255,489</u>	<u>\$ 15,996,168</u>	<u>\$ 7,420,975</u>	<u>\$ 16,607,164</u>	<u>\$ 11,460,153</u>	<u>\$ 11,191,783</u>	<u>\$ 88,931,732</u>
LIABILITIES AND FUND BALANCES							
Liabilities:							
Accounts payable and accrued liabilities	\$ 2,170,420	\$ 145,125	\$ -	\$ 124,200	\$ -	\$ 167,456	\$ 2,607,201
Total liabilities	<u>2,170,420</u>	<u>145,125</u>	<u>-</u>	<u>124,200</u>	<u>-</u>	<u>167,456</u>	<u>2,607,201</u>
DEFERRED INFLOWS OF RESOURCES							
Property taxes receivable	436,743	-	-	-	-	12,308	449,051
Prepaid taxes	67,947	-	-	-	-	-	67,947
Total deferred inflows (outflows) of resources	<u>504,690</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>12,308</u>	<u>516,998</u>
Fund balances:							
Nonspendable:							
Inventories	1,834	-	-	72,352	-	-	74,186
Restricted:							
Stabilization by State Statute	2,915,353	17,834	1,957	61,261	-	1,587,436	4,583,841
Emergency Telephone System	-	-	-	-	-	266,565	266,565
Fire Protection	-	-	-	-	-	753,713	753,713
County Governmental Assets	3,643,345	-	-	-	5,520,356	2,624,739	11,788,440
School Capital Assets	-	-	550,011	-	-	3,613,990	4,164,001
Tourism	-	-	-	16,304,038	-	-	16,304,038
Watershed Improvements	-	-	-	-	-	1,464,080	1,464,080
Whalehead Beach Solid Waste	-	-	-	-	-	265,832	265,832
Committed:							
Carova Beach Service District	-	-	-	45,313	-	-	45,313
Fire Protection	171,020	-	-	-	-	-	171,020
Fire Equipment Replacement	-	-	-	-	-	400,353	400,353
County Governmental Assets	-	15,833,209	-	-	-	-	15,833,209
School Capital Assets	-	-	6,869,007	-	-	-	6,869,007
Tax Revaluation	872,326	-	-	-	-	-	872,326
Assigned:							
Subsequent year's expenditures	3,776,870	-	-	-	5,939,797	35,311	9,751,978
Unassigned:	12,199,631	-	-	-	-	-	12,199,631
Total fund balances	<u>23,580,379</u>	<u>15,851,043</u>	<u>7,420,975</u>	<u>16,482,964</u>	<u>11,460,153</u>	<u>11,012,019</u>	<u>85,807,533</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 26,255,489</u>	<u>\$ 15,996,168</u>	<u>\$ 7,420,975</u>	<u>\$ 16,607,164</u>	<u>\$ 11,460,153</u>	<u>\$ 11,191,783</u>	

continued

**County of Currituck, North Carolina
Reconciliation of the Governmental Funds Balance Sheet
to the Statement of Net Position
June 30, 2019**

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

Total Fund Balance, Governmental Funds	\$ 85,807,533
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.	94,903,529
Net pension asset - Register of Deeds	66,643
Contributions to pension plans in the current fiscal year are deferred outflows of resources on the Statement of Net Position	1,483,750
Benefit payment and pension administration costs for LEOSSA are deferred outflows of resources on the Statement of Net Position	89,140
Contributions and pension administration costs for OPEB are deferred outflows of resources on the Statement of Net Position	387,799
Net pension liability - LGERS	(6,448,511)
Total pension liability - LEOSSA	(2,290,154)
Total OPEB liability	(23,909,639)
Deferred inflows of resources for taxes and special assessments receivable	449,051
Pension related deferrals	3,544,590
OPEB related deferrals	(2,977,300)
Some liabilities, including bonds payable and other postemployment benefits, are not due and payable in the current period and therefore are not reported in the funds.	<u>(2,919,639)</u>
Net position of governmental activities	<u><u>\$ 148,186,792</u></u>

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

County of Currituck, North Carolina
Statement of Revenues, Expenditures, and Changes in Fund Balance
Governmental Funds
For the Year Ended June 30, 2019

	Major					Nonmajor	
	General Fund	County Governmental Facilities Fund	School Facilities Fund	Tourism Development Authority Fund	Transfer Tax Capital Fund	Other Governmental Funds	Total Governmental Funds
REVENUES							
Ad valorem taxes	\$ 31,045,361	\$ -	\$ -	\$ -	\$ -	\$ 2,795,515	\$ 33,840,876
Other taxes and licenses	7,512,094	-	-	12,479,113	4,492,630	5,113,947	29,597,784
Unrestricted intergovernmental	165,706	-	-	-	-	-	165,706
Restricted intergovernmental	2,511,227	45,855	488,745	498,873	-	636,987	4,181,687
Permits and fees	3,208,383	-	-	10,532	-	-	3,218,915
Sales and services	828,872	-	-	261,518	-	-	1,090,390
Investment earnings	452,233	278,322	138,771	407,901	275,879	207,465	1,760,571
Miscellaneous	742,738	-	-	3,254	-	-	745,992
Total revenues	46,466,614	324,177	627,516	13,661,191	4,768,509	8,753,914	74,601,921
EXPENDITURES							
Current:							
General government	6,511,257	15,601	-	-	-	104,640	6,631,498
Public safety	19,862,435	924,997	-	-	-	3,112,205	23,899,637
Transportation	434,911	68,800	-	-	-	-	503,711
Environmental protection	183,957	-	-	-	-	353,843	537,800
Economic and physical development	1,474,568	-	-	5,564,990	-	25,740	7,065,298
Human services	4,046,505	-	-	-	-	-	4,046,505
Cultural and recreational	1,957,267	848,570	-	-	-	-	2,805,837
Intergovernmental:							
Education	12,085,949	-	107,528	-	-	-	12,193,477
Debt service:							
Principal	1,580,018	-	-	-	-	-	1,580,018
Interest	51,919	-	-	-	-	-	51,919
Total expenditures	48,188,786	1,857,968	107,528	5,564,990	-	3,596,428	59,315,700
Excess (deficiency) of revenues over expenditures	(1,722,172)	(1,533,791)	519,988	8,096,201	4,768,509	5,157,486	15,286,221
OTHER FINANCING SOURCES (USES)							
Transfers from other funds	7,882,652	5,657,130	574,770	77,915	-	1,916,870	16,109,337
Transfers to other funds	(3,483,483)	-	-	(6,041,194)	(5,165,150)	(4,756,708)	(19,446,535)
Total other financing sources and (uses)	4,399,169	5,657,130	574,770	(5,963,279)	(5,165,150)	(2,839,838)	(3,337,198)
Net change in fund balance	2,676,997	4,123,339	1,094,758	2,132,922	(396,641)	2,317,648	11,949,023
Fund balances-beginning	20,903,382	11,727,704	6,326,217	14,350,042	11,856,794	8,694,371	73,858,510
Fund balances-ending	\$ 23,580,379	\$ 15,851,043	\$ 7,420,975	\$ 16,482,964	\$ 11,460,153	\$ 11,012,019	\$ 85,807,533

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

Exhibit 5

County of Currituck, North Carolina
Reconciliation of the Statement of Revenues, Expenditures, and Changes
in Fund Balances of Governmental Funds to the Statement of Activities
For the Year Ended June 30, 2019

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

Net changes in fund balances - total governmental funds	\$ 11,949,023
 Governmental funds report capital outlays as expenditures. However, in the Statement of Activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which depreciation exceeded capital outlay in the current period	 (5,927,608)
 Cost of capital asset disposed of during the year, not recognized on modified accrual basis	 (961,139)
 Benefit payments and pension administration costs for LEOSA are deferred outflows of resources on the Statement of Net Position	 89,140
 Contributions to the pension plan in the current fiscal year are not included on the Statement of Activities	 1,483,750
 Contributions and pension administration costs for OPEB are deferred outflows of resources on the Statement of Net Position	 387,799
 Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds	 (29,013)
 The issuance of long-term debt (e.g., bonds, leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. This amount is the net effect of these differences in the treatment of long-term debt and related items.	 1,580,311
 Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.	 <u>(3,457,399)</u>
 Total changes in net position of governmental activities	 <u><u>\$5,114,864</u></u>

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

County of Currituck, North Carolina
General Fund and Annually Budgeted Major Special Revenue Fund
Statement of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
For the Fiscal Year Ended June 30, 2019
(With Comparative Total Actual Amounts for the Fiscal Year Ended June 30, 2018)

	General Fund				
	2019			Variance With Final Positive (Negative)	2018
	Original Budget	Final Budget	Actual		Actual
Revenues:					
Ad valorem taxes	\$ 29,663,889	\$ 29,793,360	\$ 31,045,361	\$ 1,252,001	\$ 30,234,695
Other taxes and licenses	6,230,250	6,415,750	7,512,094	1,096,344	7,105,150
Unrestricted intergovernmental	159,200	159,200	165,706	6,506	158,588
Restricted intergovernmental	2,491,589	2,546,329	2,511,227	(35,102)	2,508,047
Permits and fees	2,194,573	2,653,316	3,208,383	555,067	2,748,233
Sales and services	731,582	874,745	828,872	(45,873)	777,301
Investment earnings	100,750	163,447	362,225	198,778	131,458
Miscellaneous	419,000	646,640	742,738	96,098	748,775
Total revenues	<u>41,990,833</u>	<u>43,252,787</u>	<u>46,376,606</u>	<u>3,123,819</u>	<u>44,412,247</u>
Expenditures					
Current:					
General government	6,846,214	7,253,594	6,511,257	742,337	6,751,680
Public safety	20,468,683	21,134,166	19,862,435	1,271,731	20,750,238
Transportation	486,382	650,225	434,911	215,314	350,480
Environmental protection	215,008	215,008	183,957	31,051	193,312
Economic and physical development	1,637,816	1,705,579	1,474,568	231,011	1,497,260
Human services	4,630,269	4,687,481	4,046,505	640,976	3,995,831
Cultural and recreational	2,151,817	2,152,335	1,957,267	195,068	1,982,184
Intergovernmental:					
Education	12,095,108	12,295,108	12,085,949	209,159	11,136,242
Debt service	1,655,772	1,655,772	1,631,937	23,835	1,655,769
Total expenditures	<u>50,187,069</u>	<u>51,749,268</u>	<u>48,188,786</u>	<u>3,560,482</u>	<u>48,312,996</u>
Revenues over (under) expenditures	<u>(8,196,236)</u>	<u>(8,496,481)</u>	<u>(1,812,180)</u>	<u>6,684,301</u>	<u>(3,900,749)</u>
Other financing sources (uses):					
Transfers to other funds	(3,227,068)	(3,604,483)	(3,604,483)	-	(1,728,270)
Transfers from other funds	7,646,434	7,846,434	7,682,652	(163,782)	7,988,155
Total other financing sources (uses)	<u>4,419,366</u>	<u>4,241,951</u>	<u>4,078,169</u>	<u>(163,782)</u>	<u>6,259,885</u>
Revenues and other financing sources over expenditures and other financing uses	<u>(3,776,870)</u>	<u>(4,254,530)</u>	<u>2,265,989</u>	<u>6,520,519</u>	<u>2,359,136</u>
Appropriated fund balance	<u>3,776,870</u>	<u>4,254,530</u>	<u>-</u>	<u>(4,254,530)</u>	<u>-</u>
Revenues, appropriated fund balance, and other financing sources over expenditures and other financing uses	<u>\$ -</u>	<u>\$ -</u>	<u>2,265,989</u>	<u>\$ 2,265,989</u>	<u>2,359,136</u>
Fund balances:					
Beginning of year, July 1			<u>16,798,719</u>		<u>14,439,583</u>
End of year, June 30			<u>\$ 19,064,708</u>		<u>\$ 16,798,719</u>

Tourism Development Authority

2019				2018
Original Budget	Final Budget	Actual	Variance With Final Positive (Negative)	Actual
\$ -	\$ -	\$ -	\$ -	\$ -
10,500,000	10,900,110	12,479,113	1,579,003	11,916,113
-	-	-	-	-
-	-	498,873	498,873	1,000
8,800	8,800	10,532	1,732	10,892
177,000	177,000	246,298	69,298	272,511
78,332	91,656	407,056	315,400	137,506
6,500	6,500	3,254	(3,246)	99,320
<u>10,770,632</u>	<u>11,184,066</u>	<u>13,645,126</u>	<u>2,461,060</u>	<u>12,437,342</u>
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
5,811,619	6,359,949	5,524,990	834,959	5,570,874
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
<u>5,811,619</u>	<u>6,359,949</u>	<u>5,524,990</u>	<u>834,959</u>	<u>5,570,874</u>
<u>4,959,013</u>	<u>4,824,117</u>	<u>8,120,136</u>	<u>3,296,019</u>	<u>6,866,468</u>
(4,959,013)	(6,224,677)	(6,061,194)	163,483	(4,589,220)
-	77,915	77,915	-	-
<u>(4,959,013)</u>	<u>(6,146,762)</u>	<u>(5,983,279)</u>	<u>163,483</u>	<u>(4,589,220)</u>
-	(1,322,645)	2,136,857	3,459,502	2,277,248
-	<u>1,322,645</u>	-	<u>(1,322,645)</u>	-
<u>\$ -</u>	<u>\$ -</u>	2,136,857	<u>\$ 2,136,857</u>	2,277,248
		<u>14,300,794</u>		<u>12,023,546</u>
		<u>\$ 16,437,651</u>		<u>\$ 14,300,794</u>

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

	General Fund			
	2019			2018
	Original Budget	Final Budget	Actual	Variance With Final Positive (Negative) Actual
General Fund ending fund balance, June 30			\$ 19,064,708	\$ 16,798,719
Revaluation Fund				
Investment earnings			16,553	5,423
Transfer-in from General Fund			121,000	121,000
Beginning Fund Balance, Revaluation			734,773	608,350
Land Banking Fund				
Investment earnings			73,455	27,387
Transfer-in from Transfer Tax Capital Fund			200,000	200,000
Expenditures			-	-
Beginning Fund Balance, Land Banking Fund			3,369,890	3,142,503
Carova Beach Service District Fund				
Revenues			-	-
Transfer-in from Tourism Development Authority Fund			-	-
Expenditures			-	-
Beginning Fund Balance, Carova Beach Service District Fund			-	-
Ending Fund Balance, June 30 (Exhibit 4)			<u>\$ 23,580,379</u>	<u>\$ 20,903,382</u>

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

Tourism Development Authority				
2019			2018	
Original Budget	Final Budget	Actual	Variance With Final Positive (Negative)	Actual
		\$ 16,437,651		\$ 14,300,794
		-		-
		-		-
		-		-
		-		-
		-		-
		-		-
		16,065		15,606
		20,000		20,000
		(40,000)		(34,750)
		49,248		48,392
		<u>\$ 16,482,964</u>		<u>\$ 14,350,042</u>

County of Currituck, North Carolina
Statement of Net Position
Proprietary Funds
June 30, 2019
(With Comparative Total Amounts as of June 30, 2018)

	Enterprise Funds						Totals	
	Solid Waste Fund	Ocean Sands Water and Sewer District Fund	Mainland Water Fund	Southern Outer Banks Water System Fund	Mainland Central Sewer Fund	Non-Major Proprietary Funds	June 30, 2019	June 30, 2018
ASSETS								
Current assets:								
Cash and cash equivalents	\$ 2,763,559	\$ 167,641	\$ 3,981,193	\$ 3,986,465	\$ 1,426,762	\$ -	\$ 12,325,620	\$ 13,507,054
Restricted cash	-	1,087,884	79,830	14,332	500	357,178	1,539,724	5,528,805
Investments	-	500,000	3,200,498	-	-	-	3,700,498	500,000
Taxes receivable, net	15	754	-	-	-	-	769	594
Receivables, net	95,022	279,716	651,979	405,133	212,872	38,379	1,683,101	1,533,540
Total current assets	2,858,596	2,035,995	7,913,500	4,405,930	1,640,134	395,557	19,249,712	21,069,993
Noncurrent assets:								
Restricted cash, cash equivalents, and investments								
Capital assets:								
Land, improvements, and construction in progress	62,962	963,012	5,150	42,600	897,229	-	1,970,953	4,503,960
Other capital assets, net of depreciation	333,798	11,865,522	15,341,022	18,432,826	7,582,473	-	53,555,641	48,993,975
Total capital assets	396,760	12,828,534	15,346,172	18,475,426	8,479,702	-	55,526,594	53,497,935
Total noncurrent assets	396,760	12,828,534	15,346,172	18,475,426	8,479,702	-	55,526,594	53,497,935
Total assets	3,255,356	14,864,529	23,259,672	22,881,356	10,119,836	395,557	74,776,306	74,567,928
DEFERRED OUTFLOWS OF RESOURCES								
	-	27,083	154,631	118,876	36,316	-	336,906	216,654
LIABILITIES								
Current liabilities:								
Accounts payable	419,860	36,336	35,126	67,888	41,002	-	600,212	541,320
Due to other funds	-	-	-	-	51,360	-	51,360	51,360
Customer deposits	-	-	79,830	14,332	500	-	94,662	103,145
Accrued salaries	-	2,513	11,917	10,006	2,719	-	27,155	25,198
Revenue bonds payable	-	-	1,135,000	-	-	-	1,135,000	1,090,000
Notes payable	-	500,000	-	850,000	-	-	1,350,000	1,530,000
Total current liabilities	419,860	538,849	1,261,873	942,226	95,581	-	3,258,389	3,341,023
Noncurrent liabilities:								
Liabilities payable from restricted assets:								
Accrued vacation	-	6,084	44,213	25,438	10,352	-	86,087	90,015
Revenue bonds payable	-	-	10,900,000	-	-	-	10,900,000	12,035,000
Notes payable	-	6,250,000	-	1,275,000	-	-	7,525,000	10,315,000
Net pension liability	-	32,876	178,764	144,518	44,520	-	400,678	277,409
Other postemployment benefits	-	171,005	891,300	746,205	191,733	-	2,000,243	1,776,280
Total noncurrent liabilities	-	6,459,965	12,014,277	2,191,161	246,605	-	20,912,008	24,493,704
Total liabilities	419,860	6,998,814	13,276,150	3,133,387	342,186	-	24,170,397	27,834,727
DEFERRED INFLOWS OF RESOURCES								
	-	23,335	121,835	101,859	26,378	-	273,407	183,911
NET POSITION								
Net investment in capital assets	396,760	6,078,534	3,311,172	16,350,426	8,479,702	-	34,616,594	28,527,935
Unrestricted	2,438,736	1,790,929	6,705,146	3,414,560	1,307,886	395,557	16,052,814	18,238,009
Total net position	\$ 2,835,496	\$ 7,869,463	\$ 10,016,318	\$ 19,764,986	\$ 9,787,588	\$ 395,557	\$ 50,669,408	\$ 46,765,944

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

County of Currituck, North Carolina
Statement of Revenues, Expenses, and Changes in Fund Net Position
Proprietary Funds
For the Year Ended June 30, 2019
(With Comparative Total Amounts for the Fiscal Year Ended June 30, 2018)

	Enterprise Funds						Totals	
	Solid Waste Fund	Ocean Sands Water and Sewer Fund	Mainland Water Fund	Southern Banks Water System Fund	Outer Water Central Sewer Fund	Non-Major Proprietary Funds	June 30, 2019	June 30, 2018
OPERATING REVENUES								
Charges for services	\$ 3,410,411	\$ 1,288,516	\$ 3,305,570	\$ 3,178,418	\$ 363,358	\$ 393,933	\$ 11,940,206	\$ 11,290,986
Water and sewer taps	-	-	1,303,036	130,750	622,389	-	2,056,175	2,027,480
Miscellaneous	-	6,530	-	-	-	-	6,530	5,275
Total operating revenues	3,410,411	1,295,046	4,608,606	3,309,168	985,747	393,933	14,002,911	13,323,741
OPERATING EXPENSES								
Administration	67,796	146,923	381,751	522,935	255,371	-	1,374,776	1,286,641
Water operations	-	563,268	1,185,798	1,053,758	-	-	2,802,824	3,096,455
Sewer operations	-	613,901	-	-	637,302	-	1,251,203	890,813
Landfill operations	4,854,013	-	-	-	-	-	4,854,013	4,598,258
Depreciation	49,056	585,671	1,250,679	1,138,244	643,292	-	3,666,942	3,738,195
Total operating expenses	4,970,865	1,909,763	2,818,228	2,714,937	1,535,965	-	13,949,758	13,610,362
Operating income (loss)	(1,560,454)	(614,717)	1,790,378	594,231	(550,218)	393,933	53,153	(286,621)
NONOPERATING REVENUES (EXPENSES)								
Tax revenue	84,463	531,459	-	-	-	-	615,922	609,886
Sale of capital assets	-	-	21,962	-	(70,642)	-	(48,680)	(21,234)
Rent	-	-	-	228,159	3,600	-	231,759	173,197
Unrestricted intergovernmental revenues	49,650	-	-	-	-	-	49,650	111,589
Investment earnings	67,188	22,277	146,353	69,568	23,272	1,624	330,282	134,193
Interest expenses	-	(174,563)	(376,841)	(65,748)	(48,668)	-	(665,820)	(641,166)
Insurance recovery	-	-	-	-	-	-	-	8,021
Total nonoperating revenue (expenses)	201,301	379,173	(208,526)	231,979	(92,438)	1,624	513,113	374,486
Income (loss) before contributions and	(1,359,153)	(235,544)	1,581,852	826,210	(642,656)	395,557	566,265	87,864
Transfers from (to) other funds	1,200,000	-	26,000	-	7,062,935	(4,951,737)	3,337,198	1,818,270
Change in net position	(159,153)	(235,544)	1,607,852	826,210	6,420,279	(4,556,180)	3,903,463	1,906,134
Total net position, beginning	2,994,649	8,105,007	8,408,466	18,938,776	3,367,309	4,951,737	46,765,944	45,303,059
Cumulative effect of change in accounting principle	-	-	-	-	-	-	-	(443,249)
Total net position, restated	2,994,649	8,105,007	8,408,466	18,938,776	3,367,309	4,951,737	46,765,944	44,859,810
Total net position - ending	\$ 2,835,496	\$ 7,869,463	\$ 10,016,318	\$ 19,764,986	\$ 9,787,588	\$ 395,557	\$ 50,669,408	\$ 46,765,944

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

County of Currituck, North Carolina
Statement of Cash Flows
Proprietary Funds
For The Fiscal Year Ended June 30, 2019
(With Comparative Total Amounts for the Fiscal Year Ended June 30, 2018)

							Totals	
	Solid Waste Fund	Ocean Sands Water and Sewer Fund	Mainland Water Fund	Southern Outer Banks Water System Fund	Mainland Central Sewer Fund	Non-Major Proprietary Funds	June 30, 2019	June 30, 2018
Cash flows from operating activities:								
Cash received from customers	\$ 3,408,875	\$ 1,211,843	\$ 4,567,515	\$ 3,372,130	\$ 870,123	\$ 355,716	\$ 13,786,202	\$ 13,001,321
Cash paid for goods and services	(4,821,171)	(1,162,273)	(729,021)	(837,651)	(604,010)	(64)	(8,154,190)	(7,641,327)
Cash paid to employees for services	-	(135,206)	(764,733)	(614,750)	(180,094)	-	(1,694,783)	(1,569,672)
Customer deposits received	-	-	5,670	5,640	2,510	-	13,820	14,205
Customer deposits returned	-	-	(14,023)	(5,770)	(2,010)	(500)	(22,303)	(5,437)
Other operating revenue	-	6,530	-	-	-	-	6,530	5,275
Net cash provided (used) by operating activities	(1,412,296)	(79,106)	3,065,408	1,919,599	86,519	355,152	3,935,276	3,804,365
Cash flows from noncapital financing activities:								
Tax revenues	84,463	531,459	-	-	-	-	615,922	609,886
Rental Income	-	-	-	228,159	3,600	-	231,759	173,197
Transfer from (to) other funds	1,200,000	-	26,000	-	2,198,163	(86,965)	3,337,198	1,818,270
Net cash provided by noncapital financing	1,284,463	531,459	26,000	228,159	2,201,763	(86,965)	4,184,879	2,601,353
Cash flows from capital and related financing activities:								
Acquisition and construction of capital assets	(18,784)	(4,659,319)	(478,057)	(390,304)	(219,782)	-	(5,766,246)	(3,000,813)
Principal paid on bond maturities and installment purchase contracts	-	(500,000)	(1,090,000)	(850,000)	(1,620,000)	-	(4,060,000)	(2,325,000)
Interest paid on bond maturities and installment purchase contracts	-	(174,563)	(376,841)	(65,748)	(48,668)	-	(665,820)	(641,166)
Installment purchase obligation issued	-	-	-	-	-	-	-	7,500,000
Intergovernmental revenues	49,650	-	-	-	-	-	49,650	111,589
Sale of capital assets	-	-	21,962	-	-	-	21,962	-
Insurance recovery	-	-	-	-	-	-	-	8,021
Net cash provided (used) by capital and related financing activities	30,866	(5,333,882)	(1,922,936)	(1,306,052)	(1,888,450)	-	(10,420,454)	1,652,631
Cash flows from investing activities:								
Purchase of investments	-	(500,000)	(3,200,498)	-	-	-	(3,700,498)	-
Interest on investments	67,188	22,277	146,353	69,568	23,272	1,624	330,282	134,193
Net cash provided by investing activities	67,188	(477,723)	(3,054,145)	69,568	23,272	1,624	(3,370,216)	134,193
Net increase (decrease) in cash and cash equivalents	(29,779)	(5,359,252)	(1,885,673)	911,274	423,104	269,811	(5,670,515)	8,192,542
Cash and cash equivalents, July 1	2,793,338	6,614,777	5,946,696	3,089,523	1,004,158	87,367	19,535,859	11,343,317
Cash and cash equivalents, June 30	\$ 2,763,559	\$ 1,255,525	\$ 4,061,023	\$ 4,000,797	\$ 1,427,262	\$ 357,178	\$ 13,865,344	\$ 19,535,859
Reconciliation of operating income to net cash provided by operating activities:								
Operating income (loss)	\$ (1,560,454)	\$ (614,717)	\$ 1,790,378	\$ 594,231	\$ (550,218)	\$ 393,933	\$ 53,154	\$ (286,621)
Adjustments to reconcile operating income to net cash provided (used) by operating activities:								
Depreciation	49,056	585,671	1,250,679	1,138,244	643,292	-	3,666,942	3,738,195
Changes in assets and liabilities:								
(Increase) decrease in accounts receivable	(1,536)	(76,673)	(41,091)	62,962	(115,624)	(38,217)	(210,179)	(269,836)
(Increase) decrease in deferred outflows of resources for pensions	-	(9,112)	(47,461)	(41,335)	(22,344)	-	(120,252)	70,721
Increase (decrease) in accounts payable and accrued liabilities	100,638	3,100	2,973	24,621	(11,930)	(64)	119,338	(29,879)
(Increase) decrease in accrued salaries	-	34	507	1,244	172	-	1,957	(4,717)
(Increase) decrease in accrued vacation	-	1,520	(7,103)	(51)	1,706	-	(3,928)	12,449
(Increase) decrease in deferred outflows of resources for pensions	-	6,690	34,351	31,845	16,610	-	89,496	161,874
Increase (decrease) in net pension liability	-	9,367	47,112	41,077	25,713	-	123,269	(62,046)
Increase in OPEB payable	-	15,014	43,416	66,891	98,642	-	223,963	465,458
Increase (decrease) in customer deposits	-	-	(8,353)	(130)	500	(500)	(8,483)	8,768
Total adjustments	148,158	535,611	1,275,030	1,325,368	636,737	(38,781)	3,882,123	4,090,987
Net cash provided (used) by operating activities	\$ (1,412,296)	\$ (79,106)	\$ 3,065,408	\$ 1,919,599	\$ 86,519	\$ 355,152	\$ 3,935,276	\$ 3,804,365
Cash and cash equivalents	\$ 2,763,559	\$ 167,641	\$ 3,981,193	\$ 3,986,465	\$ 1,426,762	\$ -	\$ 12,325,620	\$ 13,507,054
Restricted cash	-	1,087,884	79,830	14,332	500	357,178	1,539,724	5,528,805
Investments	-	-	-	-	-	-	-	500,000
Total cash	\$ 2,763,559	\$ 1,255,525	\$ 4,061,023	\$ 4,000,797	\$ 1,427,262	\$ 357,178	\$ 13,865,344	\$ 19,535,859

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

County of Currituck, North Carolina
Statement of Fiduciary Net Position
Fiduciary Funds
June 30, 2019

	Pension Agency Fund	Agency Funds
Assets		
Cash and cash equivalents	\$ 1,855,644	\$ 47,405
Due from other governments	-	20,760
Total assets	<u>1,855,644</u>	<u>68,165</u>
Liabilities and Net Position		
Liabilities:		
Accounts payable	140,298	28,126
Due to other governments	-	40,039
Total liabilities	<u>140,298</u>	<u>68,165</u>
Net position restricted for postemployment benefits other than pensions:	<u>\$ 1,715,346</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 Position
Fiduciary Funds
For The Fiscal Year Ended June 30, 2019
(With Comparative Amounts for the Fiscal Year Ended June 30, 2018)

	Post-employment June 30 2019	Benefits Fund June 30 2018
Additions:		
Employer contributions		
Law enforcement separation allowance	\$ 190,610	\$ 160,892
Postemployment benefits	405,537	297,513
	<u>596,147</u>	<u>458,405</u>
Investment income:		
Interest	34,527	11,601
Total additions	<u>630,674</u>	<u>470,006</u>
Deductions:		
Benefits		
Law enforcement separation allowance	95,505	41,920
Postemployment benefits	334,892	216,876
Administrative expense	19,050	6,082
Total deductions	<u>449,447</u>	<u>264,878</u>
Change in net position	181,227	205,128
Net position restricted for postemployment benefits other than pensions:		
Beginning of year, July 1		
Law enforcement separation allowance	750,041	635,063
Postemployment benefits	784,078	693,928
Beginning of year, totals	<u>1,534,119</u>	<u>1,328,991</u>
End of year, June 30		
Law enforcement separation allowance	832,311	750,041
Postemployment benefits	883,035	784,078
Net position - end of year, totals	<u>\$ 1,715,346</u>	<u>\$ 1,534,119</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, 2019

I. Summary of Significant Accounting Policies

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

A. Reporting Entity

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

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

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

Component Unit	Reporting Method	Criteria for Inclusion	Separate Financial Statements
Currituck County Alcoholic Beverage Control Board	Discrete	The Currituck County Alcoholic Beverage Control Board (ABC Board) is a corporate body with powers outlined by North Carolina General Statute 18B-701. The County Board of Commissioners appoints the members of the ABC Board's governing board. The ABC Board is required by state statute to distribute its surpluses, after other required distributions, to the General Fund of the County. The ABC Board, which has a June 30 year-end, is presented as a proprietary fund.	Currituck County ABC Board 6664 Caratoke Highway Grandy, NC 27939

B. Basis of Presentation, Basis of Accounting

Basis of Presentation, Measurement Focus – Basis of Accounting

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

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

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

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

The County reports the following major governmental funds:

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

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

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

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

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

The County reports the following major enterprise funds:

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

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

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

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

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

The County reports the following fiduciary fund types:

Pension Agency Fund. Pension agency funds are used to report resources that are required to be held in accounts for the members and beneficiaries of defined benefit pension plans, defined contribution plans, or other postemployment benefit plans, but are not in a qualified trust account. The Other Postemployment Benefits Fund accounts for the County's contribution for healthcare coverage provided to qualified retirees.

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

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

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

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

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

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

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

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

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

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

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

program. It is the County's policy to first apply cost-reimbursement grant resources to such programs, followed by categorical block grants, and then general revenues.

C. Budgetary Data

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

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

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

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

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

1. Deposits and Investments

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

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

The majority of the County and the ABC Board’s investments are carried at fair value. Non-participating interest earning contracts are accounted for at cost. The North Carolina Capital Management Trust (NCCMT) is a SEC registered money market mutual fund allowable by G.S. 159-30(c)(8). The NCCMT Government Portfolio is a 2a-7 fund maintaining an AAAM rating from S&P. The NCCMT Term Portfolio is a bond fund, has no rating and has a duration of .11 years. Both the NCCMT Government and Term Portfolios are reported 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 considers demand deposits and investments purchased with an original maturity of three months or less, which are not limited as to use, to be cash and cash equivalents.

3. Restricted Assets

Customer deposits held by the County before any services are supplied are restricted to the service for which the deposit was collected. Money in the Tax Revaluation Fund is classified as restricted per North Carolina General Statute 153A-150. Money in the School Facilities Fund is classified as restricted because its use is restricted per North Carolina General Statute 159-18 through 22. Money in the Ocean Sands Water and Sewer District Fund are unspent debt proceeds. Money in the Mainland Water Fund, Mainland Central Sewer Fund and Southern Outer Banks Water Fund are customer deposits. Money in the Mainland Water System Development Fees Fund, Mainland Central Sewer System Development Fees Fund, Ocean Sands Water and Sewer System Development Fees Fund, and Southern Outer Banks Water System Development Fees Fund are restricted per North Carolina General Statute 162A-211(a)-(e).

Currituck County Restricted Cash		
Governmental Activities		
General Fund	Tax Revaluation	\$ 872,326
General Fund	Deposits Held in Trust	435,845
School Facilities Fund	Grant Funds	550,011
Total Governmental Activities		<u>\$ 1,858,182</u>
		continued

Currituck County Restricted Cash

Business-Type Activities			
Ocean Sands Water & Sewer District	Unspent debt proceeds	\$ 1,087,884	
Mainland Water Fund	Customer deposits	79,830	
Southern Outer Banks Water Fund	Customer deposits	14,332	
Mainland Central Sewer Fund	Customer deposits	500	
Ocean Sands Water & Sewer System			
Developmental Fees Fund	Capital improvements	7,383	
Mainland Water System Developmental			
Fees Fund	Capital improvements	269,863	
Southern Outer Banks Water System			
Developmental Fees Fund	Capital improvements	68,682	
Mainland Central Sewer System			
Developmental Fees Fund	Capital improvements	11,250	
Total Business-Type Activities		<u>\$ 1,539,724</u>	
Total Restricted Cash		<u><u>\$ 3,397,906</u></u>	

4. Ad Valorem Taxes Receivable

In accordance with State law [G.S. 105-347 and G.S. 159-13(a)], the County levies ad valorem taxes on property other than motor vehicles on July 1, the beginning of the fiscal year. The taxes are due on September 1 (lien date); however, penalties and interest do not accrue until the following January 6. These taxes are based on the assessed values as of January 1, 2018. As allowed by State law, the County has established a schedule of discounts that apply to taxes that are paid prior to the due date. In the County's General Fund, ad valorem tax revenues are reported net of such discounts.

5. Allowances for Doubtful Accounts

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

6. Inventories and Prepaid Items

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

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

7. Capital Assets

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

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

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

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

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

8. Deferred outflows/inflows of resources

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

9. Long-term Obligations

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

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

10. Compensated Absences

The vacation policy of the County provides for the accumulation of up to Two Hundred Forty (240) hours of earned vacation leave with such leave being fully vested when earned. For the County's governmental funds, the current portion of the accumulated vacation pay is not considered to be material; therefore, no expenditure or liability has been reported. For the County's proprietary funds an expense and a liability for compensated absences and the salary-related payments are recorded as the leave is earned. The ABC Board employees earn one week of vacation in the first year, two weeks per year at completion of one year until fifteen years of service are completed and three weeks per year for additional years of service. Employees may choose to take the vacation time or be compensated for it. Accumulated earned vacation at June 30, 2019 and 2018 amounted to approximately \$4,544 and \$4,544, respectively, and is all considered current.

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

11. Net Position/Fund Balances

Net Position

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

Fund Balances

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

The governmental fund types classify fund balances as follows:

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

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

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

Restricted Stabilization of State Statute – North Carolina G.S. 159-8 prohibits units of government from budgeting or spending a portion of their fund balance. This is one of several statutes enacted by the North Carolina State Legislature in the 1930's that were designed to improve and maintain the fiscal health of local government units. Restricted by State statute (RSS), is calculated at the end of each fiscal year for all annually budgeted funds. The calculation in G.S.159-8(a) provides a formula for determining what portion of fund balance is available for appropriation. The amount of fund balance not available for appropriation is what is known as "restricted by State statute". *Appropriated fund balance in any fund shall not exceed the sum of cash and investments minus the sum of liabilities, encumbrances, and deferred revenues arising from cash receipts, as those figures stand at the close of the fiscal year next preceding the budget.* Per GASB guidance, RSS is considered a resource upon which a restriction is "imposed by law through constitutional provisions or enabling legislation." RSS is reduced by inventories and prepaids as they are classified as nonspendable. Outstanding Encumbrances are included within RSS. RSS is included as a component of Restricted Net position and Restricted fund balance on the face of the balance sheet.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

12. Defined Benefit Pension

The County participates in three cost-sharing, multiple-employer, defined benefit pension plans that are administered by the State; the Local Governmental Employees' Retirement System (LGERS), the Registers of Deeds' Supplemental Pension Fund (RODSPF), and the Law Enforcement Officers' Special Separation Allowance (LEOSSA) (collectively, the "state-administered defined benefit pension plans"). For purposes of measuring the net pension asset or liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net positions of the state-administered defined benefit pension plans and additions to/deductions from the state-administered defined benefit pension plans' fiduciary net positions have been determined on

the same basis as they are reported by the state-administered defined benefit pension plans. For this purpose, plan member contributions are recognized in the period in which the contributions are due. The County's employer contributions are recognized when due and the County has a legal requirement to provide the contributions. Benefits and refunds are recognized when due and payable in accordance with the terms of the state-administered defined benefit pension plans. Investments are reported at fair value.

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

13. Other Postemployment Benefits

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

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

F. New Accounting Standards Adopted – In fiscal year 2019, the County adopted the following financial accounting standards issued by the GASB:

GASB Statement No. 83, Certain Asset Retirement Obligations ("GASB 83"), requires that a government that has legal obligations to perform future asset retirement activities related to its tangible capital assets should recognize a liability. GASB 83 will be effective for the fiscal years beginning after June 15, 2018. Currently, this new standard has minimal effect on the County's financial statements.

GASB Statement No. 85, Omnibus 2017 ("GASB 85"), seeks to address practice issues that have been identified during implementation and application of certain GASB Statements. This Statement addresses a variety of topics including issues related to blending component units, goodwill, fair value measurement and application, and postemployment benefits (pensions and other postemployment benefits [OPEB]). GASB 85 will be effective for the fiscal years beginning after June 15, 2017. This new standard has minimal effect on the County's financial statements.

GASB Statement No. 86, Certain Debt Extinguishment Issues ("GASB 86"), seeks to improve consistency in accounting and financial reporting for in-substance defeasance of debt by providing guidance for transactions in which cash and other monetary assets acquired with only existing

resources—resources other than the proceeds of refunding debt—are placed in an irrevocable trust for the sole purpose of extinguishing debt. This Statement also improves accounting and financial reporting for prepaid insurance on debt that is extinguished and notes to financial statements for debt that is defeased in substance. GASB 86 will be effective for the fiscal years beginning after June 15, 2017. Currently, this new standard has minimal effect on the County’s financial statements.

GASB Statement No. 88, Certain Disclosures Related to Debt (“GASB 88”), seeks to improve the information that is disclosed in notes to government financial statements related to debt, including direct borrowings and direct placements. It also clarifies which liabilities governments should include when disclosing information related to debt. This Statement defines debt for purposes of disclosure in notes to financial statements as a liability that arises from a contractual obligation to pay cash (or other assets that may be used in lieu of cash) in one or more payments to settle an amount that is fixed at the date the contractual obligation is established. This Statement requires that additional essential information related to debt be disclosed in notes to financial statements, including unused lines of credit; assets pledged as collateral for the debt; and terms specified in debt agreements related to significant events of default with finance-related consequences, significant termination events with finance-related consequences, and significant subjective acceleration clauses. For notes to financial statements related to debt, this Statement also requires that existing and additional information be provided for direct borrowings and direct placements of debt separately from other debt. GASB 88 will be effective for the fiscal years beginning after June 15, 2018. Currently, this new standard has minimal effect on the County’s financial statements.

G. Accounting Standards Issued But Not Yet Effective

GASB Statement No. 84, Fiduciary Activities (“GASB 84”), seeks to improve guidance regarding the identification of fiduciary activities for accounting and financial reporting purposes and how those activities should be reported. GASB 84 will be effective for the fiscal years beginning after December 15, 2018. The County is reviewing this standard to determine the effect on the County’s financial statements.

GASB Statement No. 87, Leases (“GASB 87”), seeks to better meet the information needs of financial statement users by improving accounting and financial reporting for leases by governments. This Statement increases the usefulness of governments’ financial statements by requiring recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. It establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. Under this Statement, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources, thereby enhancing the relevance and consistency of information about governments’ leasing activities. GASB 87 will be effective for the fiscal years beginning after December 15, 2019. The County is reviewing this standard to determine the effect on the County’s financial statements.

GASB Statement No. 89, Accounting for Interest Cost Incurred before the End of a Construction Period (“GASB 89”), seeks to enhance the relevance and comparability of information about capital assets and the cost of borrowing for a reporting period and to simplify accounting for interest cost incurred before the end of a construction period. This Statement establishes accounting requirements for interest cost

incurred before the end of a construction period. Such interest cost includes all interest that previously was accounted for in accordance with the requirements of paragraphs 5–22 of Statement No. 62, *Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements*, which are superseded by this Statement. This Statement requires that interest cost incurred before the end of a construction period be recognized as an expense in the period in which the cost is incurred for financial statements prepared using the economic resources measurement focus. As a result, interest cost incurred before the end of a construction period will not be included in the historical cost of a capital asset reported in a business-type activity or enterprise fund.

This Statement also reiterates that in financial statements prepared using the current financial resources measurement focus, interest cost incurred before the end of a construction period should be recognized as an expenditure on a basis consistent with governmental fund accounting principles. The requirements of this Statement are effective for reporting periods beginning after December 15, 2019. The County is reviewing this standard to determine the effect on the County's financial statements.

H. Reconciliation of Government-wide and Fund Financial Statements

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

The governmental fund balance sheet includes a reconciliation between fund balance - total governmental funds and net position – governmental activities as reported in the government-wide statement of net position. The net adjustment of \$62,379,259 consists of several elements as follows:

Description	Amount
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)	\$ 167,566,157
Less accumulated depreciation	(72,662,628)
Net capital assets	94,903,529
Net pension asset	66,643
Contributions to the pension plan in the current fiscal year	1,483,750
Contributions to OPEB plan in the current fiscal year	387,799
Benefit payments and pension administration costs for LEOSSA	89,140
Net pension liability	(6,448,511)
Total pension liability	(2,290,154)
Deferred inflows of resources for taxes and special assessments receivable	449,051
Pension related deferrals	3,544,590
OPEB related deferrals	(2,977,300)
Liabilities that, because they are not due and payable in the current period, do not require current resources to pay and are therefore not reported in the fund statements:	
Bonds, leases, and installment financing	(1,635,825)
Compensated absences	(1,283,814)
Other postemployment benefits	(23,909,639)
Total adjustment	\$ 62,379,259

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

The governmental fund statement of revenues, expenditures, and changes in fund balances includes a reconciliation between net changes in fund balances – total governmental funds and changes in net position of governmental activities as reported in the government-wide statement of activities. There are several elements of that total adjustment of (\$6,834,159) as follows:

Description	Amount
Capital outlay expenditures recorded in the fund statements but capitalized as assets in the statement of activities	\$ 4,772,735
Cost of disposed capital asset not recorded on fund statement	(1,014,298)
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.	(10,700,343)
Principal payments on debt owed are recorded as a use of funds on the fund statements but again affect only the statement of net position in the government-wide statements	1,580,311
Contributions to the pension plan in the current fiscal year are not included on the Statement of Activities	1,483,750
Benefit payments and administration costs for LEOSSA are deferred outflows of resources on the Statement of Net Position	89,140
Contributions to the OPEB plan are deferred outflows of resources on the Statement of Net Position	387,799
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	14,286
OPEB expense	(1,506,154)
Pension expense	(1,912,372)
Revenues reported in the statement of activities that do not provide current resources are not recorded as revenues in the fund statements.	
Decrease in deferred inflows of resources - taxes receivable - at end of year	
Reversal of deferred tax revenue recorded at 7/1/18	(478,064)
Recording of tax receipts deferred in the fund statements as of 6/30/19	449,051
Total adjustment	<u>\$ (6,834,159)</u>

II. Stewardship, Compliance, and Accountability

A. Excess of Expenditures Over Appropriations

For the fiscal year ended June 30, 2019, the expenditures made in the Solid Waste fund exceeded the authorized appropriations made by the governing board for related activities by \$150,330. The County will more closely monitor its budget and ensure all expenditures are properly authorized.

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

At June 30, 2019, the County's deposits had a carrying amount of \$19,623,640 and a bank balance of \$24,171,188. Of the bank balance, \$500,000 was covered by federal depository insurance and \$17,098,560 in interest bearing deposits were covered by collateral held under the Pooling Method.

At June 30, 2019, the County had \$2,935 cash on hand.

At June 30, 2019, the carrying amount of deposits for Currituck County ABC Board was \$1,346,210. At June 30, 2019 the ABC Board's deposits had a bank balance of \$1,298,765. 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, 2019, the ABC Board had \$5,000 cash on hand.

2. Investments

As of June 30, 2019, the County had the following investments and maturities:

Investment Type	Valuation Measurement	Fair Value	Less Than		
	Method		6 Months	6-12 Months	1-5 Years
Commercial Paper	Fair Value - Level 2	\$ 16,859,758	\$ -	\$ 14,856,799	\$ 2,002,959
Federal agencies	Fair Value - Level 1	37,343,984	-	2,154,020	35,189,964
NC Capital Management Trust:					
Government Portfolio	Fair Value - Level 1	19,273,590	N/A	N/A	N/A
Term Portfolio*	Fair Value - Level 1	10,193,146	10,193,146	-	-
Total Investments		<u>\$ 83,670,478</u>	<u>\$ 10,193,146</u>	<u>\$ 17,010,819</u>	<u>\$ 37,192,923</u>

**As of June 30, 2019, the NCCMT Term Portfolio has a duration of 0.11 years. Because the NCCMT Government and Term Portfolios have weighted average maturities of less than 90 days, they are presented as investments with maturities of less than 6 months.*

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

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

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

Credit Risk. The County limits investments to the provisions of G.S. 159-30 and restricts the purchase of securities to the highest possible ratings whenever particular types of securities are rated. State law limits investments in commercial paper to the top rating issued by nationally recognized statistical rating organizations (NRSROs); however, the County had no formal policy on managing credit risk. As of June 30, 2019, the County's investments in commercial paper were rated P1 by Standard & Poor's, F1 by Fitch Ratings, and A1 by Moody's Investors Service. The County's investments in the NC Capital Management Trust Government Portfolio carried a credit rating of AAA by Standard & Poor's as of June 30, 2019. The County's investment in the NC Capital Management Trust Term Portfolio is unrated. The Term Portfolio is authorized to invest in obligations of the US government and agencies, and in high grade money market instruments as permitted under North Carolina General Statute 159-30 as amended. The County's investment in US Agencies (Federal Home Loan Bank) are rated AAA by Standard & Poor's and Aaa by Moody's Investors Service.

Custodial Credit Risk. For an investment, custodial credit risk is the risk that in the event of the failure of the counterparty, the County will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. As of June 30, 2019, the County had no investments held by a counter-party that were not in the County's name. The County had no policy on custodial credit risk.

Concentration of Credit Risk. The County places no limit on the amount that the County may invest in any one issuer. More than 5 percent of the County's investments are in North Carolina Capital Management Trust Cash Portfolio, Federal Home Loan Mortgage Corporation, North Carolina Capital Manage Trust Term Portfolio, Federal Home Loan Bank, Federal Farm Credit Bank and JP Morgan Commercial Paper. These investments are 23.25%, 22.64%, 12.30%, 10.06%, 8.73% and 6.33%, 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
2016	\$ 1,065,852	\$ 349,067	\$ 1,414,919
2017	1,069,359	253,973	1,323,332
2018	1,070,566	157,908	1,228,474
2019	1,072,904	61,692	1,134,596
Total	\$ 4,278,681	\$ 822,640	\$ 5,101,321

4. Receivables

Receivables at the government-wide level at June 30, 2019, were as follows:

	Taxes and Related Accrued Due from Other			
	Accounts	Interest	Governments	Total
Governmental Activities:				
General	\$ 221,336	\$ 453,877	\$ 2,315,148	\$ 2,990,361
County Governmental Facilities	-	-	17,834	17,834
School Facilities	-	-	1,957	1,957
Tourism Development Authority	48,901	-	12,360	61,261
Other Governmental Funds	-	12,308	1,583,928	1,596,236
Total receivables	270,237	466,185	3,931,227	4,667,649
Allowance for doubtful accounts	-	(17,134)	-	(17,134)
Total-governmental activities	\$ 270,237	\$ 449,051	\$ 3,931,227	\$ 4,650,515
Business-type Activities				
Solid Waste	\$ 95,022	\$ 15	\$ -	\$ 95,037
Ocean Sands Water and Sewer	290,214	754	-	290,968
Mainland Water	683,847	-	-	683,847
Southern Outer Banks Water	426,833	-	-	426,833
Mainland Central Sewer	212,872	-	-	212,872
Other Proprietary Funds	38,379	-	-	38,379
Total receivables	1,747,167	769	-	1,747,936
Allowance for doubtful accounts	(64,066)	-	-	(64,066)
Total - business-type activities	\$ 1,683,101	\$ 769	\$ -	\$ 1,683,870

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

Albemarle Commission; Senior Nutrition program	\$ 6,290
Currituck Clerk of Court; Court Fees	33,261
Federal Emergency Management Administration: SAFER Grant	125,770
NC Department of Health and Human Services; DSS Support	126,686
NC Department of Revenue; Franchise taxes	73,838
NC Department of Revenue; Sales and Use tax distribution	3,201,211
NC Department of Revenue; Sales and Use tax refund	195,343
NC Department of Transportation; DMV taxes	136,494
NC Department of Transportation; State Aid to Airports	11,773
NC Office of State Controller; 911 funds	17,826
Other	2,735
	<u>\$ 3,931,227</u>

5. Capital Assets

Capital asset activity for the year ended June 30, 2019, was as follows:

	Beginning Balances	Increases	Decreases	Reclassifications	Ending Balances
Governmental activities:					
Capital assets not being depreciated:					
Land	\$ 20,706,716	\$ 989,033	\$ 985,671	\$ -	\$ 20,710,078
Construction in progress	214,509	1,048,093	-	(150,328)	1,112,274
Total capital assets not being depreciated	20,921,225	2,037,126	985,671	(150,328)	21,822,352
Capital assets being depreciated:					
Buildings	80,155,302	369,398	-	(3,208,328)	77,316,372
Computer equipment	3,965,526	72,815	260,617	7,567	3,785,291
Furniture and fixtures	32,878,164	1,053,440	110,444	13,395,333	47,216,493
Equipment	15,163,858	214,084	216,048	(10,044,244)	5,117,650
Vehicles and motor equipment	11,891,572	1,025,872	609,445	-	12,307,999
Total capital assets being depreciated	144,054,422	2,735,609	1,196,554	150,328	145,743,805
Less accumulated depreciation for:					
Buildings	29,897,237	4,437,212	-	(86,196)	34,248,253
Computer equipment	3,505,728	173,251	257,916	-	3,421,063
Furniture and fixtures	12,916,348	4,555,017	93,429	4,096,177	21,474,113
Equipment	7,872,055	449,389	216,048	(4,009,981)	4,095,415
Vehicles and motor equipment	8,938,844	1,085,474	600,534	-	9,423,784
Total accumulated depreciation	63,130,212	10,700,343	1,167,927	-	72,662,628
Total capital assets being depreciated, net	80,924,210				73,081,177
Governmental activity capital assets, net	\$ 101,845,435				\$ 94,903,529

Primary Government

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

General government	\$ 2,470,423
Public safety	2,297,061
Transportation	1,463,185
Environmental protection	528,841
Economic and physical development	282,296
Human services	86,586
Cultural and recreational	3,571,951
Total depreciation expense	<u>\$ 10,700,343</u>

continued

Proprietary Funds

Business-type activities:

Solid Waste

Capital assets not being depreciated:

Land	\$ 62,962	\$ -	\$ -	\$ -	\$ 62,962
Construction in process	16,025	-	-	(16,025)	-
Total capital assets not being depreciated	78,987	-	-	(16,025)	62,962

Capital assets being depreciated:

Buildings	859,035	18,784	-	16,025	893,844
Equipment	313,497	-	-	-	313,497
Vehicles and motor equipment	12,736	-	-	-	12,736
Total capital assets being depreciated	1,185,268	18,784	-	16,025	1,220,077

Less accumulated depreciation for:

Buildings	648,928	29,795	-	-	678,723
Equipment	175,559	19,261	-	-	194,820
Vehicles and motor equipment	12,736	-	-	-	12,736
Total accumulated depreciation	837,223	49,056	-	-	886,279

Total capital assets being depreciated, net

	348,045				333,798
Solid Waste capital assets, net	\$ 427,032				\$ 396,760

Ocean Sands Water and Sewer District

Capital assets not being depreciated:

Land	\$ 963,012	\$ -	\$ -	\$ -	\$ 963,012
Construction in process	2,516,982	2,062,348	-	(4,579,330)	-
Total capital assets not being depreciated	3,479,994	2,062,348	-	(4,579,330)	963,012

Capital assets being depreciated:

Plant and distribution systems	8,578,734	2,504,046	-	4,579,330	15,662,110
Computer equipment	555,898	13,367	-	-	569,265
Furniture and maintenance equipment	1,190,599	76,482	-	-	1,267,081
Vehicles and motor equipment	129,529	3,076	-	-	132,605
Total capital assets being depreciated	10,454,760	2,596,971	-	4,579,330	17,631,061

Less accumulated depreciation for:

Plant and distribution systems	3,887,280	467,768	-	-	4,355,048
Computer equipment	550,116	14,524	-	-	564,640
Furniture and maintenance equipment	655,263	84,576	-	-	739,839
Vehicles and motor equipment	87,208	18,804	-	-	106,012
Total accumulated depreciation	5,179,867	585,671	-	-	5,765,539

Total capital assets being depreciated, net

	5,274,893				11,865,522
Ocean Sands Water and Sewer District capital assets, net	\$ 8,754,887				\$ 12,828,534

Mainland Water

Capital assets not being depreciated:

Land	\$ 5,150	\$ -	\$ -	\$ -	\$ 5,150
Total capital assets not being depreciated	5,150	-	-	-	5,150

Capital assets being depreciated:

Buildings	18,018,368	6,487	-	-	18,024,855
Computer equipment	160,385	144,699	-	-	305,084
Equipment	21,399,112	291,149	-	-	21,690,261
Vehicles	398,008	35,722	-	-	433,730
Total capital assets being depreciated	39,975,873	478,057	-	-	40,453,930

Less accumulated depreciation for:

Buildings	7,204,648	562,745	-	-	7,767,393
Computer equipment	137,529	24,109	-	-	161,638
Equipment	16,258,581	596,543	-	-	16,855,124
Vehicles	261,471	67,282	-	-	328,753
Total accumulated depreciation	23,862,229	1,250,679	-	-	25,112,908

Total capital assets being depreciated, net

	16,113,644				15,341,022
Mainland Water capital assets, net	\$ 16,118,794				\$ 15,346,172

continued

	Beginning Balances	Increases	Decreases	Transfer to Mainland Central Sewer	Ending Balances
Newtown Road Sewer District					
Capital assets not being depreciated:					
Land	\$ 87,000	\$ -	\$ -	\$ (87,000)	\$ -
Total capital assets not being depreciated	87,000	-	-	(87,000)	-
Capital assets being depreciated:					
Equipment	508,622	-	-	(508,622)	-
Total capital assets being depreciated	508,622	-	-	(508,622)	-
Less accumulated depreciation for:					
Equipment	437,980	-	-	(437,980)	-
Total accumulated depreciation	437,980	-	-	(437,980)	-
Total capital assets being depreciated, net	70,642				-
Newtown Road Sewer District					
capital assets, net	\$ 157,642				\$ -
	Beginning Balances	Increases	Decreases	Transfer to Mainland Central Sewer	Ending Balances
Maple Commerce Park Sewer Fund					
Capital assets being depreciated:					
Buildings	\$ 1,932,639	\$ -	\$ -	\$ (1,932,639)	\$ -
Total capital assets being depreciated	1,932,639	-	-	(1,932,639)	-
Less accumulated depreciation for:					
Buildings	386,528	-	-	(386,528)	-
Total accumulated depreciation	386,528	-	-	(386,528)	-
Total capital assets being depreciated, net	1,546,111				-
Maple Commerce Park Sewer Fund					
capital assets, net	\$ 1,546,111				\$ -
	Ending Balances	Increases	Decreases	Transfer to Mainland Central Sewer	Ending Balances
Moyock Commons Sewer District					
Capital assets not being depreciated:					
Land	\$ 67,625	\$ -	\$ -	\$ (67,625)	\$ -
Total capital assets not being depreciated	67,625	-	-	(67,625)	-
Capital assets being depreciated:					
Buildings	346,055	-	-	(346,055)	-
Equipment	44,622	-	-	(44,622)	-
Total capital assets being depreciated	390,677	-	-	(390,677)	-
Less accumulated depreciation for:					
Buildings	119,977	-	-	(119,977)	-
Equipment	54,814	-	-	(54,814)	-
Total accumulated depreciation	174,791	-	-	(174,791)	-
Total capital assets being depreciated, net	215,886				-
Moyock Commons Sewer District					
capital assets, net	\$ 283,511				\$ -
	Ending Balances	Increases	Decreases	Reclassifications	Ending Balances
Southern Outer Banks Water System					
Capital assets not being depreciated:					
Land	\$ 42,600	\$ -	\$ -	\$ -	\$ 42,600
Total capital assets not being depreciated	42,600	-	-	-	42,600
Capital assets being depreciated:					
Buildings	25,712,505	33,456	-	-	25,745,961
Computer equipment	1,051,391	169,128	-	-	1,220,519
Other equipment	3,215,711	187,720	-	-	3,403,431
Vehicles	277,915	-	-	-	277,915
Total capital assets being depreciated	30,257,522	390,304	-	-	30,647,826
Less accumulated depreciation for:					
Buildings	8,648,544	858,870	-	-	9,507,414
Computer equipment	495,320	137,454	-	-	632,774
Other equipment	1,704,849	130,738	-	-	1,835,587
Vehicles	228,042	11,183	-	-	239,225
Total accumulated depreciation	11,076,755	1,138,244	-	-	12,215,000
Total capital assets being depreciated, net	19,180,767				18,432,826
Southern Outer Banks Water Fund					
capital assets, net	\$ 19,223,367				\$ 18,475,426

continued

	Ending Balances	Increases	Decreases	Transfer from other Sewer Funds	Ending Balances
Mainland Central Sewer System					
Capital assets not being depreciated:					
Land	\$ 688,914	\$ -	\$ -	\$ 208,315	\$ 897,229
Total capital assets not being depreciated	688,914	-	-	208,315	897,229
Capital assets being depreciated:					
Buildings	2,959,459	161,526	-	2,134,803	5,255,788
Equipment	2,558,847	58,256	508,622	4,362,979	6,471,460
Total capital assets being depreciated	5,518,306	219,782	508,622	6,497,782	11,727,248
Less accumulated depreciation for:					
Buildings	630,392	177,164	-	1,148,441	1,955,997
Equipment	1,407,300	466,129	437,980	753,329	2,188,778
Total accumulated depreciation	2,037,692	643,292	437,980	1,901,770	4,144,775
Total capital assets being depreciated, net	3,480,614				7,582,473
Moyock Central Sewer System					
capital assets, net	\$ 4,169,528				\$ 8,479,702
Walnut Island Sewer System					
Capital assets not being depreciated:					
Land	\$ 53,690	\$ -	\$ -	\$ (53,690)	\$ -
Total capital assets not being depreciated	53,690	-	-	(53,690)	-
Capital assets being depreciated:					
Plant and distribution systems	3,193,227	-	-	(3,193,227)	-
Other equipment	472,617	-	-	(472,617)	-
Total capital assets being depreciated	3,665,844	-	-	(3,665,844)	-
Less accumulated depreciation for:					
Plant and distribution systems	641,936	-	-	(641,936)	-
Other equipment	260,535	-	-	(260,535)	-
Total accumulated depreciation	902,471	-	-	(902,471)	-
Total capital assets being depreciated, net	2,763,373				-
Walnut Island Sewer System					
capital assets, net	\$ 2,817,063				\$ -
Business-type activities capital assets, net	\$ 53,497,935				\$ 55,526,594

At June 30, 2019 Currituck County had active construction commitments to projects are as follows:

Project	Spent-to-date	Remaining Commitment
ABC Store - Corolla (Design)	\$ 15,601	\$ 184,399
Jail Sewer Connection to Maple Commerce Park Sewer	41,280	333,720
Public Safety Facility Design	889,894	1,109,406
Airport - N Apron Rehabilitation	21,972	452,028
Airport - PAPI and Light Vault	46,828	8,592
NC 12 Beautification	218,075	48,000
Connecting Corolla - Phase V	605,789	94,556
Corolla 10 Acre Masterplan	42,145	57,855
County-wide Broadband	36,600	963,400
Historic Corolla Park - Maritime Museum	97,812	1,035,827
Shingle Landing Park	68,000	939,400
Total	<u>\$ 2,083,996</u>	<u>\$ 5,227,183</u>

Discretely presented component unit

Activity for the ABC Board for the year ended June 30, 2019, was as follows:

	Beginning Balances	Increases	Decreases	Ending Balances
Capital assets not being depreciated:				
Land	\$ 425,900	\$ -	\$ -	\$ 425,900
Total capital assets not being depreciated	<u>425,900</u>	<u>-</u>	<u>-</u>	<u>425,900</u>
Capital assets being depreciated:				
Buildings	2,182,928	-	(24,421)	2,158,507
Furniture and equipment	312,873	2,772	(2,567)	313,078
Vehicles	34,827	-	-	34,827
Leasehold improvements	26,706	-	-	26,706
Total capital assets being depreciated	<u>2,557,334</u>	<u>2,772</u>	<u>(26,988)</u>	<u>2,533,118</u>
Less accumulated depreciation:				
Buildings	806,028	65,424	(20,049)	851,403
Furniture and equipment	261,087	21,798	(2,567)	280,318
Vehicles	34,827	-	-	34,827
Leasehold improvements	7,827	527	-	8,354
Total accumulated depreciation	<u>1,109,769</u>	<u>87,749</u>	<u>(22,616)</u>	<u>1,174,902</u>
ABC capital assets, net	<u>\$ 1,873,465</u>			<u>\$ 1,784,116</u>

B. Liabilities

1. Payables

Payables at the government-wide level at June 30, 2019, were as follows:

	Vendors	Other	Total
Governmental Activities:			
General	\$ 1,768,054	\$ 402,366	\$ 2,170,420
County Governmental Facilities	145,125	-	145,125
Tourism Development Authority	68,040	56,160	124,200
Other Governmental Funds	59,534	107,922	167,456
Total-governmental activities	<u>\$ 2,040,753</u>	<u>\$ 566,448</u>	<u>\$ 2,607,201</u>
Business-type Activities			
Solid Waste	\$ 419,860	\$ -	\$ 419,860
Ocean Sands Water and Sewer	36,336	2,513	38,849
Mainland Water	35,126	11,917	47,043
Southern Outer Banks Water	67,888	10,006	77,894
Mainland Central Sewer	41,002	2,719	43,721
Total - business-type activities	<u>\$ 600,212</u>	<u>\$ 27,155</u>	<u>\$ 627,367</u>

2. Pension Plan and Other Post Employment Obligations

a. Local Governmental Employees' Retirement System

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

Benefits Provided. LGERS provides retirement and survivor benefits. Retirement benefits are determined as 1.85% of the member's average final compensation times the member's years of creditable service. A member's average final compensation is calculated as the average of a member's four highest consecutive years of compensation. Plan members are eligible to retire with full retirement benefits at age 65 with five years of creditable service, at age 60 with 25 years of creditable service, or

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

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

Contributions. Contribution provisions are established by General Statute 128-30 and may be amended only by the North Carolina General Assembly. County employees are required to contribute 6% of their compensation. Employer contributions are actuarially determined and set annually by the LGERS Board of Trustees. The County's contractually required contribution rate for the year ended June 30, 2019, was 8.50% of compensation for law enforcement officers and 7.81% for general employees and firefighters, actuarially determined as an amount that, when combined with employee contributions, is expected to finance the costs of benefits earned by employees during the year. Contributions to the pension plan from the County were \$1,570,923 and contributions to the pension plan from the ABC Board were \$20,258 for the year ended June 30, 2019.

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

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

At June 30, 2019, the County reported a liability of \$6,849,189 for its proportionate share of the net pension liability. The ABC Board reported a liability of \$93,470 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2018. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2017. The total pension liability was then rolled forward to the measurement date of June 30, 2018 utilizing update procedures incorporating the actuarial assumptions. The County's proportion of the net pension liability was based on a projection of the County's long-term share of

future payroll covered by the pension plan, relative to the projected future payroll covered by the pension plan of all participating LGERS employers, actuarially determined. At June 30, 2019, the County's proportion was .28871%, which was an increase of .01906% from its proportion measured as of June 30, 2018. The ABC Board's proportion was 0.00394%, which was a decrease of 0.00022% from its proportion measured as of June 30, 2018.

For the year ended June 30, 2019, the County recognized pension expense of \$1,840,045 and the ABC Board recognized pension expense of \$24,955. At June 30, 2019, the County and ABC Board reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	COUNTY		ABC BOARD	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 1,056,667	\$ 35,456	\$ 14,420	\$ 484
Changes of assumptions	1,817,510	-	24,803	-
Net difference between projected and actual earnings on pension plan investments	940,190	-	12,831	-
Changes in proportion and differences between County contributions and proportionate share of contributions	35,473	155,267	703	5,422
County contributions subsequent to the measurement date	1,570,923	-	20,258	-
Total	<u>\$ 5,420,763</u>	<u>\$ 190,723</u>	<u>\$ 73,015</u>	<u>\$ 5,906</u>

\$1,570,923 reported as deferred outflows of resources related to pensions resulting from County contributions and \$20,258 reported as deferred outflows of resources related to pensions resulting from ABC Board contributions subsequent to the measurement date will be recognized as decreases of the net pension liability in the year ended June 30, 2020. Other amounts reported as deferred inflows of resources related to pensions will be recognized in pension expense as follows:

	COUNTY	ABC BOARD
Year ended June 30:		
2020	\$1,796,632	\$23,728
2021	1,165,698	14,430
2022	188,575	1,572
2023	508,212	7,121
2024	-	-
Thereafter	-	-
	<u>\$3,659,117</u>	<u>\$46,851</u>

Actuarial Assumptions. The total pension liability in the December 31, 2017 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	3.0 percent
Salary increases	3.50 percent, including inflation and productivity factor
Investment rate of return	7.0 percent, net of pension plan investment expense, including inflation

The plan currently uses mortality rates based on the RP-2014 Total Data Set for Healthy Annuitants Mortality Table that vary by age, gender, employee group (i.e. general, law enforcement officer) and health status (i.e. disabled and healthy). The current mortality rates are based on published tables and based on studies that cover significant portions of the U.S. population. The healthy mortality rates also contain a provision to reflect future mortality improvements.

The actuarial assumptions used in the December 31, 2017 valuation were based on the results of an actuarial experience study as of December 31, 2014.

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

The projected long-term investment returns and inflation assumptions are developed through review of current and historical capital markets data, sell-side investment research, consultant whitepapers, and historical performance of investment strategies. Fixed income return projections reflect current yields across the U.S. Treasury yield curve and market expectations of forward yields projected and interpolated for multiple tenors and over multiple year horizons. Global public equity return projections are established through analysis of the equity risk premium and the fixed income return projections. Other asset categories and strategies' return projections reflect the foregoing and historical data analysis. These projections are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target allocation and best estimates of arithmetic real rates of return for each major asset class as of June 30, 2019 are summarized in the following table:

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

The information above is based on 30 year expectations developed with the consulting actuary for the 2017, asset, liability, and investment policy study for the North Carolina Retirement Systems, including LGERS. The long-term nominal rates of return underlying the real rates of return are arithmetic annualized figures. The real rates of return are calculated from nominal rates by multiplicatively subtracting a long-term inflation assumption of 3.05%. All rates of return and inflation are annualized.

Discount rate. The discount rate used to measure the total pension liability was 7.00%. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current contribution rate and that contributions from employers will be made at statutorily required rates, actuarially determined. Based on these assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of the current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the County's proportionate share of the net pension liability to changes in the discount rate. The following presents the County's proportionate share of the net pension liability calculated using the discount rate of 7.00 percent, as well as what the County's proportionate share of the net pension asset or net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.00 percent) or 1-percentage-point higher (8.00 percent) than the current rate:

	1% Decrease (6.00%)	Discount Rate (7.00%)	1% Increase (8.00%)
County's proportionate share of the net pension liability (asset)	\$ 16,452,344	\$ 6,849,189	\$ (1,175,359)
ABC Board's proportionate share of the net pension liability (asset)	\$ 224,524	\$ 93,470	\$ (16,040)

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

b. Law Enforcement Officers' Special Separation Allowance

1. Plan Description.

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

All full-time County law enforcement officers are covered by the Separation Allowance. At December 31, 2017, the Separation Allowance’s membership consisted of:

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

2. Summary of Significant Accounting Policies.

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

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

3. Actuarial Assumptions

The Entry Age Normal actuarial cost method was used in the December 31, 2017 valuation. The total pension liability (TPL) was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.50 percent
Projected salary increases	3.50 to 7.35 percent, including inflation and productivity factor
Discount rate	3.64 percent

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

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

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

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

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

4. Contributions.

The County is required by Article 12D of G.S. Chapter 143 to provide these retirement benefits and has chosen to fund the amounts necessary to cover the benefits earned on a pay as you go basis through appropriations made in the Post-Employment Benefits Fund operating budget. There were no contributions made by employees. The County's obligation to contribute to this plan is established and may be amended by the North Carolina General Assembly. Administration costs of the Separation Allowance are financed through investment earnings. The County paid \$71,566 as benefits came due for the reporting period.

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

At June 30, 2019, the County reported a total pension liability of \$2,290,154. The total pension liability was measured as of December 31, 2018 based on a December 31, 2017 actuarial valuation. The total pension liability was rolled forward to December 31, 2018 utilizing update procedures incorporating the actuarial assumptions. For the year ended June 30, 2019, the County recognized pension expense of \$199,753.

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ 88,332	\$ -
Changes of assumptions	103,291	103,761
County benefit payments and plan administrative expense made subsequent to the measurement date	89,140	-
Total	<u>\$ 280,763</u>	<u>\$ 103,761</u>

\$89,140 reported as deferred outflows of resources related to pensions resulting from benefit payments made and administrative expenses incurred subsequent to the measurement date will be recognized as a decrease of the total pension liability in the year ending June 30, 2020. Other amounts reported as deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended June 30:

2020	\$ 21,630
2021	21,630
2022	21,630
2023	23,437
2024	(258)
Thereafter	(207)
	<u>\$ 87,862</u>

Sensitivity of the County's total pension liability to changes in the discount rate. The following presents the County's total pension liability calculated using the discount rate of 3.64 percent, as well as what the County's total pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (2.64 percent) or 1-percentage-point higher (4.64 percent) than the current rate:

	1% Decrease (2.64%)	Discount Rate (3.64%)	1% Increase (4.64%)
Total pension liability	<u>\$ 2,486,253</u>	<u>\$ 2,290,154</u>	<u>\$ 2,110,771</u>

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

	2019
Beginning balance	<u>\$ 2,247,435</u>
Service Cost	107,514
Interest on the total pension liability	69,888
Changes of benefit terms	-
Differences between expected and actual experience in the measurement of the total pension liability	28,862
Changes of assumptions or other inputs	(91,979)
Benefit payments	(71,566)
Other changes	-
Ending balance of the total pension liability	<u><u>\$ 2,290,154</u></u>

Changes of assumptions. The Municipal Bond Index Rate increased from 3.16% to 3.64%.

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

The actuarial assumptions used in the December 31, 2017 valuation were based on the results of an actuarial experience study as of December 31, 2014.

c. Supplemental Retirement Income Plan for Law Enforcement Officers

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

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

Contributions for the year ended June 30, 2019, were \$277,495, which consisted of \$187,182 from the County and \$90,313 from the law enforcement officers. No amounts were forfeited.

d. Supplemental Retirement Income Plan for County Employees

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

Funding Policy. The County established a contribution amount equal to 5.68% of each employee's salary, and all amounts contributed are vested immediately. Also, the employees may make voluntary contributions to the plan. Contributions for the year ended June 30, 2019 were \$1,293,693 which consisted of \$912,787 from the County and \$380,906 from the county employees. No amounts were forfeited.

e. Registers of Deeds' Supplemental Pension Fund

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

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

Contributions. Benefits and administrative expenses are funded by investment income and 1.5% of the receipts collected by each County Commission under Article 1 of Chapter 161 of the North Carolina General Statutes. The statutory contribution currently has no relationship to the actuary's required contribution. The actuarially determined contribution this year and for the foreseeable future is zero. Registers of Deeds do not contribute. Contribution provisions are established by General Statute 161-50 and may be amended only by the North Carolina General Assembly. Contributions to the pension plan from the County were \$3,450 for the year ended June 30, 2019.

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

At June 30, 2019, the County reported an asset of \$66,643 for its proportionate share of the net pension asset. The net pension asset was measured as of June 30, 2018. The total pension liability used to calculate the net pension asset was determined by an actuarial valuation as of December 31, 2017. The total pension liability was then rolled forward to the measurement date of June 30, 2018 utilizing update procedures incorporating the actuarial assumptions. The County's proportion of the net pension asset was based on the County's share of contributions to the pension plan, relative to contributions to the pension plan of all participating RODSPF employers. At June 30, 2018, the County's proportion was 0.40236%, which was an increase of 0.0089% from its proportion measured as of June 30, 2017.

For the year ended June 30, 2019, the County recognized pension expense of \$14,208. At June 30, 2019, the County reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 587	\$ 3,042
Change in Assumptions	3,134	-
Net difference between projected and actual earnings on pension plan investments	10,622	-
Changes in proportion and differences between County contributions and proportionate share of contributions	1,652	1,283
County contributions subsequent to the measurement date	3,450	-
Total	<u>\$ 19,445</u>	<u>\$ 4,325</u>

\$3,450 reported as deferred outflows of resources related to pensions resulting from County contributions subsequent to the measurement date will be recognized as an increase of the net pension asset in the year ended June 30, 2020. Other amounts reported as deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended June 30:

2020	\$ 6,731
2021	160
2022	3,130
2023	1,649
2024	-
Thereafter	-
	<u>\$ 11,670</u>

Actuarial Assumptions. The total pension liability in the December 31, 2017 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

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

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

The actuarial assumptions used in the December 31, 2017 valuation were based on the results of an actuarial experience study as of December 31, 2014.

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

The projected long-term investment returns and inflation assumptions are developed through review of current and historical capital markets data, sell-side investment research, consultant whitepapers, and historical performance of investment strategies. Fixed income return projections reflect current yields across the U.S. Treasury yield curve and market expectations of forward yields projected and interpolated for multiple tenors and over multiple year horizons. These projections are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The adopted asset allocation policy for the RODSPF is 100% in the fixed income asset class. The best estimate of arithmetic real rate of return for the fixed income asset class as of June 30, 2019 is 1.4%.

The information above is based on 30 year expectations developed with the consulting actuary for the 2019 asset, liability, and investment policy study for the North Carolina Retirement Systems, including LGERS. The long-term nominal rates of return underlying the real rates of return are arithmetic annualized figures. The real rates of return are calculated from nominal rates by multiplicatively subtracting a long-term inflation assumption of 3.00%. All rates of return and inflation are annualized.

Discount rate. The discount rate used to measure the total pension liability was 3.75%. The projection of cash flows used to determine the discount rate assumed that contributions from employers will be made at statutorily required rates. Based on these assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of the current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the County's proportionate share of the net pension asset to changes in the discount rate. The following presents the County's proportionate share of the net pension asset calculated using the discount rate of 3.75 percent, as well as what the County's proportionate share of the net pension asset would be if it were calculated using a discount rate that is 1-percentage-point lower (2.75 percent) or 1-percentage-point higher (4.75 percent) than the current rate:

	1% Decrease (2.75%)	Discount Rate (3.75%)	1% Increase (4.75%)
County's proportionate share of the net pension liability (asset)	\$ (52,544)	\$ (66,643)	\$ (78,533)

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

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

The net pension liability for LGERS and ROD was measured as of December 31, 2017, and the total pension liability (asset) used to calculate the net pension liability (asset) was determined by an actuarial valuation as of that date. The total pension liability for LEOSSA was measured as of June 30, 2018, with an actuarial valuation date of December 31, 2017. The County's proportion of the net pension liability (asset) was based on the County's share of contributions to the pension plan relative to the contribution of all participating entities. Following is information related to the proportionate share and pension expense:

	<u>LGERS</u>	<u>ROD</u>	<u>LEOSSA</u>	<u>Total</u>
Proportionate Share of Net Pension Liability (Asset)	\$ 6,849,189	\$ (66,643)	\$ -	\$ 6,782,546
Proportion of the Net Pension Liability (Asset)	0.28871%	0.40236%	n/a	
Total Pension Liability	-	-	\$ 2,290,154	\$ 2,290,154
Pension Expense	\$ 1,840,045	\$ 14,208	\$ 199,753	\$ 2,054,006

At June 30, 2019, the County reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>LGERS</u>	<u>ROD</u>	<u>LEOSSA</u>	<u>Total</u>
<u>Deferred Outflows of Resources</u>				
Differences between expected and actual experience	\$ 1,056,667	\$ 587	\$ 88,332	\$ 1,145,586
Changes of assumptions	1,817,510	3,134	103,291	1,923,935
Net difference between projected and actual earnings on pension plan investments	940,190	10,622	-	950,812
Changes in proportion and differences between County contributions and proportionate share of contributions	35,473	1,652	-	37,125
County contributions (LGERS,ROD)/benefit payments and administration costs (LEOSSA) subsequent to the measurement date	1,570,923	3,450	89,140	1,663,513
<u>Deferred Inflows of Resources</u>				-
Differences between expected and actual experience	\$ 35,456	\$ 3,042	\$ -	\$ 38,498
Changes of assumptions	-	-	103,761	103,761
Changes in proportion and differences between County contributions and proportionate share of contributions	155,267	1,283	-	156,550

g. Firefighters' and Rescue Squad Workers' Pension Fund

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

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

Contributions. Plan members are required to contribute \$10 per month to the plan. The State, a non-employer contributor, funds the plan through appropriations. The County does not contribute to the plan. Contribution provisions are established by General Statute 58-86 and may be amended only by the North Carolina General Assembly. For the fiscal year ending June 30, 2018, the State contributed \$17,952,000 to the plan. The County of Currituck's proportionate share of the State's contribution is \$45,112.

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

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

At June 30, 2019, the County reported no liability for its proportionate share of the net pension liability, as the State provides 100% pension support to the County through its appropriations to the FRSWPF. The total portion of the net pension liability that was associated with the County and supported by the State was \$122,733. The net pension liability was measured as of June 30, 2018. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2017. The total pension liability was then rolled forward to the measurement date of

June 30, 2018 utilizing update procedures incorporating the actuarial assumptions. The County’s proportion of the net pension liability was based on a projection of the County’s long-term share of contributions to the pension plan relative to the projected contributions of all participating employers. As the County is not projected to make any future contributions to the plan, its proportionate share at June 30, 2018 and at June 30, 2017 was 0%.

For the year ended June 30, 2019, the County recognized pension expense of \$34,903 and revenue of \$34,903 for support provided by the State. At June 30, 2019, the County reported no deferred outflows of resources and no deferred inflows of resources related to pensions.

Actuarial Assumptions. The total pension liability in the December 31, 2017 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	3.0 percent
Salary increases	Not applicable
Investment rate of return	7.00 percent, net of pension plan investment expense, including inflation

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

Discount rate. The discount rate used to measure the total pension liability was 7.00%. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current contribution rate and that contributions from employers will be made at statutorily required rates, actuarially determined. Based on these assumptions, the pension plan’s fiduciary net position was projected to be available to make all projected future benefit payments of the current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

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

h. Deferred Compensation Plan

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

i. Other Post Employment Benefits

Healthcare Benefits

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

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

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

Membership of the HCB Plan consisted of the following at June 30, 2018, the date of the latest actuarial valuation:

	<u>Employees</u>
Inactive Employees or Beneficiaries Currently Receiving Benefits	58
Inactive Members Entitled to but not yet receiving benefits	0
Active plan members	299
Total	<u>357</u>

Total OPEB Liability

The County's total OPEB liability of \$25,909,882 was measured as of June 30, 2018 and was determined by an actuarial valuation as of that date.

Actuarial assumptions and other inputs. The total OPEB liability in the June 30 2018 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement unless otherwise specified:

Inflation	2.50 %
Real wage growth	1.00 %
Wage inflation	3.50 %
Salary increases, including wage inflation	
General employees	3.50% - 7.75%
Firefighters	3.50% - 7.75%
Law Enforcement Officers	3.50% - 7.35%
Municipal Bond Index Rate	
Prior Measurement Date	3.56%
Measurement Date	3.89%
Health Care Cost Trends	
Pre-Medicare	7.25% for 2018 decreasing to an ultimate rate of 4.75% by 2028
Medicare	5.38% for 2018 decreasing to an ultimate rate of 4.75% by 2022
Dental	4.00%

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

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

The actuarial assumptions (e.g., initial per capita costs, health care cost trends, rate of plan participation, rates of plan election, etc.) used in the June 30, 2018 valuation were based on a review of recent plan experience done concurrently with the June 30, 2018 valuation.

The demographic actuarial assumptions for retirement, disability incidence, withdrawal, and salary increases used in the June 30, 2018 valuation were based on the results of an actuarial experience study for the period January 1, 2010 – December 31, 2014, adopted by the LGERS Board.

Changes in the Total OPEB Liability

	Total OPEB Liability
Balance at July 1/2018	\$ 25,159,771
Changes for the year	
Service cost	1,391,990
Interest	890,861
Changes of benefit terms	-
Differences between expected and actual experience	194,486
Changes in assumptions or other inputs	(1,453,656)
Benefit payments	(273,570)
Net changes	<u>750,111</u>
Balance at 6/30/2019	<u><u>\$ 25,909,882</u></u>

Sensitivity of the total OPEB liability to changes in the discount rate. The following presents the total OPEB liability of the County, as well as what the County's total OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (2.89 percent) or 1-percentage-point higher (4.89 percent) than the current discount rate:

	<u>2.89% Decrease</u>	<u>Discount Rate (3.89%)</u>	<u>4.89% Increase</u>
Total OPEB liability	\$ 31,164,121	\$ 25,909,882	\$ 21,829,364

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

	<u>1% Decrease</u>	<u>Trend Rate</u>	<u>1% Increase</u>
Total OPEB liability	\$ 21,331,406	\$ 25,909,882	\$ 31,971,908

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

For the year ended June 30, 2019, the County recognized OPEB expense of \$1,805,709. At June 30, 2019, the County reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 170,681	\$ 20,361
Changes of assumptions	-	3,376,693
Benefit payments and administrative costs made subsequent to the measurement date	395,689	-
Total	<u>\$ 566,370</u>	<u>\$ 3,397,054</u>

\$395,689 reported as deferred outflows of resources related to pensions resulting from benefit payments made and administrative expenses incurred subsequent to the measurement date will be recognized as a decrease of the total pension liability in the year ended June 30, 2020. Other amounts reported as deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended June 30:

2020	\$ (482,500)
2021	(482,500)
2022	(482,500)
2023	(482,500)
2024	(482,500)
Thereafter	(813,873)
	<u>\$ (3,226,373)</u>

j. Other Employment Benefits

Death Benefits

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

amount and the other benefit amount. Contributions are determined as a percentage of monthly payroll based upon rates established annually by the State. Separate rates are set for employees not engaged in law enforcement and for law enforcement officers. The County considers these contributions to be immaterial.

3. Closure and Postclosure Care Costs - Maple Landfill Facility

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

4. Deferred Outflows and Inflows of Resources

	Deferred Outflows of Resources	Deferred Inflows of Resources
Pensions - difference between expected and actual experience		
LGERS	\$ 1,056,667	\$ 35,456
Register of Deeds	587	3,042
LEOSSA	88,332	-
OPEB	170,681	20,361
Pensions - change in assumptions - LGERS	1,817,510	-
Pensions - change in assumptions - ROD	3,134	-
Pensions - change in assumptions - LEOSSA	103,291	103,761
OPEB - change in assumptions	-	3,376,693
 Pensions - change in proportion and difference between employer contributions and proportionate share of contributions - ROD	 1,652	 -
 Contributions to pension plan subsequent to measurement date - ROD	 3,450	 -
Contributions to pension plan subsequent to measurement date - LEOSSA	89,140	-
Pensions - difference between projected and actual investment earnings - LGERS	940,190	-
Pensions - difference between projected and actual investment earnings - ROD	10,622	-
 Pensions - change in proportion and difference between employer contributions and proportionate share of contributions - LGERS	 35,473	 155,267
 Pensions - change in proportion and difference between employer contributions and proportionate share of contributions - ROD	 -	 1,283
Contributions to pension plan subsequent to the measurement date - LGERS	1,570,923	-
Prepaid taxes not yet earned (General)	-	67,947
Benefit payments to the OPEB plan paid subsequent to measurement date	395,689	-
Total	<u>\$ 6,287,341</u>	<u>\$ 3,763,810</u>

5. Risk Management

The County is exposed to various risks of losses related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The County participates in three self-funded risk-financing pools administered by the North Carolina Association of County Commissioners. Through these pools, the County obtains property coverage equal to replacement cost

values of owned property subject to a limit of \$125.5 million for any one occurrence, general, auto, professional, and employment practices liability coverage of \$2 million per occurrence, auto physical damage coverage for owned autos at actual cash value, crime coverage of \$250,000 per occurrence, workers' compensation coverage up to the statutory limits, and health and dental insurance for County employees. The pools are audited annually by certified public accountants, and the audited financial statements are available to the County upon request. Two of the pools are reinsured through a multi-state public entity captive for single occurrence losses in excess of \$500,000 up to a \$2 million limit for liability coverage, \$600,000 of aggregate annual losses in excess of \$50,000 per occurrence for property, auto physical damage, and crime coverage, and single occurrence losses of \$350,000 for workers' compensation. For health and dental insurance, the County is reinsured through the Pool for individual losses in excess of \$50,000 and aggregate annual losses in excess of 115% of expected claims. The pool is reinsured through commercial carrier for individual losses in excess of \$100,000.

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

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

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

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

6. Contingent Liabilities

At June 30, 2019, 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. Direct Placement Installment Purchase

Serviced by the County's General Fund:

\$3,800,000 2013 Installment Purchase Agreement for storm water improvements in the Whalehead Watershed Improvement Service District dated January 23, 2013 with semi-annual principal and interest payments due July 23 and March 23, \$380,000 2020 through 2023 interest at 1.95%. \$1,520,000

\$2,100,000 2010 Installment Purchase Agreement for stormwater improvements in the Whalehead Watershed Improvement Service District dated March 18, 2010 with semi-annual principal and interest payments due September 18; \$115,825 2020 interest at 1.61%. – Interest rate modified February 1, 2013. 115,825

Total serviced by the General Fund \$1,635,825

Serviced by the Ocean Sands Water and Sewer District Fund:

\$7,500,000 2017 Installment Purchase Agreement for replacement of the Ocean Sands Sewer, dated October 27, 2017 with semi-annual principal payments and interest payments due June 19 and December 19, \$500,000 2020 through 2032; \$250,000 2033; interest at 2.45%. \$6,750,000

Serviced by the Southern Outer Banks Water System Fund:

\$8,500,000 2011 Installment Purchase Agreement for purchase of the Carolina Water System that serves Corolla Light, the Pine Island water System and the Currituck Club water system and to refund the existing 2004 debt, dated October 20, 2011 with semi-annual principal payments and interest payments due April 20 and October 20, \$850,000 2020 through 2021 and \$425,000 2022; interest at 2.38%. 2,125,000

Total serviced by the Enterprise Funds \$8,875,000

Total Direct Placement Installment Purchase Debt \$10,510,825

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

Year Ending June 30	Governmental Activities		Business-type Activities	
	Principal	Interest	Principal	Interest
2020	\$ 495,825	\$ 28,720	\$ 1,350,000	\$ 207,829
2021	380,000	20,378	1,350,000	175,350
2022	380,000	12,967	925,000	142,869
2023	380,000	5,558	500,000	125,563
2024	-	-	500,000	113,313
2025-2029	-	-	2,500,000	382,813
2030-2033	-	-	1,750,000	85,751
	<u>\$ 1,635,825</u>	<u>\$ 67,623</u>	<u>\$ 8,875,000</u>	<u>\$ 1,233,488</u>

b. General Obligation Indebtedness

As of June 30, 2019, there is no general obligation debt serviced by the County's general fund or the County proprietary funds.

At June 30, 2019, Currituck County had no bonds authorized but un-issued and a legal debt margin of \$501,800,758.

c. Revenue Bonds

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

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

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

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

Revenue bonds outstanding at year end are as follows:

Revenue bonds serviced by the Mainland Water System Fund:

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

Total Revenue Bond debt

\$12,035,000

\$12,035,000

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

Year Ending June 30	Business-type Activities	
	Principal	Interest
2020	\$ 1,135,000	\$ 345,545
2021	1,180,000	312,958
2022	1,225,000	279,078
2023	1,280,000	243,906
2024	1,330,000	207,155
2023-2028	5,885,000	431,671
Total	\$ 12,035,000	\$ 1,820,313

Debt Related to Capital Activities – Of the total Governmental Activities debt listed, all \$1,635,825 relates to assets the County holds title. There is no unspent restricted cash related to this debt.

d. Long-Term Obligation Activity

The following is a summary of changes in the County's long-term obligations for the fiscal year ended June 30, 2019:

	Balance June 30, 2018	Increases	Decreases	Balance June 30, 2019	Current Portion of Balance
Governmental activities:					
Direct placement installment purchase	\$ 3,216,136	\$ -	\$ 1,580,311	\$ 1,635,825	\$ 495,825
Compensated absences	1,298,100	569,484	583,770	1,283,814	-
Net pension liability (LGERS)	4,424,464	2,024,047	-	6,448,511	-
Total pension liability (LEOSSA)	2,247,435	42,719	-	2,290,154	-
Total OPEB liability	23,383,491	526,148	-	23,909,639	-
Total governmental activities	<u>\$ 34,569,626</u>	<u>\$ 3,162,398</u>	<u>\$ 2,164,081</u>	<u>\$ 35,567,943</u>	<u>\$ 495,825</u>
Business-type activities:					
Revenue bonded debt	\$ 13,125,000	\$ -	\$ 1,090,000	\$ 12,035,000	\$ 1,135,000
Direct placement installment purchase	11,845,000	-	2,970,000	8,875,000	1,350,000
Compensated absences	90,015	116,718	120,646	86,087	-
Net pension liability (LGERS)	277,409	123,269	-	400,678	-
Total OPEB liability	1,776,280	223,963	-	2,000,243	-
Total business-type activities	<u>\$ 27,113,704</u>	<u>\$ 463,950</u>	<u>\$ 4,180,646</u>	<u>\$ 23,397,008</u>	<u>\$ 2,485,000</u>
Discretely presented component units:					
Compensated absences - ABC Board	\$ 4,544	\$ -	\$ -	\$ 4,544	\$ -
Net pension liability	63,553	29,917	-	93,470	-
Total OPEB liability	<u>244,458</u>	<u>-</u>	<u>-</u>	<u>244,458</u>	<u>-</u>
Total discretely presented component units long-term liabilities	<u>\$ 312,555</u>	<u>\$ 29,917</u>	<u>\$ -</u>	<u>\$ 342,472</u>	<u>\$ -</u>

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

C. Inter-fund Balances and Activity

Transfers to/from other funds

Transfers to/from other funds at June 30, 2019, consists of the following:

From the General fund to the Tourism Development Authority Fund for administration of beach driving permits	\$ 77,915
From the General fund to the Corolla Fire District fund to supplement fire services	1,550,370
From the General fund to the Fire Vehicle Replacement Fund to accumulate resources for equipment replacement	267,000
From the General fund to County Government Facilities Construction fund for design of ABC Store	200,000
From the General fund to the Multi-year Grant fund for SCBA grant matching funds	99,500
From the General fund to the Solid Waste fund for operations	1,200,000
From the General fund to the Mainland Central Sewer fund for operations	88,698
Total transfers from the General fund	<u>\$ 3,483,483</u>
From the Tourism Development Authority to the General fund for Economic Development	244,690
From the Tourism Development Authority to the General fund for Airport promotions	4,063
From the Tourism Development Authority to the General fund for Administrative Fee	134,760
From the Tourism Development Authority to the General fund for Sheriff Deputies	1,260,294
From the Tourism Development Authority to the General fund for Emergency Medical Services Personnel	1,602,063
From the Tourism Development Authority to the General fund the Currituck Rural Center	254,844
From the Tourism Development Authority fund to the Co Governmental Facilities fund for Connecting Corolla	1,174,816
From the Tourism Development Authority fund to the Co Governmental Facilities fund for water access study	100,000
From the Tourism Development Authority fund to the Co Governmental Facilities fund for matching funds for airport projects	41,650
From the Tourism Development Authority fund to the Co Governmental Facilities fund for Historic Maritime Museum	1,124,014
From the Tourism Development Authority fund to the Co Governmental Facilities fund for Corolla 10 acre masterplan	100,000
Total transfers from the Tourism Development Authority Fund	<u>\$ 6,041,194</u>
From the Transfer Tax Capital fund to the Land Banking fund for future land purchases	200,000
From the Transfer Tax Capital fund to the County Government Facilities fund for airport grant matching funds	41,650
From the Transfer Tax Capital fund to the County Government Facilities fund for Maple detention facility sewer connection	375,000
From the Transfer Tax Capital fund to the County Government Facilities fund for park facility at Shingle Landing	2,500,000
From the Transfer Tax Capital fund to the Mainland Central Sewer Construction fund for sewer system upgrades	450,000
From the Transfer Tax Capital fund to the Mainland Central Sewer Operating fund for sewer system upgrades	118,100
From the Transfer Tax Capital fund to the Mainland Central Sewer Operating fund for early retirement of debt	1,454,400
From the Transfer Tax Capital fund to the Mainland Water fund for road bore near Dollar General	26,000
Total transfers from Transfer Tax Capital Fund	<u>\$ 5,165,150</u>
From the Whalehead Subdivision Drainage District fund to the General fund for debt service payment	648,713
From the Capital Improvements fund to the General fund for capital assets purchased in operating fund	950,000
From the Capital Improvements fund to the General fund for debt on the COA Aviation and Technical Training Facility	983,225
From the School Capital fund to the General fund for capital purchases for the Currituck County Schools.	1,600,000
From the School Capital fund to the School Capital Construction Fund for future school construction	574,770
Total transfers from other governmental funds	<u>\$ 4,756,708</u>
From the Newtown Road Sewer fund to the Mainland Central Sewer fund to close out the fund	161,345
From the Moyock Commons Sewer fund to the Mainland Central Sewer fund to close out the fund	287,413
From the Walnut Island Sewer fund to the Mainland Central Sewer fund to close out the fund	2,960,335
From the Maple Commerce Park Sewer fund to the Mainland Central Sewer fund to close out the fund	1,542,644
Total transfers from enterprise funds	<u>\$ 4,951,737</u>
Internal balances between the General Fund and the Mainland Sewer Fund	51,360
Total internal balances	<u>\$ 51,360</u>

D. Net Investment in Capital Assets

	Governmental Activities	Business-type Activities
Capital Assets:		
Land, improvements, non-depreciable collections and construction in progress	\$ 21,822,352	\$ 1,970,953
Other capital assets	145,743,805	101,680,142
Total capital assets	167,566,157	103,651,095
Depreciation	(72,662,628)	(48,124,501)
Total capital assets, net of depreciation	94,903,529	55,526,594
Outstanding general obligation debt	-	-
Outstanding revenue bonded debt	-	(12,035,000)
Outstanding installment purchase debt	(1,635,825)	(8,875,000)
Total outstanding debt	(1,635,825)	(20,910,000)
Total capital assets, net of depreciation and debt	\$ 93,267,704	\$ 34,616,594

E. Fund Balance

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

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

Total fund balance - General Fund	\$ 23,580,379
Less:	
Inventories	1,834
County Governmental Assets	3,643,345
Stabilization by State Statute	2,915,353
Appropriated Fund Balance in subsequent budget	3,776,870
Fire Protection	171,020
Tax Revaluation	872,326
Remaining Fund Balance	12,199,631

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

III. Joint Ventures

Albemarle Regional Health Services

The Board of Commissioners voted to join the all ready existing joint venture that operates Albemarle Regional Health Services with the State of North Carolina and four other counties became effective July 1, 1999. The area Boards of Commissioners appoints the fifteen member governing board. The County has an ongoing financial responsibility for Albemarle Regional Health Services because the County is required by State statute to provide public health services either directly or jointly with other counties. The County contributed \$130,175 to Albemarle Regional Health Services during the fiscal year ended June 30, 2019, 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, 2019. Complete financial statements may be obtained from the administrative offices at Albemarle Regional Health Services, Post Office Box 189, Elizabeth City, North Carolina 27909.

Trillium Health Resources

The County participates in a joint venture to operate Trillium Health Resources with 19 other local governments. Currituck County appoints one board member to the twenty-four member board of the Center. The County has an ongoing financial responsibility for the joint venture because the Center's continued existence depends on the participating governments' continued funding. None of the participating governments have any equity interest in the Center, so no equity interest has been reflected in the financial statements at June 30, 2019. In accordance with the intergovernmental agreement between the participating governments, the County appropriated \$49,012 to the Center to supplement its activities. Complete financial statements may be obtained from Joy Futrell, Vice President of Operations, Trillium Health Resources, 144 Community College Road, Ahoskie, North Carolina 29710.

Albemarle Regional Solid Waste Authority

The County participates in a joint venture to operate the Albemarle Regional Solid Waste Authority (Authority) with seven other counties, each of which appoints one voting and one nonvoting member to the Authority's governing board. The Authority was created to serve the solid waste disposal needs of the member counties and has subsequently contracted with a private regional landfill for waste disposal. The County has an ongoing financial responsibility for the Authority because it is legally obligated under an intergovernmental agreement for a portion of the Authority's administrative expenses, determined on a per capita basis among the members. The County contributed \$76,372 to the Authority during the fiscal year ended June 30, 2019, 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, 2019. Complete financial statements for the Authority may be obtained from the Authority's administrative offices at Albemarle Regional Solid Waste Authority, Post Office Box 189, Elizabeth City, North Carolina 27907.

East Albemarle Regional Library

The County participates in a joint venture to operate the East Albemarle Regional Library (Library) with four other counties. The Library's nine member Board of Trustees is appointed by the area

Boards of Commissioners as follows: Dare County (3), Currituck County (3), and Camden and Pasquotank Counties (3). Each county is responsible for the cost of its own facilities, the maintenance and operation of those facilities and the majority of the related personnel cost. The County has an ongoing financial responsibility for the joint venture because the Library's continued existence depends on the participating governments' continued funding. The County's annual appropriation is shown as a department in the General Fund and for the year ended June 30, 2019, expenditures were \$549,601. 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, 2019. Complete financial statements for the Library may be obtained from the Library's administrative offices at East Albemarle Regional Library, 205 East Main Street, Elizabeth City, North Carolina 27909.

IV. Jointly Governed Organization

Albemarle Commission

The County, in conjunction with nine other counties and fourteen municipalities, established the Albemarle Commission (Commission) to coordinate funding received from various federal and State agencies. Each participating county appoints four members and each participating municipality appoints two members of the Commission's governing board. The County paid membership fees of \$22,580 to the Commission during the fiscal year ended June 30, 2019.

V. Benefit Payments Issued by the State

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

	Federal	State
Special Supplemental Nutrition Program for Women, Infant and Children	\$ 219,845	\$ -
Supplemental Nutrition Assistance Program	2,210,175	-
Temporary Assistance for Needy Families	67,309	-
Adoption Assistance	32,421	7,900
Foster Care - Title IV-E	30,230	6,219
Chafee Foster Care Independence Program	3,428	
Medical Assistance Program	12,434,898	6,346,996
Children's Health Insurance Program	346,743	-
Child Welfare Services Adoption	-	129,853
State / County Special Assistance Program	-	177,994
Total	<u>\$ 15,345,049</u>	<u>\$ 6,668,962</u>

VI. Summary Disclosure of Significant Commitments and Contingencies

Federal and State Assisted Programs

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

VII. Related Party Transactions

The County made payments of \$1,652 to C T Mechanical Inc. from July 1, 2018 through June 30, 2019. Commissioner Michael Payment, sworn in to office on December 1, 2014, is a principal owner of this business.

VIII. Significant Effects of Subsequent Events

On September 27, 2019, the County closed on an installment purchase debt in the amount of \$21,400,000 with Branch Bank and Trust Company to construct a Public Safety and Training Facility. The debt principal payments will be made in semi-annual payments of \$1,070,000 for ten years. The final payment will become due on September 27, 2030.

Required Supplemental Financial Data

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

Schedule of Changes in the Total OPEB Liability and Related Ratios
June 30, 2019

	<u>2019</u>	<u>2018</u>
Total OPEB Liability		
Service Cost	\$ 1,391,990	\$ 1,570,488
Interest	890,861	773,361
Changes in benefit terms	-	-
Differences between expected and actual experience	194,486	(26,665)
Changes of assumptions	(1,453,656)	(2,751,420)
Benefit Payments	(273,570)	(196,670)
Net change in total OPEB liability	<u>750,111</u>	<u>(630,906)</u>
Total OPEB liability - beginning	<u>25,159,771</u>	<u>25,790,677</u>
Total OPEB liability - ending	<u><u>\$ 25,909,882</u></u>	<u><u>\$ 25,159,771</u></u>
 Covered payroll	 \$ 15,073,212	 \$ 15,631,472
Total OPEB liability as a percentage of covered payroll	 171.89%	 160.96%

Notes to Schedule

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

<u>Fiscal Year</u>	<u>Rate</u>
2018	3.56%
2019	3.89%

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

	2019	2018	2017	2016	2015	2014
County's proportion of the net pension liability (asset) %	0.289%	0.308%	0.296%	0.283%	0.284%	0.295%
County's proportionate share of the net pension liability (asset) \$	\$ 6,849,189	\$ 4,071,873	\$ 6,279,568	\$ 1,267,843	\$ (1,673,817)	\$ 3,557,088
County's covered-payroll	18,309,762	17,127,313	15,952,995	15,466,682	14,945,378	14,596,237
County's proportionate share of the net pension liability (asset) as a percentage of its covered-payroll	37.41%	23.77%	39.36%	8.20%	(11.20%)	24.37%
Plan fiduciary net position as a percentage of the total pension liability	92.00%	94.18%	91.47%	98.09%	102.64%	94.35%

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

Schedule of County Contributions
Local Governmental Employees' Retirement System
Last Six Fiscal Years*

	2019	2018	2017	2016	2015	2014
Contractually required contribution	\$ 1,570,923	\$ 1,392,260	\$ 1,363,286	\$ 1,150,130	\$ 1,135,921	\$ 1,091,528
Contributions in relation to the contractually required contribution	1,570,923	1,392,260	1,363,286	1,150,130	1,135,921	1,091,528
Contribution deficiency (excess)	-	-	-	-	-	-
County's covered-payroll	\$ 19,783,633	\$ 18,309,762	\$ 17,127,313	\$ 15,952,995	\$ 15,466,682	\$ 14,945,378
Contributions as a percentage of covered-payroll	7.94%	7.60%	7.96%	7.21%	7.34%	7.30%

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

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

	2019	2018	2017	2016	2015	2014
County's proportion of the net pension liability (asset) %	0.402%	0.393%	0.410%	0.423%	0.428%	0.455%
County's proportionate share of the net pension liability (Asset) \$	\$ (66,643)	\$ (67,160)	\$ (76,717)	\$ (98,010)	\$ (96,929)	\$ (97,263)
Plan fiduciary net position as a percentage of the total pension liability	153.31%	153.77%	160.17%	197.29%	193.88%	190.50%

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

Schedule of County Contributions
Register of Deeds' Supplemental Pension Fund
Last Six Fiscal Years*

	2019	2018	2017	2016	2015	2014
Contractually required contribution	\$ 3,450	\$ 4,106	\$ 4,121	\$ 3,577	\$ 3,717	\$ 3,492
Contributions in relation to the contractually required contribution	3,450	4,106	4,121	3,577	3,717	3,492
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

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

Schedule of Changes in Total Pension Liability
Law Enforcement Officers' Special Separation Allowance
For the Year Ended June 30, 2019*

	2019	2018	2017
Beginning Balance	\$ 2,247,435	\$ 1,849,311	\$ 1,754,373
Service Cost	107,514	96,646	96,224
Interest on the total pension liability	69,888	71,078	62,364
Changes of benefit terms	-	-	-
Differences between expected and actual experience in the measurement of the total pension liability	28,862	94,434	-
Changes of assumption or other inputs	(91,979)	151,785	(48,712)
Benefit payments	(71,566)	(15,819)	(14,938)
Other changes	-	-	-
Ending balance of the total pension liability	<u>\$ 2,290,154</u>	<u>\$ 2,247,435</u>	<u>\$ 1,849,311</u>

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

Schedule of Total Pension Liability as a Percentage of Covered Payroll
Law Enforcement Officers' Special Separation Allowance
For the Year Ended June 30, 2019

	2019	2018	2017
Total pension liability	\$ 2,290,154	\$ 2,247,435	\$ 1,849,311
Covered payroll	3,759,787	3,803,620	3,611,475
Total pension liability as a percentage of covered payroll	60.96%	59.09%	51.21%

Notes to the schedules:

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

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

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

	2019	2018	2017	2016	2015
County's proportion of the net pension liability (asset) %	0.00%	0.00%	0.00%	0.00%	0.00%
County's proportionate share of the net pension liability (asset) \$	\$ -	\$ -	\$ -	\$ -	\$ -
State's proportionate share of the net pension liability (asset) associated with the County	\$ 122,733	\$ 107,436	\$ 67,078	\$ 60,691	\$ 49,324
Total	\$ 122,733	\$ 107,436	\$ 67,078	\$ 60,691	\$ 49,324
County's covered-payroll	\$ 5,650,344	\$ 3,592,293	\$ 3,409,688	\$ 4,013,300	\$ 3,890,337
County's proportionate share of the net pension liability (asset) as a percentage of its covered-payroll	2.17%	2.99%	1.97%	1.51%	1.27%
Plan fiduciary net position as a percentage of the total pension liability	89.69%	89.35%	84.94%	91.40%	93.42%

* The amounts presented are for the prior fiscal year.

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

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County of Currituck, North Carolina
General Fund
Schedule of Revenues, Expenditures, and
Changes in Fund Balances - Budget and Actual
For the Fiscal Year Ended June 30, 2019

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

	2019				2018
	Budgeted Amounts			Variance with	
	Original	Final	Actual	Final Budget	Actual
				Positive	
				(Negative)	
Revenues:					
Ad valorem taxes:					
Taxes	\$ -	\$ -	\$ 30,950,054	\$ -	\$ 30,146,306
Interest	-	-	95,307	-	88,389
Total	29,663,889	29,793,360	31,045,361	1,252,001	30,234,695
Other taxes and licenses:					
Sexually oriented business license	-	-	2,225	-	1,300
Animal tax	-	-	12,371	-	12,484
Marriage license	-	-	27,600	-	26,520
Franchise tax	-	-	319,659	-	330,738
Deed stamp excise tax	-	-	922,383	-	850,138
Article 39 local option sales tax	-	-	5,952,171	-	5,700,966
Article 44 local option sales tax	-	-	224	-	397
Medicaid hold harmless funds	-	-	275,461	-	182,607
Total	6,230,250	6,415,750	7,512,094	1,096,344	7,105,150
Unrestricted intergovernmental:					
Gasoline tax refund	-	-	1,368	-	1,712
Payments in lieu of taxes-outside sources	-	-	49,119	-	43,826
Beer and wine tax	-	-	115,219	-	113,050
Total	159,200	159,200	165,706	6,506	158,588
Restricted intergovernmental:					
Federal and State grants	-	-	2,293,254	-	2,326,330
Safe roads act	-	-	3,781	-	3,519
Crime control act	-	-	15,356	-	6,999
Court facility fees	-	-	68,697	-	65,856
Jail fees	-	-	31,533	-	32,973
Officer fees	-	-	98,606	-	72,370
Total	2,491,589	2,546,329	2,511,227	(35,102)	2,508,047
Permits and fees:					
Ambulance service fees	-	-	1,259,559	-	1,186,026
Beach parking permits	-	-	403,150	-	145,865
Administration and filing fees	-	-	534,352	-	495,499
Peddler License Fee	-	-	565	-	350
Register of deeds fees	-	-	202,384	-	203,046
Building permit fees	-	-	634,878	-	617,636
Re-inspection fees	-	-	24,350	-	13,200
Planning fees	-	-	38,660	-	18,720
Tour operator fees	-	-	1,371	-	1,371
Payment in Lieu of Open Space	-	-	89,363	-	41,201
Zoning violation fees	-	-	300	-	200
Homeowners' recovery fees	-	-	5,290	-	5,560
CAMA permits	-	-	5,900	-	9,500
Sheriff fees	-	-	7,426	-	9,309
Animal control fees	-	-	835	-	750
Total	2,194,573	2,653,316	3,208,383	555,067	2,748,233
Sales and services:					
Rents	-	-	156,494	-	213,563
Airport fees	-	-	86,162	-	83,376
Vending sales	-	-	6,960	-	5,682
Senior meals	-	-	119	-	279
Animal adoption fees	-	-	37,192	-	31,934
Animal reclamation fees	-	-	4,796	-	4,075

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, 2019

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

	2019				2018
	Budgeted Amounts			Variance with Final Budget Positive (Negative)	
	Original	Final	Actual		Actual
EMS revenues	-	-	4,000	-	4,142
Jail housing	-	-	45,528	-	94,332
Sale of materials	-	-	288	-	502
Aviation fuel sales	-	-	322,054	-	241,791
Sale of fixed assets	-	-	53,159	-	7,004
Recreation concessions	-	-	21,702	-	15,565
Recreation fees	-	-	90,418	-	75,056
Total	731,582	874,745	828,872	(45,873)	777,301
Investment earnings	100,750	163,447	362,225	198,778	131,458
Miscellaneous:					
Donations	-	-	55,450	-	46,883
Insurance recoveries	-	-	26,210	-	52,411
ABC Education distribution	-	-	19,851	-	33,196
ABC Law enforcement distribution	-	-	24,715	-	23,698
ABC profits	-	-	599,033	-	578,079
Other	-	-	17,479	-	14,508
Total	419,000	646,640	742,738	96,098	748,775
Total revenues	41,990,833	43,252,787	46,376,606	3,123,819	44,412,247
Expenditures:					
General government:					
Administration:					
Salaries and employee benefits	-	-	727,018	-	511,569
Other operating expenditures	-	-	84,489	-	133,799
Total	894,501	894,501	811,507	82,994	645,368
Legal:					
Salaries and employee benefits	-	-	313,221	-	304,603
Other operating expenditures	-	-	53,392	-	328,234
Total	407,859	407,859	366,613	41,246	632,837
Governing body:					
Salaries and employee benefits	-	-	109,803	-	109,803
Other operating expenditures	-	-	71,474	-	113,502
Total	170,647	184,647	181,277	3,370	223,305
Elections:					
Salaries and employee benefits	-	-	148,888	-	142,669
Other operating expenditures	-	-	48,643	-	40,621
Capital outlay	-	-	1,795	-	93,954
Total	188,653	220,499	199,326	21,173	277,244
Finance					
Salaries and employee benefits	-	-	415,449	-	388,269
Other operating expenditures	-	-	121,521	-	124,690
Total	549,573	600,695	536,970	63,725	512,959
Information Technology:					
Salaries and employee benefits	-	-	322,906	-	309,714
Other operating expenditures	-	-	261,998	-	249,861
Capital outlay	-	-	75,342	-	67,215
Total	717,632	780,871	660,246	120,625	626,790
Human resources:					

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, 2019

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

	2019				2018
	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)	Actual
	Original	Final			
Salaries and employee benefits	-	-	138,609	-	133,498
Other operating expenditures	-	-	10,947	-	11,841
Total	165,062	165,062	149,556	15,506	145,339
Taxes:					
Salaries and employee benefits	-	-	427,044	-	410,370
Other operating expenditures	-	-	135,474	-	139,506
Total	588,380	588,380	562,518	25,862	549,876
Public works:					
Salaries and employee benefits	-	-	681,995	-	717,857
Other operating expenditures	-	-	446,870	-	372,979
Capital outlay	-	-	284,344	-	406,975
Total	1,513,038	1,622,573	1,413,209	209,364	1,497,811
Register of deeds:					
Salaries and employee benefits	-	-	271,267	-	271,079
Other operating expenditures	-	-	522,461	-	482,549
Total	732,875	807,875	793,728	14,147	753,628
Court facilities:					
Operating expenditures	-	-	150,453	-	160,464
Capital outlay	-	-	98,309	-	44,062
Total	196,803	259,441	248,762	10,679	204,526
Agency appropriations:					
Operating expenditures	-	-	38,100	-	38,025
Total	38,200	38,200	38,100	100	38,025
Central services:					
Operating expenditures	-	-	549,445	-	643,972
Total	682,991	682,991	549,445	133,546	643,972
Total general government	6,846,214	7,253,594	6,511,257	742,337	6,751,680
Public safety:					
Sheriff:					
Salaries and employee benefits	-	-	5,696,509	-	5,374,429
Other operating expenditures	-	-	765,412	-	752,787
Capital outlay	-	-	763,240	-	790,370
Total	7,295,517	7,511,644	7,225,161	286,483	6,917,586
Jail:					
Salaries and employee benefits	-	-	1,739,529	-	1,634,057
Other operating expenditures	-	-	470,880	-	475,170
Capital outlay	-	-	107,358	-	31,200
Total	2,426,640	2,466,640	2,317,767	148,873	2,140,427
Animal control:					
Salaries and employee benefits	-	-	466,137	-	447,801
Other operating expenditures	-	-	137,648	-	146,118
Capital outlay	-	-	30,929	-	40,090
Total	697,499	698,877	634,714	64,163	634,009
Jury commission:					
Operating expenditures	-	-	2,350	-	2,500
Total	2,350	2,350	2,350	-	2,500

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, 2019

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

	2019				2018
	Budgeted Amounts			Variance with	
	Original	Final	Actual	Final Budget Positive (Negative)	Actual
Emergency medical services:					
Salaries and employee benefits	-	-	4,692,147	-	6,126,610
Other operating expenditures	-	-	518,681	-	586,159
Capital outlay	-	-	290,080	-	403,466
Total	5,135,176	5,706,977	5,500,908	206,069	7,116,235
Emergency management:					
Salaries and employee benefits	-	-	159,266	-	152,693
Other operating expenditures	-	-	61,427	-	74,296
Capital outlay	-	-	16,976	-	13,500
Total	214,112	270,653	237,669	32,984	240,489
Communications:					
Salaries and employee benefits	-	-	752,657	-	731,260
Other operating expenditures	-	-	203,178	-	230,292
Capital outlay	-	-	-	-	57,517
Total	1,114,380	1,114,380	955,835	158,545	1,019,069
Building inspections:					
Salaries and employee benefits	-	-	660,620	-	642,652
Other operating expenditures	-	-	72,831	-	72,232
Capital outlay	-	-	62,246	-	33,000
Total	938,927	938,927	795,697	143,230	747,884
Fire prevention:					
Salaries and employee benefits	-	-	153,305	-	160,961
Other operating expenditures	-	-	40,269	-	38,766
Capital outlay	-	-	38,556	-	72,135
Total	320,712	259,066	232,130	26,936	271,862
Volunteer fire departments:					
Carova Beach Volunteer Fire Department	-	-	174,236	-	211,327
Corolla Fire & Rescue Squad	-	-	-	-	290,949
Crawford Volunteer Fire Department	-	-	276,383	-	330,251
Lower Currituck Volunteer Fire Department	-	-	269,854	-	344,257
Knotts Island Volunteer Fire Department	-	-	686,683	-	111,516
Moyock Volunteer Fire Department	-	-	196,389	-	248,406
Intra-departmental Fire Services	-	-	271,499	-	12,349
Total	2,303,370	2,070,340	1,875,044	195,296	1,549,055
Medical examiner:					
Contracted services	-	-	30,850	-	17,400
Total	20,000	40,000	30,850	9,150	17,400
Disaster recovery:					
Salaries and employee benefits	-	-	51,616	-	-
Other operating expenditures	-	-	2,694	-	83,956
Capital outlay	-	-	-	-	9,766
Total	-	54,312	54,310	2	93,722
Total public safety	20,468,683	21,134,166	19,862,435	1,271,731	20,750,238
Transportation:					
Airport:					
Salaries and employee benefits	-	-	57,047	-	49,146

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, 2019

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

	2019				2018
	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)	Actual
	Original	Final			
Other operating expenditures	-	-	330,608	-	264,752
Capital outlay	-	-	25,289	-	13,805
Total	424,238	602,238	412,944	189,294	327,703
Inter-county transportation:					
Contracted services	-	-	21,967	-	22,777
Total	62,144	47,987	21,967	26,020	22,777
Total transportation	486,382	650,225	434,911	215,314	350,480
Environmental protection:					
Forestry:					
Contracted services	-	-	55,061	-	69,967
Total	80,264	80,264	55,061	25,203	69,967
Soil and water conservation:					
Salaries and employee benefits	-	-	116,895	-	109,681
Other operating expenditures	-	-	12,001	-	13,664
Total	134,744	134,744	128,896	5,848	123,345
Total environmental protection	215,008	215,008	183,957	31,051	193,312
Economic and physical development:					
Cooperative extension:					
Salaries and employee benefits	-	-	157,035	-	105,733
Other operating expenditures	-	-	301,148	-	284,875
Contracted services	-	-	27,005	-	27,140
Capital outlay	-	-	-	-	34,276
Total	549,230	552,775	485,188	67,587	452,024
Economic development:					
Salaries and employee benefits	-	-	97,516	-	131,633
Other operating expenditures	-	-	147,174	-	155,680
Total	283,218	283,218	244,690	38,528	287,313
Planning and inspections:					
Salaries and employee benefits	-	-	588,145	-	582,480
Other operating expenditures	-	-	126,793	-	175,443
Capital outlay	-	-	29,752	-	-
Total	805,368	869,586	744,690	124,896	757,923
Total economic and physical development	1,637,816	1,705,579	1,474,568	231,011	1,497,260
Human services:					
Health:					
Contracted services	-	-	130,175	-	127,000
Total	130,175	130,175	130,175	-	127,000
Mental health:					
Contracted services	-	-	49,012	-	49,012
Total	61,012	61,012	49,012	12,000	49,012
Social services:					
Administration:					
Salaries and employee benefits	-	-	2,536,592	-	2,469,365
Other operating expenditures	-	-	715,697	-	701,170

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, 2019

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

	2019				2018
	Budgeted Amounts			Variance with Final Budget Positive (Negative)	
	Original	Final	Actual		Actual
Capital outlay	-	-	18,103	-	30,624
Total	3,569,805	3,605,188	3,270,392	334,796	3,201,159
Public Assistance:					
Electronic issuance	-	-	2,352	-	3,243
Medical Transportation	-	-	21,021	-	19,351
TANF	-	-	5	-	-
Special assistance for adults	-	-	139,725	-	141,305
Special adoption assistance	-	-	4,938	-	10,188
State foster care and boarding home payments	-	-	96,418	-	93,129
Title IV-E foster care	-	-	49,986	-	27,525
Special assistance for the blind	-	-	830	-	766
Title IV-E adoption assistance	-	-	7,223	-	9,861
Title IV-B adoption assistance	-	-	43,892	-	50,865
Title IV-B adoption assistance vendor payments	-	-	-	-	525
Child daycare	-	-	-	-	31,413
Home care block grant	-	-	45,098	-	48,207
LINKS special assistance	-	-	3,628	-	3,494
Other assistance	-	-	78,195	-	77,492
Total	764,860	786,689	493,311	293,378	517,364
Total social services	4,334,665	4,391,877	3,763,703	628,174	3,718,523
Juvenile crime prevention control					
JCPC council	-	-	2,135	-	3,540
Partnership of adolescents and support services	-	-	88,985	-	88,948
Restitution	-	-	12,495	-	8,808
Total	104,417	104,417	103,615	802	101,296
Total human services	4,630,269	4,687,481	4,046,505	640,976	3,995,831
Cultural and recreational:					
Senior citizens centers:					
Salaries and employee benefits	-	-	197,056	-	199,652
Other operating expenditures	-	-	139,920	-	142,022
Capital outlay	-	-	8,485	-	-
Total	377,807	377,807	345,461	32,346	341,674
Libraries:					
Salaries and employee benefits	-	-	473,647	-	486,949
Other operating expenditures	-	-	75,954	-	96,586
Total	606,777	606,777	549,601	57,176	583,535
Parks and Recreation:					
Salaries and employee benefits	-	-	465,984	-	448,550
Other operating expenditures	-	-	289,124	-	295,987
Capital outlay	-	-	52,253	-	74,826
Total	868,820	869,338	807,361	61,977	819,363
Rural Center					
Salaries and employee benefits	-	-	151,856	-	136,923
Other operating expenditures	-	-	47,201	-	42,640
Capital outlay	-	-	55,787	-	58,049
Total	298,413	298,413	254,844	43,569	237,612

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, 2019

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

	2019				2018
	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)	Actual
	Original	Final			
Total cultural and recreational	2,151,817	2,152,335	1,957,267	195,068	1,982,184
Education:					
Public schools - current	-	-	10,505,108	-	9,976,717
Public schools - capital outlay	-	-	1,400,000	-	1,000,000
Community college	-	-	180,841	-	159,525
Total education	12,095,108	12,295,108	12,085,949	209,159	11,136,242
Debt service:					
Principal retirement	-	-	1,580,018	-	1,576,671
Interest and other charges	-	-	51,919	-	79,098
Total debt service	1,655,772	1,655,772	1,631,937	23,835	1,655,769
Total expenditures	50,187,069	51,749,268	48,188,786	3,560,482	48,312,996
Revenues over (under) expenditures	(8,196,236)	(8,496,481)	(1,812,180)	6,684,301	(3,900,749)
Other financing sources (uses):					
Transfers to other funds:					
Special Revenue Funds	-	-	(1,848,785)	-	(121,000)
Capital Projects Funds	-	-	(467,000)	-	(267,000)
Enterprise Funds	-	-	(1,288,698)	-	(1,340,270)
Total transfers to other funds	(3,227,068)	(3,604,483)	(3,604,483)	-	(1,728,270)
Transfers from other funds:					
Tourism Development Authority	-	-	3,500,714	-	3,640,390
Special Revenue Funds	-	-	648,713	-	656,123
Capital Projects Funds	-	-	3,533,225	-	3,691,642
Total transfers from other funds	7,646,434	7,846,434	7,682,652	(163,782)	7,988,155
Total other financing sources (uses)	4,419,366	4,241,951	4,078,169	(163,782)	6,259,885
Revenues and other financing sources over (under) expenditures and other financing uses	(3,776,870)	(4,254,530)	2,265,989	6,520,519	2,359,136
Appropriated fund balance	3,776,870	4,254,530	-	(4,254,530)	-
Revenues, other sources, and appropriated fund balance over (under) expenditures	\$ -	\$ -	2,265,989	\$ 2,265,989	2,359,136
Fund balances:					
Beginning of year, July 1			16,798,719		14,439,583
End of year, June 30			<u>\$ 19,064,708</u>		<u>\$ 16,798,719</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, 2019
(With Comparative Actual Amounts for the Fiscal Year Ended June 30, 2018)

	2019				2018
	Budgeted Amounts		Actual	Variance with Final Positive (Negative)	Actual
	Original	Final			
Revenues:					
Investment earnings	\$ -	\$ -	\$ 16,553	\$ 16,553	\$ 5,423
Expenditures:					
Current:					
General government:					
Total expenditures	121,000	121,000	-	121,000	-
Revenues over (under) expenditures	(121,000)	(121,000)	16,553	137,553	5,423
Other financing sources:					
Operating transfer in:					
General Fund	121,000	121,000	121,000	-	121,000
Revenues and other sources over (under) expenditures	\$ -	\$ -	137,553	\$ 137,553	126,423
Fund balances:					
Beginning of year, July 1			734,773		608,350
End of year, June 30			\$ 872,326		\$ 734,773

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, 2019
(With Comparative Actual Amounts for the Fiscal Year Ended June 30, 2018)

	2019				2018
	Original Budget	Final Budget	Actual	Variance with Final Positive (Negative)	Actual
Revenues:					
Investment earnings	\$ -	\$ -	\$ 73,455	\$ 73,455	\$ 27,387
Total revenues	-	-	73,455	73,455	27,387
Expenditures:					
Capital outlay	-	-	-	-	-
Total expenditures	200,000	200,000	-	-	-
Revenues over (under) expenditures	(200,000)	(200,000)	73,455	273,455	27,387
Other financing sources (uses):					
Transfers from Transfer Tax Fund	200,000	200,000	200,000	-	200,000
Revenues and other financing sources	\$ -	\$ -	273,455	\$ 273,455	227,387
Fund balances:					
Beginning of year, July 1			3,369,890		3,142,503
End of year, June 30			<u>\$ 3,643,345</u>		<u>\$ 3,369,890</u>

County of Currituck, North Carolina
Combining Balance Sheet
Non-Major Governmental Funds
June 30, 2019

	Multi-year Grant Fund	Emergency Telephone System Fund	Corolla Fire District Fund	Guinea Mill Watershed Improvement Fund	Hog Bridge Ditch Watershed Improvement Fund	Moyock Watershed Improvement Fund	Northwest Watershed Improvement Fund
ASSETS							
Cash and cash equivalents	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Investments	189,023	306,513	783,623	172,081	6,502	69,973	31,750
Accounts receivable, net	-	-	-	-	-	-	-
Taxes receivable, net	-	-	3,508	324	40	266	71
Due from other governments	-	24,757	135,118	151	15	163	23
Total assets	<u>\$ 189,023</u>	<u>\$ 331,270</u>	<u>\$ 922,249</u>	<u>\$ 172,556</u>	<u>\$ 6,557</u>	<u>\$ 70,402</u>	<u>\$ 31,844</u>
LIABILITIES AND FUND BALANCES							
Liabilities:							
Accounts payable and accrued liabilities	\$ -	\$ 4,637	\$ 125,902	\$ -	\$ -	\$ -	\$ -
Total liabilities	<u>-</u>	<u>4,637</u>	<u>125,902</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
DEFERRED INFLOWS OF RESOURCES							
Taxes receivable	<u>-</u>	<u>-</u>	<u>3,508</u>	<u>324</u>	<u>40</u>	<u>266</u>	<u>71</u>
Total deferred inflows of resources	<u>-</u>	<u>-</u>	<u>3,508</u>	<u>324</u>	<u>40</u>	<u>266</u>	<u>71</u>
Fund balances:							
Restricted:							
Stabilization by State Statute	-	24,757	138,626	151	15	163	23
Emergency Telephone System	-	266,565	-	-	-	-	-
Fire Protection	99,500	-	654,213	-	-	-	-
Watershed Improvements	89,523	-	-	172,081	6,502	69,973	31,750
Whalehead Beach Solid Waste	-	-	-	-	-	-	-
Capital Assets	-	-	-	-	-	-	-
Committed:							
Fire Equipment	-	-	-	-	-	-	-
Assigned:							
Subsequent year's expenditures	<u>-</u>	<u>35,311</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total fund balances	<u>189,023</u>	<u>326,633</u>	<u>792,839</u>	<u>172,232</u>	<u>6,517</u>	<u>70,136</u>	<u>31,773</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 189,023</u>	<u>\$ 331,270</u>	<u>\$ 922,249</u>	<u>\$ 172,556</u>	<u>\$ 6,557</u>	<u>\$ 70,402</u>	<u>\$ 31,844</u>

Ocean Sands North/Crown Pointe Watershed Improvement Fund	Whalehead Watershed Improvement Fund	Whalehead Beach Solid Waste Service District	Total Non-Major Special Revenue Funds
\$ -	\$ -	\$ -	\$ -
425,904	696,544	274,552	2,956,465
-	-	-	-
411	6,715	973	12,308
2,580	2,196	23	165,026
<u>\$ 428,895</u>	<u>\$ 705,455</u>	<u>\$ 275,548</u>	<u>\$ 3,133,799</u>

\$ -	\$ 28,197	\$ 8,720	\$ 167,456
-	28,197	8,720	167,456

411	6,715	973	12,308
411	6,715	973	12,308

2,580	2,196	23	168,534
-	-	-	266,565
-	-	-	753,713
425,904	668,347	-	1,464,080
-	-	265,832	265,832
-	-	-	-
-	-	-	-
-	-	-	35,311
428,484	670,543	265,855	2,954,035
<u>\$ 428,895</u>	<u>\$ 705,455</u>	<u>\$ 275,548</u>	<u>\$ 3,133,799</u>

Fire Equipment Replacement Fund	Capital Improvements Fund	School Capital Fund	Total Non-Major Capital Projects Funds	Total Non-Major Governmental Funds
\$ -	\$ -	\$ -	\$ -	\$ -
400,353	2,624,739	3,613,990	6,639,082	9,595,547
-	-	-	-	-
-	-	-	-	12,308
5,145	722,665	691,092	1,418,902	1,583,928
<u>\$ 405,498</u>	<u>\$ 3,347,404</u>	<u>\$ 4,305,082</u>	<u>\$ 8,057,984</u>	<u>\$ 11,191,783</u>

\$ -	\$ -	\$ -	\$ -	\$ 167,456
-	-	-	-	167,456

-	-	-	-	12,308
-	-	-	-	12,308

5,145	722,665	691,092	1,418,902	1,587,436
-	-	-	-	266,565
-	-	-	-	753,713
-	-	-	-	1,464,080
-	-	-	-	265,832
-	2,624,739	3,613,990	6,238,729	6,238,729
400,353	-	-	400,353	400,353
-	-	-	-	35,311
405,498	3,347,404	4,305,082	8,057,984	11,012,019
<u>\$ 405,498</u>	<u>\$ 3,347,404</u>	<u>\$ 4,305,082</u>	<u>\$ 8,057,984</u>	<u>\$ 11,191,783</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, 2019

	Multi-year Grant Fund	Emergency Telephone System Fund	Corolla Fire District Fund	Guinea Mill Watershed Improvement Fund	Hog Ditch Watershed Improvement Fund	Moyock Watershed Improvement Fund	Northwest Watershed Improvement Fund
REVENUES							
Ad valorem taxes	\$ -	\$ -	\$ 1,432,598	\$ 17,847	\$ 1,889	\$ 19,729	\$ 3,191
Other taxes and licenses	-	213,917	-	-	-	-	-
Restricted							
intergovernmental	56,879	-	580,108	-	-	-	-
Investment earnings	2,087	5,638	6,462	3,455	120	1,316	640
Total revenues	58,966	219,555	2,019,168	21,302	2,009	21,045	3,831
EXPENDITURES							
Current:							
General government	-	-	-	-	-	-	-
Public safety	-	161,987	2,919,218	-	-	-	-
Economic and physical							
development	25,740	-	-	-	-	-	-
Environmental							
protection	-	-	-	-	-	-	-
Total expenditures	25,740	161,987	2,919,218	-	-	-	-
Other financing sources							
(uses)							
Transfers (to) from							
other funds	99,500	-	1,550,370	-	-	-	-
Total other financing							
sources and uses	99,500	-	1,550,370	-	-	-	-
Net change in fund							
balances	132,726	57,568	650,320	21,302	2,009	21,045	3,831
Fund balances - beginning	56,297	269,065	142,519	150,930	4,508	49,091	27,942
Fund balances - ending	\$ 189,023	\$ 326,633	\$ 792,839	\$ 172,232	\$ 6,517	\$ 70,136	\$ 31,773

Ocean Sands North/Crown Point Watershed Improvement Fund	Whalehead Watershed Improvement Fund	Whalehead Beach Solid Waste Service District	Total Non-Major Special Revenue Funds
\$ 297,249	\$ 906,031	\$ 116,981	\$ 2,795,515
-	-	-	213,917
-	-	-	636,987
7,839	19,213	5,824	52,594
305,088	925,244	122,805	3,699,013

-	-	104,640	104,640
-	-	-	3,081,205
-	-	-	25,740
108,850	244,993	-	353,843
108,850	244,993	104,640	3,565,428

-	(648,713)	-	1,001,157
-	(648,713)	-	1,001,157
196,238	31,538	18,165	1,134,742
232,246	639,005	247,690	1,819,293
\$ 428,484	\$ 670,543	\$ 265,855	\$ 2,954,035

Fire Equipment Replacement Fund	Capital Improvements Fund	School Capital Fund	Total Non-major Capital Projects Funds	Total Non-Major Governmental Funds
\$ -	\$ -	\$ -	\$ -	\$ 2,795,515
-	2,540,612	2,359,418	4,900,030	5,113,947
-	-	-	-	636,987
1,295	64,458	89,118	154,871	207,465
1,295	2,605,070	2,448,536	5,054,901	8,753,914

-	-	-	-	104,640
31,000	-	-	31,000	3,112,205
-	-	-	-	25,740
-	-	-	-	353,843
31,000	-	-	31,000	3,596,428

267,000	(1,933,225)	(2,174,770)	(3,840,995)	(2,839,838)
267,000	(1,933,225)	(2,174,770)	(3,840,995)	(2,839,838)
237,295	671,845	273,766	1,182,906	2,317,648
168,203	2,675,559	4,031,316	6,875,078	8,694,371
\$ 405,498	\$ 3,347,404	\$ 4,305,082	\$ 8,057,984	\$ 11,012,019

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, 2019

	Project Authorization	Prior Year	Actual Current Year	Total to Date	Variance Positive (Negative)
Revenues					
Restricted intergovernmental:					
NC Dept of Agriculture - Hurricane Matthew	\$ 142,300	\$ 84,278	\$ 51,310	\$ 135,588	\$ (6,712)
NC Div of Water Resources - Watershed Study	48,250	48,250	5,569	53,819	5,569
Self-contained breathing apparatus Grant 2019	995,000	-	-	-	(995,000)
Investment Earnings	-	81,847	2,087	83,934	83,934
Total revenues	<u>1,185,550</u>	<u>214,375</u>	<u>58,966</u>	<u>273,341</u>	<u>(912,209)</u>
Expenditures					
Environmental protection:					
Hurricane Matthew Snag/Clear Grant	142,300	109,828	25,740	135,568	6,732
US Army Corp/Watershed Study	96,500	96,500	-	96,500	-
Total environmental protection	<u>238,800</u>	<u>206,328</u>	<u>25,740</u>	<u>232,068</u>	<u>6,732</u>
Public safety:					
Self-contained breathing apparatus	<u>1,094,500</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,094,500</u>
Total expenditures	<u>1,333,300</u>	<u>206,328</u>	<u>25,740</u>	<u>232,068</u>	<u>1,101,232</u>
Revenues under expenditures	<u>(147,750)</u>	<u>8,047</u>	<u>33,226</u>	<u>41,273</u>	<u>189,023</u>
Other financing sources:					
Transfers in:					
General Fund	142,925	43,425	99,500	142,925	-
Guinea Mill Watershed	4,825	4,825	-	4,825	-
Total	<u>147,750</u>	<u>48,250</u>	<u>99,500</u>	<u>147,750</u>	<u>-</u>
Revenues and other financing sources over (under) expenditures	<u>\$ -</u>	<u>\$ 56,297</u>	<u>132,726</u>	<u>\$ 189,023</u>	<u>\$ 189,023</u>
Fund balance:					
Beginning of year, July 1			<u>56,297</u>		
End of Year, June 30			<u>\$ 189,023</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, 2019
(With Comparative Actual Amounts for the Fiscal Year Ended June 30, 2018)

	2019				2018
	Budgeted Amounts			Variance with Final Positive (Negative)	
	Original	Final	Actual		Actual
Revenues					
Other taxes and licenses:					
911 system subscriber fees	\$ 213,917	\$ 213,917	\$ 213,917	\$ -	\$ 196,441
Investment earnings	-	-	5,638	5,638	1,794
Total revenues	213,917	213,917	219,555	5,638	198,235
Expenditures					
Public safety	-	-	157,977	-	150,659
Capital Outlay	-	-	4,010	-	94,894
Total expenditures	249,228	249,228	161,987	87,241	245,553
Revenues over (under) expenditures	(35,311)	(35,311)	57,568	92,879	(47,318)
Appropriated fund balance	35,311	35,311	-	(35,311)	-
Revenues and appropriated fund balance over (under) expenditures	\$ -	\$ -	57,568	\$ 57,568	(47,318)
Fund balances:					
Beginning of year, July 1			269,065		316,383
End of year, June 30			\$ 326,633		\$ 269,065

County of Currituck, North Carolina
Corolla Fire District Fund
Schedule of Revenues, Expenditures, and
Changes in Fund Balances - Budget and Actual
For the Fiscal Year Ended June 30, 2019
(With Comparative Actual Amounts for the Fiscal Year Ended June 30, 2018)

	2019				2018
	Budgeted Amounts			Variance with Final Positive (Negative)	
	Original	Final	Actual		Actual
Revenues					
Ad valorem taxes:					
Current year	\$ 1,410,494	\$ 1,410,494	\$ 1,431,288	\$ 20,794	\$ -
Prior years	-	-	-	-	-
Interest	-	-	1,310	1,310	-
Total ad valorem taxes	1,410,494	1,410,494	1,432,598	22,104	-
Restricted intergovernmental:					
Grants	139,285	139,285	580,108	440,823	100,372
Investment earnings	-	-	6,462	6,462	1
Total revenues	1,549,779	1,549,779	2,019,168	469,389	100,373
Expenditures					
Salaries	-	-	1,277,457	-	178,684
Salaries - Overtime	-	-	614,145	-	73,718
Temporary salaries	-	-	214	-	-
FICA expense	-	-	133,704	-	19,008
Health insurance expense	-	-	293,109	-	21,067
Retirement expense	-	-	245,052	-	33,125
Data transmission	-	-	369	-	-
Travel	-	-	117	-	-
Training and education	-	-	2,257	-	715
Repairs and maintenance	-	-	134	-	-
Fuel	-	-	13,853	-	2,373
Supplies	-	-	9,377	-	250
Fire supplies	-	-	4,932	-	12,991
Uniforms	-	-	4,793	-	19,165
Workers compensation	-	-	55,093	-	-
Contract services	-	-	2,424	-	194
Dues and subscriptions	-	-	54	-	-
Insurance - Corolla VFD	-	-	45,016	-	-
Professional services	-	-	2,520	-	10,975
Capital outlay	-	-	19,847	-	71,452
Capital outlay - Corolla VFD County purchases	-	-	4,351	-	-
Total County administered fire services	2,909,749	2,909,749	2,728,818	180,931	443,717
Corolla VFD contract	190,400	190,400	190,400	-	-
Total expenditures	3,100,149	3,100,149	2,919,218	180,931	443,717
Revenues over (under) expenditures	(1,550,370)	(1,550,370)	(900,050)	650,320	(343,344)
Other financing sources:					
Transfers from Operating Fund	1,550,370	1,550,370	-	1,550,370	-
Transfers from Tourism Development Authority Fund	-	-	1,550,370	(1,550,370)	485,863
	1,550,370	1,550,370	1,550,370	-	485,863
Revenues and other financing sources over expenditures	\$ -	\$ -	650,320	\$ 650,320	142,519
Fund balances:					
Beginning of year, July 1			142,519		-
End of year, June 30			<u>\$ 792,839</u>		<u>\$ 142,519</u>

Note: Fund established March 19, 2018

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

For the Fiscal Year Ended June 30, 2019

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

	2019				2018
	Budgeted Amounts		Actual	Variance with Final Positive (Negative)	Actual
	Original	Final			
Revenues:					
Ad valorem taxes:					
Current year	\$ 16,350	\$ 16,350	\$ 17,606	\$ 1,256	\$ 16,053
Prior years	-	-	166	166	186
Interest	-	-	75	75	40
Total ad valorem taxes	16,350	16,350	17,847	1,497	16,279
Investment earnings	-	-	3,455	3,455	1,217
Total revenues	16,350	16,350	21,302	4,952	17,496
Expenditures:					
Current:					
Environmental protection:	16,350	16,350	-	16,350	-
Total expenditures	16,350	16,350	-	16,350	-
Revenues over (under) expenditures	\$ -	\$ -	21,302	\$ 21,302	17,496
Fund balances:					
Beginning of year, July 1			150,930		133,434
End of year, June 30			\$ 172,232		\$ 150,930

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, 2019
(With Comparative Actual Amounts for the Fiscal Year Ended June 30, 2018)

	2019				2018
	Budgeted Amounts		Actual	Variance with Final Positive (Negative)	Actual
	Original	Final			
Revenues:					
Ad valorem taxes:					
Current year	\$ 895,073	\$ 895,073	\$ 903,371	\$ 8,298	\$ 892,430
Prior year taxes	-	-	1,681	1,681	1,189
Interest	-	-	979	979	1,029
Total ad valorem taxes	895,073	895,073	906,031	10,958	894,648
Investment earnings	-	-	19,213	19,213	7,706
Total revenues	895,073	895,073	925,244	30,171	902,354
Expenditures:					
Current:					
Operations	-	-	229,787	(229,787)	114,712
Capital outlay	-	-	15,206	(15,206)	-
Total expenditures	246,359	304,736	244,993	59,743	114,712
Revenues over (under) expenditures	648,714	590,337	680,251	89,914	787,642
Other financing uses:					
Transfers to operating fund	(648,714)	(648,714)	(648,713)	1	(656,123)
Total other financing uses	(648,714)	(648,714)	(648,713)	1	(656,123)
Revenues over (under) expenditures and other financing uses	-	(58,377)	31,538	89,915	131,519
Appropriated fund balance	-	58,377	-	(58,377)	-
Revenues and appropriated fund balance over (under) expenditures and other financing uses	\$ -	\$ -	31,538	\$ 31,538	131,519
Fund balances:					
Beginning of year, July 1			639,005		507,486
End of year, June 30			\$ 670,543		\$ 639,005

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, 2019
(With Comparative Actual Amounts for the Fiscal Year Ended June 30, 2018)

	2019				2018
	Budgeted Amounts		Actual	Variance with Final Positive (Negative)	Actual
	Original	Final			
Revenues:					
Ad valorem taxes:					
Current year	\$ 1,856	\$ 1,856	\$ 1,863	\$ 7	\$ 1,820
Prior years taxes	-	-	21	21	27
Interest	-	-	5	5	5
Total ad valorem taxes	1,856	1,856	1,889	33	1,852
Investment earnings	-	-	120	120	30
Total revenues	1,856	1,856	2,009	153	1,882
Expenditures:					
Current:					
Environmental protection:	1,856	1,856	-	1,856	-
Total expenditures	1,856	1,856	-	1,856	-
Revenues over (under) expenditures	\$ -	\$ -	2,009	\$ 2,009	1,882
Fund balances:					
Beginning of year, July 1			4,508		2,626
End of year, June 30			\$ 6,517		\$ 4,508

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, 2019

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

	2019				2018
	Budgeted Amounts		Actual	Variance with Final Positive (Negative)	Actual
	Original	Final			
Revenues:					
Ad valorem taxes:					
Current year	\$ 18,886	\$ 18,886	\$ 19,645	\$ 759	\$ 19,037
Prior years taxes	-	-	63	63	196
Interest	-	-	21	21	47
Total ad valorem taxes	18,886	18,886	19,729	843	19,280
Investment earnings	-	-	1,316	1,316	655
Total revenues	18,886	18,886	21,045	2,159	19,935
Expenditures:					
Current:					
Environmental protection:	40,000	40,000	-	40,000	35,810
Total expenditures	40,000	40,000	-	40,000	35,810
Revenues over (under) expenditures	(21,114)	(21,114)	21,045	42,159	(15,875)
Appropriated fund balance	21,114	21,114	-	(21,114)	-
Revenues and appropriated fund balance over (under) expenditures	\$ -	\$ -	21,045	\$ 21,045	(15,875)
Fund balances:					
Beginning of year, July 1			49,091		64,966
End of year, June 30			\$ 70,136		\$ 49,091

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, 2019

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

	2019				2018
	Budgeted Amounts		Actual	Variance with Final Positive (Negative)	Actual
	Original	Final			
Revenues:					
Ad valorem taxes:					
Current year	\$ 3,036	\$ 3,036	\$ 3,077	\$ 41	\$ 3,053
Prior years taxes	-	-	104	104	54
Interest	-	-	10	10	12
Total ad valorem taxes	3,036	3,036	3,191	155	3,119
Investment earnings	-	-	640	640	225
Total revenues	3,036	3,036	3,831	795	3,344
Expenditures:					
Current:					
Environmental protection:	-	-	-	-	-
Total expenditures	3,036	3,036	-	3,036	-
Revenues over (under) expenditures	\$ -	\$ -	3,831	\$ 3,831	3,344
Fund balances:					
Beginning of year, July 1			27,942		24,598
End of year, June 30			\$ 31,773		\$ 27,942

County of Currituck, North Carolina
Ocean Sands North/Crown Pointe Watershed Improvement Fund
Schedule of Revenues, Expenditures, and
Changes in Fund Balances - Budget and Actual
For the Fiscal Year Ended June 30, 2019
(With Comparative Actual Amounts for the Fiscal Year Ended June 30, 2018)

	2019				2018
	Budgeted Amounts			Variance with Final Positive (Negative)	
	Original	Final	Actual		Actual
Revenues:					
Ad valorem taxes:					
Current year	\$ 294,422	\$ 294,422	\$ 296,766	\$ 2,344	\$ 295,569
Prior years taxes	-	-	300	300	124
Interest	-	-	183	183	249
Total ad valorem taxes	294,422	294,422	297,249	2,827	295,942
Investment earnings	-	-	7,839	7,839	1,923
Total revenues	294,422	294,422	305,088	10,666	297,865
Expenditures:					
Current:					
Environmental protection:	294,422	347,895	108,850	239,045	181,444
Total expenditures	294,422	347,895	108,850	239,045	181,444
Revenues over (under) expenditures	-	(53,473)	196,238	249,711	116,421
Appropriated fund balance	-	53,473	-	(53,473)	-
Revenues and appropriated fund balance over (under) expenditures	\$ -	\$ -	196,238	\$ 196,238	116,421
Fund balances:					
Beginning of year, July 1			232,246		115,825
End of year, June 30			\$ 428,484		\$ 232,246

County of Currituck, North Carolina
Whalehead Beach Solid Waste Service District
Schedule of Revenues, Expenditures, and
Changes in Fund Balances - Budget and Actual
For the Fiscal Year Ended June 30, 2019

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

	2019				2018
	Budgeted Amounts			Variance with Final Positive (Negative)	
	Original	Final	Actual		Actual
Revenues:					
Ad valorem taxes:					
Current year	\$ 115,493	\$ 115,493	\$ 116,566	\$ 1,073	\$ 115,097
Prior year taxes	-	-	283	283	407
Interest	-	-	132	132	148
Total ad valorem taxes	115,493	115,493	116,981	1,488	115,652
Investment earnings	-	-	5,824	5,824	2,258
Total revenues	115,493	115,493	122,805	7,312	117,910
Expenditures:					
Current:					
General government	115,493	115,493	104,640	10,853	104,640
Total expenditures	115,493	115,493	104,640	10,853	104,640
Revenues over (under) expenditures	\$ -	\$ -	18,165	\$ 18,165	13,270
Fund balances:					
Beginning of year, July 1			247,690		234,420
End of year, June 30			<u>\$ 265,855</u>		<u>\$ 247,690</u>

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

For the Fiscal Year Ended June 30, 2019
(With Comparative Actual Amounts for the Fiscal Year Ended June 30, 2018)

	2019				2018
	Budgeted Amounts			Variance with Final Positive (Negative)	
	Original	Final	Actual		Actual
Revenues:					
Investment earnings	\$ 2,500	\$ 2,500	\$ 1,295	\$ (1,205)	\$ 4,761
Expenditures:					
Current:					
Debt payment on behalf of Moyock VFD	-	-	31,000	-	31,000
Capital outlay	-	-	-	-	628,834
Total expenditures	269,500	269,500	31,000	238,500	659,834
Revenues over (under) expenditures	(267,000)	(267,000)	(29,705)	237,295	(655,073)
Other financing sources:					
Transfers from General Fund	267,000	267,000	267,000	-	267,000
Revenues and other financing sources over expenditures	\$ -	\$ -	237,295	\$ 237,295	(388,073)
Fund balances:					
Beginning of year, July 1			168,203		556,276
End of year, June 30			\$ 405,498		\$ 168,203

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, 2019
(With Comparative Actual Amounts for the Fiscal Year Ended June 30, 2018)

	2019				2018
	Budgeted Amounts			Variance with Final Positive (Negative)	
	Original	Final	Actual		Actual
Revenues:					
Other taxes and licenses:					
Article 40 supplemental sales tax	\$ 1,032,063	\$ 1,032,063	\$ 1,354,733	\$ 322,670	\$ 1,260,288
Article 42 supplemental sales tax	901,460	901,460	1,185,879	284,419	1,134,558
Investment earnings	-	-	64,458	64,458	29,017
Total revenues	<u>1,933,523</u>	<u>1,933,523</u>	<u>2,605,070</u>	<u>671,547</u>	<u>2,423,863</u>
Other financing uses:					
Transfers to other funds:					
General Fund	(1,933,523)	(1,933,523)	(1,933,225)	298	(2,649,649)
County Government Facilities Fund	-	-	-	-	(750,000)
Total other financing uses	<u>(1,933,523)</u>	<u>(1,933,523)</u>	<u>(1,933,225)</u>	<u>298</u>	<u>(3,399,649)</u>
Revenues over (under)					
other financing uses	<u>\$ -</u>	<u>\$ -</u>	671,845	<u>\$ 671,845</u>	(975,786)
Fund balances:					
Beginning of year, July 1			2,675,559		3,651,345
End of year, June 30			<u>\$ 3,347,404</u>		<u>\$ 2,675,559</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, 2019
(With Comparative Actual Amounts for the Fiscal Year Ended June 30, 2018)

	2019				2018
	Budgeted Amounts			Variance with Final Positive (Negative)	
	Original	Final	Actual		Actual
Revenues:					
Other taxes and licenses:					
Article 40 supplemental sales tax	\$ 479,405	\$ 539,405	\$ 580,600	\$ 41,195	\$ 540,123
Article 42 supplemental sales tax	1,495,365	1,635,365	1,778,818	143,453	1,701,837
Investment earnings	-	-	89,118	89,118	33,315
Total revenues	<u>1,974,770</u>	<u>2,174,770</u>	<u>2,448,536</u>	<u>273,766</u>	<u>2,275,275</u>
Other financing uses:					
Transfers to other funds:					
General Fund	(1,400,000)	(1,600,000)	(1,600,000)	-	(1,000,000)
School Capital Projects Fund	<u>(574,770)</u>	<u>(574,770)</u>	<u>(574,770)</u>	-	<u>(974,770)</u>
Total other financing uses	<u>(1,974,770)</u>	<u>(2,174,770)</u>	<u>(2,174,770)</u>	-	<u>(1,974,770)</u>
Revenues over (under)					
other financing uses	<u>\$ -</u>	<u>\$ -</u>	273,766	<u>\$ 273,766</u>	300,505
Fund balances:					
Beginning of year, July 1			<u>4,031,316</u>		<u>3,730,811</u>
End of year, June 30			<u>\$ 4,305,082</u>		<u>\$ 4,031,316</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, 2019

	Project Authorization	Prior Years	Actual Current Year	Total to Date	Variance Positive (Negative)
Revenues					
Intergovernmental revenues:					
State aid to airports	\$ 4,452,222	\$ 2,672,902	\$ 45,855	\$ 2,718,757	\$ (1,733,465)
Crawford VFD Construction Grant	-	53,285	-	53,285	53,285
PARTF - Maple soccer field project	265,000	258,520	-	258,520	(6,480)
YMCA - Alpine Tower Grant	-	75,000	-	75,000	75,000
Incinerator Grant	-	2,000	-	2,000	2,000
Total	4,717,222	3,061,707	45,855	3,107,562	(1,609,660)
Investment earnings	101,252	338,906	278,322	617,228	515,976
Total revenues	4,818,474	3,400,613	324,177	3,724,790	(1,093,684)
Expenditures					
General government					
ABC Store - Corolla	200,000	-	15,601	15,601	184,399
	200,000	-	15,601	15,601	184,399
Public safety:					
Animal Shelter	2,461,817	2,458,546	-	2,458,546	3,271
Incinerator	160,000	132,893	23,653	156,546	3,454
Jail - Sewer connection to MCP Sewer	375,000	-	41,280	41,280	333,720
Public Safety Facility	1,999,300	29,830	860,064	889,894	1,109,406
Shooting Range	268,619	236,194	-	236,194	32,425
Total public safety	5,264,736	2,857,463	924,997	3,782,460	1,482,276
Transportation:					
S Parallel Taxiway (FY 2016)	2,154,069	1,885,226	-	1,885,226	268,843
Corporate Area Apron	107,336	107,336	-	107,336	-
Corporate Apron Phase II	885,905	844,833	-	844,833	41,072
ALP Update	359,000	-	-	-	359,000
N Apron Rehabilitation	474,000	-	21,972	21,972	452,028
PAPI and Light Vault	55,420	-	46,828	46,828	8,592
Total transportation	4,035,730	2,837,395	68,800	2,906,195	1,129,535
Cultural and recreational:					
Carova Park Improvements 2018	20,000	18,551	-	18,551	1,449
Connect Corolla Parking	15,115	15,115	-	15,115	-
Connect Corolla Bike Path	2,035,031	2,035,030	-	2,035,030	1
Connect Corolla East Side Walkway	14,232	14,232	-	14,232	-
Connect Corolla Albacore Sidewalk	158,538	158,268	-	158,268	270
Connect Corolla Corolla Village Rd Sidewalk	405,189	404,613	-	404,613	576
Connect Corolla - NC 12 Beautification	266,075	157,636	60,439	218,075	48,000
Connect Corolla - Phase IV	700,345	-	605,789	605,789	94,556
Connect Corolla - Contingencies	596,041	-	-	-	596,041
Corolla 10 acres masterplan	100,000	-	42,145	42,145	57,855
County-wide Broadband project	1,000,000	15,440	21,160	36,600	963,400
Historic Corolla Park - Boat Facility	1,133,639	9,625	88,187	97,812	1,035,827
Historic Corolla Park - Restrooms	250,000	47,287	-	47,287	202,713
Recreation baseball/softball fields - Maple	5,736,663	5,712,689	-	5,712,689	23,974
Recreation soccer fields - Maple	3,266,862	3,219,297	-	3,219,297	47,565
Recreation - Shingle Landing Park	1,007,400	37,150	30,850	68,000	939,400
Veteran's Park Dock Improvements	698,617	687,614	-	687,614	11,003
Total cultural and recreational	17,403,747	12,532,547	848,570	13,381,117	4,022,630

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, 2019

	Project Authorization	Prior Years	Actual Current Year	Total to Date	Variance Positive (Negative)
Total expenditures	26,904,213	18,227,405	1,857,968	20,085,373	6,818,840
Revenues under expenditures	(22,085,739)	(14,826,792)	(1,533,791)	(16,360,583)	5,725,156
Other financing sources (uses):					
Transfers (to) from other funds:					
General Fund	468,619	268,619	200,000	468,619	-
Tourism Development Authority	13,577,758	11,624,787	2,540,480	14,165,267	587,509
Capital Improvements Fund	1,379,020	7,175,464	-	7,175,464	5,796,444
Transfer Tax Capital Fund	7,038,342	7,863,626	2,916,650	10,780,276	3,741,934
Mainland Sewer Construction Fund	(378,000)	(378,000)	-	(378,000)	-
Total other financing sources (uses)	22,085,739	26,554,496	5,657,130	32,211,626	10,125,887
Revenues and other financing sources over (under) expenditures and other financing uses	\$ -	\$ 11,727,704	4,123,339	\$ 15,851,043	\$ 15,851,043
Fund balances:					
Beginning of year, July 1			11,727,704		
End of year, June 30			\$ 15,851,043		

County of Currituck, North Carolina
School Facilities Fund
Schedule of Revenues, Expenditures, and
Changes in Fund Balances - Budget and Actual
From Inception and for the Fiscal Year Ended June 30, 2019

	Project Authorization	Prior Years	Actual Current Year	Total to Date	Variance Positive (Negative)
Revenues					
State Lottery proceeds	\$ 653,961	\$ 615,591	\$ 488,745	\$ 1,104,336	\$ 450,375
Investment earnings	84,854	2,414,068	138,771	2,552,839	2,467,985
Total revenues	<u>738,815</u>	<u>3,029,659</u>	<u>627,516</u>	<u>3,657,175</u>	<u>2,918,360</u>
Expenditures					
Intergovernmental - education:					
Griggs - HVAC replacement June 2018	59,020	-	59,020	59,020	-
Griggs - HVAC A Wing South	115,000	-	-	-	115,000
Griggs - Roof Replacement Center Wing	113,250	-	-	-	113,250
Griggs - Roof Replacement A Wing South	80,000	-	-	-	80,000
Griggs - Roof Replacement A Wing North	80,000	-	-	-	80,000
Jarvisburg Elementary HVAC April 2019	32,250	-	-	-	32,250
Moyock Elementary School Replace Main Roof 2019	103,000	-	-	-	103,000
Moyock Middle - Energy Mgmt Upgrade June 2018	40,000	38,119	-	38,119	1,881
Knotts Island Elementary HVAC June 2016	27,570	6,285	18,509	24,794	2,776
Shawboro Elementary HVAC April 2019	18,225	-	-	-	18,225
Currituck High School HVAC Dec 2017	30,500	-	29,999	29,999	501
Currituck High School Energy Mgmt Upgrade June 2018	40,000	36,872	-	36,872	3,128
Total expenditures	<u>738,815</u>	<u>81,276</u>	<u>107,528</u>	<u>188,804</u>	<u>550,011</u>
Revenues over expenditures	<u>-</u>	<u>2,948,383</u>	<u>519,988</u>	<u>3,468,371</u>	<u>3,468,371</u>
Other financing sources:					
Transfers from					
School Capital Improvements Fund	-	1,634,770	574,770	2,209,540	2,209,540
Transfer Tax Capital Fund	-	1,743,064	-	1,743,064	1,743,064
Total other financing sources	<u>-</u>	<u>3,377,834</u>	<u>574,770</u>	<u>3,952,604</u>	<u>3,952,604</u>
Revenues and other financing sources over (under) expenditures	<u>\$ -</u>	<u>\$ 6,326,217</u>	1,094,758	<u>\$ 7,420,975</u>	<u>\$ 7,420,975</u>
Fund balances:					
Beginning of year, July 1			6,326,217		
End of year, June 30			<u>\$ 7,420,975</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, 2019
(With Comparative Actual Amounts for the Fiscal Year Ended June 30, 2018)

	2019				2018
	Budgeted Amounts		Actual	Variance with Final Positive (Negative)	Actual
	Original	Final			
Revenues:					
Other taxes and licenses					
Land transfer tax	\$ 1,748,700	\$ 1,934,450	\$ 4,492,630	\$ 2,558,180	\$ 4,165,710
Investment earnings	50,000	50,000	275,879	225,879	100,762
Total revenues	<u>1,798,700</u>	<u>1,984,450</u>	<u>4,768,509</u>	<u>2,784,059</u>	<u>4,266,472</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>1,798,000</u>	<u>1,983,750</u>	<u>4,768,509</u>	<u>2,784,759</u>	<u>4,266,472</u>
Other financing uses:					
Transfers to general fund	-	-	-	-	(41,993)
Transfers to County government facilities	(7,537,797)	(5,675,047)	(2,916,650)	2,758,397	(2,707,307)
Transfers to land banking fund	(200,000)	(200,000)	(200,000)	-	(200,000)
Transfers to Mainland sewer construction fund	-	(450,000)	(450,000)	-	-
Transfers to Mainland water fund	-	(26,000)	(26,000)	-	-
Transfers to Moyock central sewer fund	-	(1,572,500)	(1,572,500)	-	(100,000)
Total other financing uses	<u>(7,737,797)</u>	<u>(7,923,547)</u>	<u>(5,165,150)</u>	<u>2,758,397</u>	<u>(3,049,300)</u>
Revenues over (under) expenditures and other financing uses	<u>(5,939,797)</u>	<u>(5,939,797)</u>	<u>(396,641)</u>	<u>5,543,156</u>	<u>1,217,172</u>
Appropriated fund balance	<u>5,939,797</u>	<u>5,939,797</u>	<u>-</u>	<u>(5,939,797)</u>	<u>-</u>
Revenues over expenditures and other financing uses	<u>\$ -</u>	<u>\$ -</u>	<u>(396,641)</u>	<u>\$ (396,641)</u>	<u>1,217,172</u>
Fund balances:					
Beginning of year, July 1			11,856,794		10,639,622
End of year, June 30			<u>\$ 11,460,153</u>		<u>\$ 11,856,794</u>

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County of Currituck, North Carolina
Tourism Development Authority
Schedule of Revenues, Expenditures, and
Changes in Fund Balances - Budget and Actual
For the Fiscal Year Ended June 30, 2019
(With Comparative Actual Amounts for the Fiscal Year Ended June 30, 2018)

	2019				2018
	Budgeted Amounts			Variance with Final Positive (Negative)	
	Original	Final	Actual		Actual
Revenues:					
Occupancy Tax	\$ -	\$ -	\$ 12,475,908	\$ -	\$ 11,913,048
Grants	-	-	498,873	-	1,000
Retail sales - Tourism Promotion	-	-	11,785	-	13,802
Retail sales - Whalehead in Historic Corolla	-	-	11,371	-	12,217
Penalties and interest	-	-	3,205	-	3,065
Tour operator permits	-	-	10,532	-	10,892
Promotion events	-	-	31,733	-	35,136
Whalehead donations	-	-	3,253	-	7,341
Whalehead events	-	-	62,267	-	91,868
Whalehead rents	-	-	36,721	-	18,678
Whalehead tours	-	-	92,422	-	100,811
Sale of capital assets	-	-	-	-	54
Miscellaneous revenue	-	-	-	-	91,924
Investment earnings	-	-	407,056	-	137,506
Total revenues	10,770,632	11,184,066	13,645,126	2,461,060	12,437,342
Expenditures:					
Tourism Promotion:					
Salaries	-	-	732,549	-	695,946
Operating Expenses	-	-	245,019	-	239,110
Retail merchandise	-	-	6,551	-	9,950
Promotions	-	-	2,322,818	-	2,299,692
Capital Outlay	-	-	39,578	-	141,110
Total Tourism Promotions	3,438,586	3,567,645	3,346,515	221,130	3,385,808
Tourism Related Expenditures:					
Operations:					
Salaries	-	-	140,316	-	140,164
Operating expenses	-	-	43,389	-	33,262
Contracted services	-	-	262,955	-	291,169
Beach nourishment	-	-	8,510	-	7,800
Carova Beach Park	-	-	974	-	4,362
Corolla Wild Horse support	-	-	69,200	-	69,200
Historic Jarvisburg Colored School operations	-	-	8,844	-	7,457
Historic preservation	-	-	56,618	-	-
Lifeguard services	-	-	766,532	-	668,082
Outer Banks access ramps	-	-	23,569	-	14,635
Professional services	-	-	5,022	-	15,000
Signs	-	-	2,351	-	6,861
Capital outlay	-	-	14,412	-	205,912
Total Operations	1,502,223	1,914,045	1,402,692	511,353	1,463,904

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, 2019
(With Comparative Actual Amounts for the Fiscal Year Ended June 30, 2018)

	2019				2018
	Budgeted Amounts			Variance with Final Positive (Negative)	
	Original	Final	Actual		Actual
Whalehead in Historic Corolla Park:					
Salaries	-	-	467,727		467,500
Operating expenses	-	-	209,946		230,065
Capital outlay	-	-	98,110		23,597
Total Whalehead in Historic Corolla Park	870,810	878,259	775,783	102,476	721,162
Total tourism related expenditures	2,373,033	2,792,304	2,178,475	613,829	2,185,066
Total expenditures	5,811,619	6,359,949	5,524,990	834,959	5,570,874
Revenues over expenditures	4,959,013	4,824,117	8,120,136	3,296,019	6,866,468
Other financing uses:					
Transfers (to) from other funds:					
General Fund	(3,664,197)	(3,664,197)	(3,500,714)	163,483	(3,640,390)
General Fund	-	77,915	77,915	-	-
Carova Beach Service District Fund	(20,000)	(20,000)	(20,000)	-	(20,000)
Corolla Fire District Fund	-	-	-	-	(485,863)
County Governmental Facilities Fund	(1,274,816)	(2,540,480)	(2,540,480)	-	(442,967)
Total other financing uses	(4,959,013)	(6,146,762)	(5,983,279)	163,483	(4,589,220)
Revenues over (under) expenditures and other financing uses	-	(1,322,645)	2,136,857	3,459,502	2,277,248
Appropriated fund balance	-	1,322,645	-	(1,322,645)	-
Revenues, other financing sources, and appropriated fund balance over expenditures and other financing uses	\$ -	\$ -	2,136,857	\$ 2,136,857	2,277,248
Fund balances:					
Beginning of year, July 1			14,300,794		12,023,546
Fund balance: Tourism promotion			9,086,578		8,365,991
Fund balance: Tourism related expenditures			7,351,073		5,934,803
End of year, June 30			\$ 16,437,651		\$ 14,300,794
A legally budgeted Carova Beach Service District Fund is consolidated in the Tourism Development Authority Fund for reporting purposes:					
Revenues			16,065		15,606
Transfer-in Tourism Development Authority Fund			20,000		20,000
Expenditures			(40,000)		(34,750)
Beginning Fund Balance, Carova Beach Service District Fund			49,248		48,392
Ending Fund Balance Exhibit 4			\$ 16,482,964		\$ 14,350,042

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, 2019
(With Comparative Actual Amounts for the Fiscal Year Ended June 30, 2018)

	2019				2018
	Budgeted Amounts			Variance with Final Positive (Negative)	
	Original	Final	Actual		Actual
Revenues:					
Tour operator fees	\$ 20,000	\$ 20,000	\$ 15,219	\$ (4,781)	\$ 15,220
Investment earnings	-	-	846	846	386
Total revenues	20,000	20,000	16,065	(3,935)	15,606
Expenditures:					
Current:					
Environmental protection	40,000	40,000	40,000	-	34,750
Total expenditures	40,000	40,000	40,000	-	34,750
Revenues over (under) expenditures	(20,000)	(20,000)	(23,935)	(3,935)	(19,144)
Other financing sources:					
Transfers from Tourism Development Authority	20,000	20,000	20,000	-	20,000
Revenues and other financing sources over expenditures	<u>\$ -</u>	<u>\$ -</u>	(3,935)	<u>\$ (3,935)</u>	856
Fund balances:					
Beginning of year, July 1			49,248		48,392
End of year, June 30			<u>\$ 45,313</u>		<u>\$ 49,248</u>

County of Currituck, North Carolina
Combining Statement of Net Position
Non-Major Proprietary Funds
June 30, 2019
(With Comparative Actual Amounts for the Fiscal Year Ended June 30, 2018)

Enterprise Funds									Totals	
Newtown Road Sewer Fund	Maple Commerce Park Sewer Fund	Moyock Commons Sewer Fund	Walnut Island Sewer Fund	Ocean Sands Water and Sewer System Developmental Fees Fund	Mainland Water System Developmental Fees Fund	Southern Outer Banks Water System Developmental Fees Fund	Mainland Sewer System Developmental Fees Fund		June 30, 2019	June 30, 2018
ASSETS										
Current assets:										
Cash and cash equivalents	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 86,867
Restricted cash	-	-	-	-	7,383	269,863	68,682	11,250	357,178	500
Receivables, net	-	-	-	-	-	38,379	-	-	38,379	60,607
Total current assets	-	-	-	-	7,383	308,242	68,682	11,250	395,557	147,974
Noncurrent assets:										
Capital assets:										
Land, improvements, and construction in progress	-	-	-	-	-	-	-	-	-	208,315
Other capital assets, net of depreciation	-	-	-	-	-	-	-	-	-	4,596,012
Total capital assets	-	-	-	-	-	-	-	-	-	4,804,327
Total assets	-	-	-	-	7,383	308,242	68,682	11,250	395,557	4,952,301
LIABILITIES										
Current liabilities:										
Accounts payable	-	-	-	-	-	-	-	-	-	64
Customer deposits	-	-	-	-	-	-	-	-	-	500
Total liabilities	-	-	-	-	-	-	-	-	-	564
NET POSITION										
Net investment in capital assets	-	-	-	-	-	-	-	-	-	4,804,327
Unrestricted	-	-	-	-	7,383	308,242	68,682	11,250	395,557	147,410
Total net position	\$ -	\$ -	\$ -	\$ -	\$ 7,383	\$ 308,242	\$ 68,682	\$ 11,250	\$ 395,557	\$ 4,951,737

County of Currituck, North Carolina
Combining Statement of Revenues, Expenses, and Changes in Fund Net Position
Non-Major Proprietary Funds
For the Year Ended June 30, 2019
(With Comparative Total Amounts as of June 30, 2018)

	Enterprise Funds								Totals	
	Newtown Road Sewer Fund	Maple Commerce Park Sewer Fund	Moyock Commons Sewer Fund	Walnut Island Sewer Fund	Ocean Sands Water and Sewer System Developmental Fees Fund	Mainland Water System Developmental Fees Fund	Southern Outer Banks Water System Developmental Fees Fund	Mainland Sewer System Developmental Fees Fund	June 30, 2019	June 30, 2018
OPERATING REVENUES										
Charges for services	\$ -	\$ -	\$ -	\$ -	\$ 7,350	\$ 306,980	\$ 68,403	\$ 11,200	\$ 393,933	\$ 25
Total operating revenues	-	-	-	-	7,350	306,980	68,403	11,200	393,933	25
OPERATING EXPENSES										
Administration	-	-	-	-	-	-	-	-	-	47,309
Depreciation	-	-	-	-	-	-	-	-	-	250,226
Total operating expenses	-	-	-	-	-	-	-	-	-	297,535
Operating income (loss)	-	-	-	-	7,350	306,980	68,403	11,200	393,933	(297,510)
NONOPERATING REVENUES (EXPENSES)										
Interest and investment revenue	-	-	-	-	33	1,262	279	50	1,624	2
Total nonoperating revenue (expenses)	-	-	-	-	33	1,262	279	50	1,624	2
Income (loss) before transfers	-	-	-	-	7,383	308,242	68,682	11,250	395,557	(297,508)
Transfer to Mainland Central Sewer fund	(161,345)	(1,542,644)	(287,413)	(2,960,335)	-	-	-	-	(4,951,737)	-
Change in net position	(161,345)	(1,542,644)	(287,413)	(2,960,335)	7,383	308,242	68,682	11,250	(4,556,180)	(297,508)
Total net position - beginning	161,345	1,542,644	287,413	2,960,335	-	-	-	-	4,951,737	5,249,245
Prior period adjustment	-	-	-	-	-	-	-	-	-	-
Total net position - ending	\$ -	\$ -	\$ -	\$ -	\$ 7,383	\$ 308,242	\$ 68,682	\$ 11,250	\$ 395,557	\$ 4,951,737

County of Currituck, North Carolina
Combining Statement of Cash Flows
Non-Major Proprietary Fund
For the Year Ended June 30, 2019
(With Comparative Total Amounts for the Fiscal Year Ended June 30, 2018)

	Newtown Road Sewer Fund	Maple Commerce Park Sewer Fund	Moyock Commons Sewer Fund	Walnut Island Sewer Fund	Ocean Sands Water and Sewer System Developmental Fees Fund	Mainland Water System Developmental Fees Fund	Southern Outer Banks Water System Developmental Fees Fund	Mainland Sewer System Developmental Fees Fund	Totals June 30, 2019	June 30, 2018
Cash flows from operating activities:										
Cash received from customers	\$ -	\$ -	\$ 162	\$ -	\$ 7,350	\$ 268,601	\$ 68,403	\$ 11,200	\$ 355,716	\$ 2,214
Cash paid for goods and services	-	-	-	(64)	-	-	-	-	(64)	(12,596)
Customer deposits returned	(350)	-	(150)	-	-	-	-	-	(500)	-
Net cash provided (used) by operating activities	(350)	-	12	(64)	7,350	268,601	68,403	11,200	355,152	(10,382)
Cash flows from noncapital financing activities:										
Rental income	-	-	-	-	-	-	-	-	-	-
Tax revenues	-	-	-	-	-	-	-	-	-	-
Insurance recovery	-	-	-	-	-	-	-	-	-	-
Transfer to other funds	(2,487)	-	(2,127)	(85,818)	-	-	-	-	(90,432)	-
Transfer from operating fund	-	3,467	-	-	-	-	-	-	3,467	-
	(2,487)	3,467	(2,127)	(85,818)	-	-	-	-	(86,965)	-
Cash flows from investing activities:										
Interest on investments	-	-	-	-	33	1,262	279	50	1,624	2
Net increase (decrease) in cash and cash equivalents	(2,837)	3,467	(2,115)	(85,882)	7,383	269,863	68,682	11,250	269,811	(10,380)
Cash and cash equivalents, July 1	2,837	(3,467)	2,115	85,882	-	-	-	-	87,367	97,747
Cash and cash equivalents, June 30	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 7,383</u>	<u>\$ 269,863</u>	<u>\$ 68,682</u>	<u>\$ 11,250</u>	<u>\$ 357,178</u>	<u>\$ 87,367</u>
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:										
Operating income (loss)	\$ -	\$ -	\$ -	\$ -	\$ 7,350	\$ 306,980	\$ 68,403	\$ 11,200	\$ 393,933	\$ (64,421)
Adjustments to reconcile operating income to net cash provided by operating activities:										
Depreciation	-	-	-	-	-	-	-	-	-	250,226
Changes in assets and liabilities:										
(Increase) decrease in accounts receivable	-	-	162	-	-	(38,379)	-	-	(38,217)	49,498
Increase (decrease) in customer deposits	(350)	-	(150)	-	-	-	-	-	(500)	-
Increase (decrease) in accounts payable and accrued liabilities	-	-	-	(64)	-	-	-	-	(64)	(12,596)
Total adjustments	(350)	-	12	(64)	-	(38,379)	-	-	(38,781)	287,128
Net cash provided (used) by operating activities	<u>\$ (350)</u>	<u>\$ -</u>	<u>\$ 12</u>	<u>\$ (64)</u>	<u>\$ 7,350</u>	<u>\$ 268,601</u>	<u>\$ 68,403</u>	<u>\$ 11,200</u>	<u>\$ 355,152</u>	<u>\$ 222,707</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, 2019
(With Comparative Actual Amounts for the Fiscal Year Ended June 30, 2018)

	2019				2018
	Original Budget	Final Budget	Actual	Variance Positive (Negative)	Actual
Revenues:					
Charges for services:					
Sewer charges	\$ -	\$ -	\$ -	\$ -	\$ 25
Total revenues	-	-	-	-	25
Appropriated net position	-	3,000	-	(3,000)	-
Total revenues and appropriated net position	-	3,000	-	(3,000)	25
Other financing uses:					
Transfers to Mainland Central Sewer Fund	-	(3,000)	(2,487)	513	-
Total revenues over (under) other financing uses	\$ -	\$ -	(2,487)	\$ (2,487)	25
Reconciliation from budgetary basis (modified accrual) to full accrual:					
Reconciling items:					
Loss on accounts receivable			(1,216)		-
Loss on disposal of capital assets			(70,642)		-
Transfer capital assets to Mainland Sewer Fund			(87,000)		-
Depreciation			-		(16,954)
Total reconciling items			(158,858)		(16,954)
Change in net position			\$ (161,345)		\$ (16,929)

County of Currituck, North Carolina
Maple Commerce Park Sewer Fund
Schedule of Revenues and Expenditures
Budget and Actual (Non-GAAP)
For the Year Ended June 30, 2019
(With Comparative Actual Amounts for the Fiscal Year Ended June 30, 2018)

	2019				2018
	Original Budget	Final Budget	Actual	Variance Positive (Negative)	Actual
Revenues:					
Other financing sources:					
Transfer from operating fund	\$ -	\$ -	\$ 3,467	\$ -	\$ -
	-	3,500	3,467	(33)	-
Total revenues and other financing sources	-	3,500	3,467	(33)	-
Expenditures:					
Administration:					
	-	3,500	-	3,500	-
Total expenditures	-	3,500	-	3,500	-
Revenues and other financing sources over (under) expenditures	\$ -	\$ -	3,467	\$ 3,467	-
Reconciliation from budgetary basis (modified accrual) to full accrual:					
Reconciling items:					
Transfer capital assets to Mainland Central Sewer Fund			(1,546,111)		-
Depreciation			-		(64,421)
Total reconciling items			(1,546,111)		(64,421)
Change in net position			\$ (1,542,644)		\$ (64,421)

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, 2019
(With Comparative Actual Amounts for the Fiscal Year Ended June 30, 2018)

	2019			2018
	Original Budget	Final Budget	Actual	Variance Positive (Negative) Actual
Revenues:				
Investment earnings	\$ -	\$ -	\$ -	\$ -
Total revenues	-	-	-	2
Other financing sources:				
Appropriated net position	-	2,200	-	(2,200)
Transfers to Mainland Central Sewer Fund	-	(2,200)	(2,127)	(73)
Revenues over (under) expenditures				
Total other financing sources (uses)	\$ -	\$ -	(2,127)	\$ (2,273)
Reconciliation from budgetary basis (modified accrual) to full accrual:				
Bad debt			(1,775)	-
Capital outlays			(283,511)	-
Depreciation			-	(17,674)
Change in net position			\$ (287,413)	\$ (17,672)

County of Currituck, North Carolina
Walnut Island Sewer Fund
Schedule of Revenues and Expenditures
Budget and Actual (Non-GAAP)
For the Year Ended June 30, 2019
(With Comparative Actual Amounts for the Fiscal Year Ended June 30, 2018)

	2019			2018
	Original Budget	Final Budget	Actual	Variance Positive (Negative) Actual
Other financing sources (uses):				
Appropriated net position	\$ -	\$ 86,000	\$ -	\$ (86,000)
Transfers to Mainland Central Sewer Fund	-	(86,000)	(85,818)	(182)
Total other financing sources (uses)	<u>\$ -</u>	<u>\$ -</u>	(85,818)	<u>\$ (86,182)</u>
Reconciliation from budgetary basis				
(modified accrual) to full accrual:				
Bad debt			(57,454)	(47,309)
Capital outlays			(2,817,063)	-
Depreciation			-	(151,177)
Change in net position			<u>\$ (2,960,335)</u>	<u>\$ (198,486)</u>

County of Currituck, North Carolina
Ocean Sands Water and Sewer System Developmental Fees Fund
Schedule of Revenues and Expenditures
Budget and Actual (Non-GAAP)
For the Year Ended June 30, 2019

	2019			Variance Positive (Negative)
	Original Budget	Final Budget	Actual	
Revenues:				
Charges for services:				
Water system developmental fees	\$ -	\$ -	\$ 6,000	\$ -
Sewer system developmental fees	-	-	1,350	-
Total, sewer operating revenues	-	-	7,350	7,350
Nonoperating revenues:				
Interest earnings	-	-	33	-
Total nonoperating revenues	-	-	33	33
Total revenues	\$ -	\$ -	7,383	\$ 7,383
Change in net position			\$ 7,383	

Fund inception April 1, 2019.

County of Currituck, North Carolina
Mainland Water System Developmental Fees Fund
Schedule of Revenues and Expenditures
Budget and Actual (Non-GAAP)
For the Year Ended June 30, 2019

	2019			Variance Positive (Negative)
	Original Budget	Final Budget	Actual	
Revenues:				
Charges for services:				
Water system developmental fees	\$ -	\$ -	\$ 306,980	\$ -
Total, sewer operating revenues	-	-	306,980	306,980
Nonoperating revenues:				
Interest earnings	-	-	1,262	-
Total nonoperating revenues	-	-	1,262	1,262
Total revenues	\$ -	\$ -	308,242	\$ 308,242
Change in net position			<u>\$ 308,242</u>	
Fund inception April 1, 2019.				

County of Currituck, North Carolina
Southern Outer Banks Water System Developmental Fees Fund
Schedule of Revenues and Expenditures
Budget and Actual (Non-GAAP)
For the Year Ended June 30, 2019

	2019			Variance Positive (Negative)
	Original Budget	Final Budget	Actual	
Revenues:				
Charges for services:				
Water system developmental fees	\$ -	\$ -	\$ 68,403	\$ -
Total, sewer operating revenues	-	-	68,403	68,403
Nonoperating revenues:				
Interest earnings	-	-	279	-
Total nonoperating revenues	-	-	279	279
Total revenues	\$ -	\$ -	68,682	\$ 68,682
Change in net position			\$ 68,682	
Fund inception April 1, 2019.				

County of Currituck, North Carolina
Mainland Sewer System Developmental Fees Fund
Schedule of Revenues and Expenditures
Budget and Actual (Non-GAAP)
For the Year Ended June 30, 2019

	2019			Variance Positive (Negative)
	Original Budget	Final Budget	Actual	
Revenues:				
Charges for services:				
Sewer system developmental fees	\$ -	\$ -	\$ 11,200	\$ -
Total, sewer operating revenues	-	-	11,200	11,200
Nonoperating revenues:				
Interest earnings	-	-	50	-
Total nonoperating revenues	-	-	50	50
Total revenues	\$ -	\$ -	11,250	\$ 11,250
Change in net position			\$ 11,250	
Fund inception April 1, 2019.				

County of Currituck, North Carolina
Solid Waste Fund
Schedule of Revenues and Expenditures
Budget and Actual (Non - GAAP)
For the Year Ended June 30, 2019
(With Comparative Actual Amounts for the Fiscal Year Ended June 30, 2018)

	2019			2018	
	Original Budget	Final Budget	Actual	Variance Positive (Negative)	Actual
Revenues:					
Operating revenues:					
Charges for services:					
Solid waste disposal charges	\$ -	\$ -	\$ 2,835,825	\$ -	\$ 2,303,655
Recycling	-	-	5,046	-	37,990
Tipping fees	-	-	569,540	-	670,447
Total	<u>3,414,442</u>	<u>3,421,462</u>	<u>3,410,411</u>	<u>(11,051)</u>	<u>3,012,092</u>
Nonoperating revenues:					
Ad valorem taxes	-	-	12,072	-	9,645
White goods tax	-	-	10,950	-	16,710
White goods disposal tax	-	-	72,391	-	72,312
Tire tax	-	-	37,100	-	34,862
Other solid waste grants	-	-	1,600	-	10,896
Insurance recovery	-	-	-	-	-
Investment earnings	-	-	67,188	-	24,108
Total	<u>128,000</u>	<u>128,000</u>	<u>201,301</u>	<u>73,301</u>	<u>168,533</u>
Appropriated net position	<u>-</u>	<u>40,801</u>	<u>-</u>	<u>(40,801)</u>	<u>-</u>
Total revenues and appropriated net position	<u>3,542,442</u>	<u>3,590,263</u>	<u>3,611,712</u>	<u>21,449</u>	<u>3,180,625</u>
Expenditures:					
Solid waste administration:					
Telephone and postage	-	-	273	-	272
Other administrative expenditures	-	-	67,523	-	67,776
Total	<u>67,826</u>	<u>67,826</u>	<u>67,796</u>	<u>30</u>	<u>68,048</u>
Solid waste operations:					
Utilities	-	-	5,846	-	6,178
Repair and maintenance	-	-	3,849	-	2,944
Rent	-	-	38,400	-	38,400
Supplies	-	-	446	-	378
Professional services	-	-	11,798	-	5,919
Contract services, other	-	-	16,000	-	9,181
Contract services, collection	-	-	2,201,890	-	1,999,688
Contract services, disposal	-	-	1,944,830	-	1,980,986
Site work and landscaping	-	-	26,334	-	24,061
White goods disposal	-	-	53,838	-	60,176
White goods disposal tax	-	-	47,624	-	50,689
Tire disposal	-	-	51,683	-	40,518
Monitoring wells	-	-	5,020	-	5,667
Recycling	-	-	446,455	-	373,473
Total	<u>4,664,616</u>	<u>4,701,437</u>	<u>4,854,013</u>	<u>(152,576)</u>	<u>4,598,258</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, 2019
(With Comparative Actual Amounts for the Fiscal Year Ended June 30, 2018)

	2019			2018	
	Original Budget	Final Budget	Actual	Variance Positive (Negative)	Actual
Capital outlays	10,000	21,000	18,784	2,216	6,058
Total expenditures	<u>4,742,442</u>	<u>4,790,263</u>	<u>4,940,593</u>	<u>(150,330)</u>	<u>4,672,364</u>
Revenues and appropriated net position over expenditures	<u>(1,200,000)</u>	<u>(1,200,000)</u>	<u>(1,328,881)</u>	<u>(128,881)</u>	<u>(1,491,739)</u>
Other financing sources:					
Transfers from operating fund	<u>1,200,000</u>	<u>1,200,000</u>	<u>1,200,000</u>	<u>-</u>	<u>1,200,000</u>
Revenues, appropriated net position, and other financing sources over (under) expenditures	<u>\$ -</u>	<u>\$ -</u>	<u>(128,881)</u>	<u>\$ (128,881)</u>	<u>(291,739)</u>
Reconciliation from budgetary basis					
(modified accrual) to full accrual:					
Reconciling items:					
Capital outlays			18,784		6,058
Depreciation			<u>(49,056)</u>		<u>(50,379)</u>
Total reconciling items			<u>(30,272)</u>		<u>(44,321)</u>
Change in net position			<u>\$ (159,153)</u>		<u>\$ (336,060)</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, 2019
(With Comparative Actual Amounts for the Fiscal Year Ended June 30, 2018)

	2019				2018
	Original Budget	Final Budget	Actual	Variance Positive (Negative)	Actual
Revenues:					
Charges for services:					
Water sales	\$ -	\$ -	\$ 638,264	\$ -	\$ 634,845
Water tap fees	-	-	-	-	1,225
Penalties and interest, water	-	-	6,018	-	6,562
Other operating revenues, water	-	-	3,265	-	2,638
Total, water operating revenues	640,000	645,000	647,547	2,547	645,270
Sewer charges	-	-	635,489	-	654,578
Sewer tap fees	-	-	-	-	1,225
Penalties and interest, sewer	-	-	8,745	-	12,663
Other operating revenues, sewer	-	-	3,265	-	2,638
Total, sewer operating revenues	664,000	667,500	647,499	(20,001)	671,104
Total operating revenues	1,304,000	1,312,500	1,295,046	(17,454)	1,316,374
Nonoperating revenues:					
Tax revenue	-	-	531,459	-	527,929
Unrestricted intergovernmental revenues	-	-	-	-	13,621
Interest earnings	-	-	19,578	-	12,522
Total nonoperating revenues	530,564	555,064	551,037	(4,027)	554,072
Total revenues	1,834,564	1,867,564	1,846,083	(21,481)	1,870,445
Appropriated net position	111,817	195,087	-	(195,087)	-
Total revenues and appropriated net position	1,946,381	2,062,651	1,846,083	(216,568)	1,870,445
Expenditures:					
Administration:					
Processing fees	-	-	4,346	-	4,529
Telephone and postage	-	-	5,798	-	9,450
Data transmission	-	-	912	-	912
Travel and training	-	-	2,396	-	5,759
Advertising	-	-	187	-	94
Supplies	-	-	31,241	-	33,262
Uniforms	-	-	771	-	710
Dues and subscriptions	-	-	10,283	-	9,573
Software license fees	-	-	1,205	-	1,587
Contract services	-	-	89,784	-	60,127
	138,335	162,105	146,923	15,182	126,003
Water treatment operations:					
Utilities	-	-	5,593	-	4,334
Repairs and maintenance	-	-	3,226	-	4,250
Lab tests	-	-	3,421	-	3,032
System supplies	-	-	10,303	-	24,939
Contracted services	-	-	540,725	-	579,991
Professional services	-	-	-	-	258,968
Total	546,180	529,780	563,268	(33,488)	875,514

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, 2019
(With Comparative Actual Amounts for the Fiscal Year Ended June 30, 2018)

	2019				2018
	Original Budget	Final Budget	Actual	Variance Positive (Negative)	Actual
Sewer treatment operations:					
Salaries & benefits	-	-	135,206	-	129,846
Utilities	-	-	77,797	-	68,582
Repairs and maintenance	-	-	12,382	-	7,556
Gas	-	-	8,848	-	3,986
Lab tests	-	-	26,345	-	30,195
System supplies	-	-	75,840	-	16,369
Chemicals	-	-	47,303	-	44,929
Contracted services	-	-	193,198	-	67,762
Professional services	-	-	5	-	48,131
Total	433,803	606,953	576,924	30,029	417,356
Debt service:					
Interest and other charges	-	-	174,563	-	91,875
Debt principal	-	-	500,000	-	250,000
Total	674,563	674,563	674,563	-	341,875
Capital outlay	153,500	89,250	-	89,250	126,695
Total expenditures	1,946,381	2,062,651	1,961,678	100,973	1,887,443
Revenues and appropriated net position over expenditures	-	-	(115,595)	(115,595)	(16,998)
Other financing uses:					
Transfer to Ocean Sands Construction	-	-	-	-	(184,575)
Revenues and appropriated net position over (under) expenditures and other financing uses:	-	\$ -	(115,595)	\$ (115,595)	(201,573)
Reconciliation from budgetary basis (modified accrual) to full accrual:					
Reconciling items:					
Capital outlays			-		126,695
Debt principal			500,000		250,000
(Increase) Decrease in accrued salaries			(34)		(98)
(Increase) Decrease in accrued vacation			(1,520)		37
Transfer to Ocean Sands Construction			-		184,575
Increase in total OPEB liability			(15,015)		(123,263)
Depreciation			(585,671)		(328,431)
Interest income from capital project funds			2,699		7,271
Expenses from capital projects fund			(12,886)		-
Increase in deferred inflows of resources - pension			(35)		(595)
Decrease (Increase) in net pension liability			(9,367)		1,892
Increase (Decrease) in deferred outflows of resources - pension			7,986		(3,015)
Increase in deferred outflow of resources - OPEB			1,126		-
Increase in deferred inflow of resources - OPEB			(7,232)		(15,188)
Total reconciling items			(119,949)		99,880
Change in net position			\$ (235,544)		\$ (101,693)

County of Currituck, North Carolina
Ocean Sands Water & Sewer Construction Fund
Schedule of Revenues and Expenditures
Budget and Actual (Non-GAAP)

From Inception and for the Fiscal Year Ended June 30, 2019

	Project Authorization	Actual		Total to Date	Variance Positive (Negative)
		Prior Years	Current Year		
Revenues					
Intergovernmental revenues:					
Investment earnings	\$ -	\$ 86,981	\$ 2,699	\$ 89,680	\$ 89,680
Total revenues	-	86,981	2,699	89,680	89,680
Expenditures					
Contract services	11,747,793	6,484,423	4,589,497	11,073,920	673,873
Professional services	871,150	783,004	82,708	865,712	5,438
Contingency	580,000	-	-	-	580,000
Total expenditures	13,198,943	7,267,427	4,672,205	11,939,632	1,259,311
Revenues under expenditures	(13,198,943)	(7,180,446)	(4,669,506)	(11,849,952)	1,348,991
Other financing sources:					
Proceeds from Debt Issuance	7,500,000	7,500,000	-	7,500,000	-
Transfers from other funds:					
Ocean Sands Water & Sewer fund	5,698,943	5,489,827	-	5,489,827	(209,116)
Total other financing sources	13,198,943	12,989,827	-	12,989,827	(209,116)
Revenues and other financing sources over (under) expenditures	\$ -	\$ 5,809,381	\$ (4,669,506)	\$ 1,139,875	\$ 1,139,875

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County of Currituck, North Carolina
Mainland Water Fund
Schedule of Revenues and Expenditures
Budget and Actual (Non-GAAP)
For the Year Ended June 30, 2019
(With Comparative Actual Amounts for the Fiscal Year Ended June 30, 2018)

	2019			Variance Positive (Negative)	2018
	Original Budget	Final Budget	Actual		Actual
Revenues:					
Charges for services:					
Water sales	\$ -	\$ -	\$ 3,139,717	\$ -	\$ 3,094,533
Water tap fees	-	-	1,303,036	-	1,268,600
Reconnection fees	-	-	90,697	-	77,375
Penalties and interest	-	-	75,156	-	72,928
Sale of materials	-	-	-	-	15,718
Total	<u>3,299,199</u>	<u>3,342,233</u>	<u>4,608,606</u>	<u>1,266,373</u>	<u>4,529,154</u>
Nonoperating revenues:					
Interest earnings	-	-	146,353	-	48,397
Other nonoperating revenues	-	-	-	-	35,500
Total nonoperating revenues	<u>21,543</u>	<u>56,443</u>	<u>146,353</u>	<u>89,910</u>	<u>83,897</u>
Total revenues	<u>3,320,742</u>	<u>3,398,676</u>	<u>4,754,959</u>	<u>1,356,283</u>	<u>4,613,051</u>
Other financing sources:					
Transfer from Transfer Tax Capital Fund	-	26,000	26,000	-	-
Sales of capital assets	<u>15,000</u>	<u>15,000</u>	<u>21,962</u>	<u>6,962</u>	<u>-</u>
	15,000	41,000	47,962	6,962	-
Total revenues and other financing sources	<u>3,335,742</u>	<u>3,467,548</u>	<u>4,802,921</u>	<u>1,335,373</u>	<u>4,613,051</u>
Expenditures:					
Administration:					
Salaries and benefits	-	-	48,213	-	60,141
Administrative support	-	-	158,361	-	158,361
Credit card fees	-	-	20,312	-	19,004
Telephone and postage	-	-	37,134	-	19,765
Travel	-	-	2,710	-	2,303
Training and education	-	-	1,688	-	2,664
Advertising	-	-	94	-	191
Supplies	-	-	99,114	-	89,024
Dues and subscriptions	-	-	10,434	-	7,490
Software license fees	-	-	3,671	-	3,444
Other administration	-	-	20	-	100
	<u>366,499</u>	<u>408,157</u>	<u>381,751</u>	<u>26,407</u>	<u>362,487</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, 2019
(With Comparative Actual Amounts for the Fiscal Year Ended June 30, 2018)

	2019			2018
	Original Budget	Final Budget	Actual	Variance Positive (Negative) Actual
Water treatment operations:				
Salaries and benefits	-	-	716,520	- 691,618
Utilities	-	-	209,264	- 163,041
Repairs and maintenance	-	-	6,289	- 19,254
Fuel	-	-	25,641	- 24,656
Lab tests	-	-	14,282	- 7,792
Chemicals	-	-	59,143	- 39,405
Uniforms	-	-	2,157	- 1,574
Contracted services	-	-	54,666	- 66,314
Professional services	-	-	27,014	- 25,826
Total	<u>1,062,968</u>	<u>1,125,766</u>	<u>1,114,976</u>	<u>10,789</u> 1,039,480
Debt service:				
Interest and other charges	-	-	376,841	- 409,083
Debt principal	-	-	1,090,000	- 1,045,000
Total	<u>1,466,842</u>	<u>1,466,842</u>	<u>1,466,841</u>	<u>1</u> 1,454,083
Capital outlay	<u>439,433</u>	<u>466,783</u>	<u>478,057</u>	<u>(11,274)</u> 189,402
Total expenditures	<u>3,335,742</u>	<u>3,467,548</u>	<u>3,441,625</u>	<u>25,923</u> 3,045,452
Revenues and other financing sources over (under) expenditures	<u>\$ -</u>	<u>\$ -</u>	1,361,296	<u>\$ 1,361,296</u> 1,567,599
Reconciliation from budgetary basis (modified accrual) to full accrual:				
Reconciling items:				
Capital outlays			478,057	189,402
Debt principal			1,090,000	1,045,000
Depreciation			(1,250,679)	(1,585,090)
Increase in total OPEB liability			(43,416)	(161,215)
Increase in accrued vacation			7,103	(4,716)
Decrease in accrued salaries			(507)	6,392
Decrease in deferred outflows of resources - pension			42,723	(47,350)
Decrease in net pension liability			(47,112)	37,910
Decrease in deferred inflow of resources - pension			(47)	9,607
Increase in deferred inflow of resources - OPEB			(34,304)	(82,555)
Increase in deferred outflow of resources - OPEB			4,738	9,025
Total reconciling items			<u>246,556</u>	<u>(583,590)</u>
Change in net position			<u>\$ 1,607,852</u>	<u>\$ 984,009</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, 2019
(With Comparative Actual Amounts for the Fiscal Year Ended June 30, 2018)

	2019			2018	
	Original Budget	Final Budget	Actual	Variance Positive (Negative)	Actual
Revenues:					
Charges for services:					
Water sales	\$ -	\$ -	\$ 2,607,801	\$ -	\$ 2,763,623
Water tap fees	-	-	130,750	-	207,250
Administration	-	-	525,468	-	572,646
Billing services	-	-	3,920	-	3,500
Penalties and interest	-	-	21,510	-	33,930
Other operating revenues	-	-	19,719	-	19,099
Total, water operating revenues	<u>3,674,711</u>	<u>3,670,800</u>	<u>3,309,168</u>	<u>(361,632)</u>	<u>3,600,048</u>
Nonoperating revenues:					
Rent	-	-	228,159	-	169,597
Insurance recovery	-	-	-	-	-
Interest earnings	-	-	69,568	-	37,545
Sale of capital assets	-	-	-	-	-
Total nonoperating revenues	<u>184,465</u>	<u>188,376</u>	<u>297,727</u>	<u>109,351</u>	<u>207,142</u>
Total revenues	<u>3,859,176</u>	<u>3,859,176</u>	<u>3,606,895</u>	<u>(252,281)</u>	<u>3,807,190</u>
Expenditures:					
Administration:					
Salaries and benefits	-	-	141,862	-	147,814
Telephone and postage	-	-	17,292	-	7,229
Travel	-	-	1,377	-	1,640
Training and education	-	-	1,382	-	1,180
Data transmission	-	-	4,398	-	4,722
Advertising	-	-	-	-	215
Supplies	-	-	198,988	-	80,431
Credit card fees	-	-	6,797	-	7,162
Dues and subscriptions	-	-	7,260	-	6,696
Other administrative expenditures	-	-	143,579	-	143,361
Total administration expenditures	<u>414,428</u>	<u>523,171</u>	<u>522,935</u>	<u>236</u>	<u>400,450</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, 2019
(With Comparative Actual Amounts for the Fiscal Year Ended June 30, 2018)

	2019			2018	
	Original Budget	Final Budget	Actual	Variance Positive (Negative)	Actual
Water treatment operations:					
Salaries and benefits	-	-	472,888	-	443,443
Utilities	-	-	235,492	-	171,245
Gas, oil, etc	-	-	19,204	-	18,823
Repairs and maintenance	-	-	10,767	-	15,098
Lab tests	-	-	14,264	-	18,240
Chemicals	-	-	124,252	-	109,546
Uniforms	-	-	939	-	968
Contracted services	-	-	76,281	-	66,340
Total water treatment operations	<u>1,546,000</u>	<u>1,478,232</u>	<u>954,087</u>	<u>524,145</u>	<u>843,703</u>
Debt service:					
Interest and other charges	-	-	65,748	-	85,978
Debt principal	-	-	850,000	-	850,000
Total	<u>915,748</u>	<u>915,748</u>	<u>915,748</u>	<u>-</u>	<u>935,978</u>
Capital outlays	983,000	942,025	390,304	551,721	242,138
Total expenditures	<u>3,859,176</u>	<u>3,859,176</u>	<u>2,783,074</u>	<u>1,076,102</u>	<u>2,422,269</u>
Revenues and other financing sources over (under) expenditures	<u>\$ -</u>	<u>\$ -</u>	823,821	<u>\$ 823,821</u>	1,384,921
Reconciliation from budgetary basis (modified accrual) to full accrual:					
Reconciling items:					
Capital outlays			390,304		242,138
Debt principal			850,000		850,000
Increase in total OPEB liability			(66,891)		(83,119)
Decrease in accrued vacation			51		874
Depreciation			(1,138,244)		(1,127,095)
Transfer to (from) construction fund			-		-
Loss on disposal of assets			-		(21,234)
Increase (decrease) in accrued salaries			(1,244)		971
Increase in deferred inflow of resources - OPEB			4,916		-
Increase (decrease) in deferred outflow of resources - pensions			36,419		(43,353)
Increase (decrease) in net pension liability			(41,077)		41,051
Increase (decrease) in deferred inflows of resources - pensions			(152)		2,766
Increase in deferred inflow of resources - OPEB			(31,693)		(66,142)
Total reconciling items			<u>2,389</u>		<u>(203,143)</u>
Change in net position			<u>\$ 826,210</u>		<u>\$ 1,181,778</u>

County of Currituck, North Carolina
Mainland Central Sewer Fund
Schedule of Revenues and Expenditures
Budget and Actual (Non-GAAP)
For the Year Ended June 30, 2019
(With Comparative Actual Amounts for the Fiscal Year Ended June 30, 2018)

	2019				2018
	Original Budget	Final Budget	Actual	Variance Positive (Negative)	Actual
Revenues:					
Charges for services:					
Sewer charges	\$ -	\$ -	\$ 344,831	\$ -	\$ 294,702
Tap fees	-	-	622,389	-	549,180
Penalties and interest	-	-	18,527	-	22,167
Total, sewer operating revenues	<u>574,828</u>	<u>641,245</u>	<u>985,747</u>	<u>344,502</u>	<u>866,049</u>
Nonoperating revenues:					
Rents	-	-	3,600	-	3,600
Insurance recovery	-	-	-	-	8,021
Interest earnings	-	-	18,679	-	4,358
Total nonoperating revenues	<u>6,035</u>	<u>11,685</u>	<u>22,279</u>	<u>10,594</u>	<u>15,979</u>
Total revenues	<u>580,863</u>	<u>652,930</u>	<u>1,008,026</u>	<u>355,096</u>	<u>882,028</u>
Expenditures:					
Administration:					
Salaries and benefits	-	-	90,047	-	48,405
Telephone and postage	-	-	1,679	-	1,579
Travel	-	-	2,573	-	-
Training and education	-	-	2,057	-	365
Administration	-	-	32,634	-	32,634
Supplies	-	-	27,534	-	75,017
Credit card fees	-	-	1,594	-	1,313
Dues and subscriptions	-	-	33,124	-	21,369
Software license fees	-	-	412	-	130
	<u>118,041</u>	<u>123,811</u>	<u>191,654</u>	<u>(67,844)</u>	<u>180,812</u>
Sewer treatment operations:					
Salaries and benefits	-	-	90,047	-	48,405
Utilities	-	-	60,516	-	38,300
Gas	-	-	7,782	-	4,856
Data Transmission	-	-	1,178	-	457
Repairs and maintenance	-	-	10,243	-	14,889
Lab tests	-	-	28,517	-	37,600
Chemicals	-	-	65,274	-	52,363
Contracted services	-	-	203,731	-	76,918
Professional services	-	-	14,400	-	-
Total	<u>322,853</u>	<u>625,323</u>	<u>481,688</u>	<u>143,635</u>	<u>273,788</u>
Debt service:					
Interest and other charges	-	-	48,668	-	54,230
Debt principal	-	-	1,620,000	-	180,000
Total	<u>228,668</u>	<u>1,668,668</u>	<u>1,668,668</u>	<u>-</u>	<u>234,230</u>
Capital outlay	-	5,027	-	5,027	12,912
Total expenditures	<u>669,561</u>	<u>2,422,828</u>	<u>2,342,010</u>	<u>80,818</u>	<u>701,741</u>
Revenues over (under) expenditures	<u>(88,698)</u>	<u>(1,769,898)</u>	<u>(1,333,984)</u>	<u>435,914</u>	<u>180,287</u>
Other financing sources (uses):					
Transfer from Maple Commerce Park Sewer Fund	-	-	-	-	-
Transfer from Operating Fund	-	-	88,698	-	140,270
Transfer from Newtown Road Sewer Fund	-	-	-	-	-
Transfer from Moyock Commons Sewer Fund	-	-	-	-	-
Transfer from Walnut Island Sewer Fund	-	-	-	-	-
Transfer from Transfer Tax Capital Fund	-	-	1,572,500	-	100,000
	<u>88,698</u>	<u>1,748,898</u>	<u>1,661,198</u>	<u>(87,700)</u>	<u>240,270</u>
Appropriated net assets	-	21,000	-	(21,000)	-
Total revenues over expenditures, other financing sources (uses) and appropriated net assets	<u>\$ -</u>	<u>\$ -</u>	<u>327,214</u>	<u>\$ 327,214</u>	<u>420,557</u>

County of Currituck, North Carolina
Mainland Central Sewer Fund
Schedule of Revenues and Expenditures
Budget and Actual (Non-GAAP)
For the Year Ended June 30, 2019
(With Comparative Actual Amounts for the Fiscal Year Ended June 30, 2018)

	2019			2018
	Original Budget	Final Budget	Actual	Variance Positive (Negative) Actual
Reconciliation from budgetary basis (modified accrual) to full accrual:				
Capital outlay			-	12,912
Debt principal			1,620,000	180,000
Depreciation			(643,292)	(396,974)
Loss on disposal of capital assets			(70,642)	-
(Increase) Decrease in accrued salaries			(172)	(2,547)
(Increase) Decrease in accrued vacation			(1,706)	(8,646)
Increase in total OPEB liability			(98,642)	(93,091)
Increase in deferred inflows of resources - pension			(536)	(704)
Increase in net pension liability			(25,713)	(18,807)
Increase in deferred outflows of resources - pension			21,081	13,972
Increase in deferred outflows of resources - OPEB			1,263	-
Increase in deferred inflow of resources - OPEB			(16,074)	(9,064)
Interest income from Capital Projects Fund			4,593	-
Expense from Capital Projects Fund			(98,832)	-
Transfer of assets from Nonmajor Funds due to combinations			4,951,737	
Transfer from County Governmental Facility Fund to capital project fund			450,000	378,000
Total reconciling items			<u>6,093,065</u>	<u>55,051</u>
Change in net position			<u>\$ 6,420,279</u>	<u>\$ 475,608</u>

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

From Inception and for the Fiscal Year Ended June 30, 2019

	Project Authorization	Prior Years	Actual Current Year	Total to Date	Variance Positive (Negative)
Revenues					
Investment earnings	\$ -	\$ -	\$ 4,593	\$ 4,593	\$ 4,593
Total revenues	-	-	4,593	4,593	4,593
Expenditures					
Professional services	450,000	-	121,400	121,400	328,600
Capital outlay	378,000	108,950	197,214	306,164	71,836
Total expenditures	828,000	108,950	318,614	427,564	400,436
Revenues over (under) expenditures	(828,000)	(108,950)	(314,021)	(422,971)	405,029
Other finance sources:					
Transfers from other funds:					
County Governmental Construction Fund	378,000	378,000	-	378,000	-
Transfer tax capital fund	450,000	-	450,000	450,000	-
Total transfers from other funds	828,000	378,000	450,000	828,000	-
Revenues and other financing sources over expenditures	\$ -	\$ 269,050	\$ 135,979	\$ 405,029	\$ 405,029

County of Currituck, North Carolina
Agency Funds
Combining Statement of Changes in Assets and Liabilities
For the Fiscal Year Ended June 30, 2019

	Balance June 30 2018	Additions	Deductions	Balance June 30 2019
Social Services				
Assets:				
Cash and cash equivalents	<u>\$ 23,605</u>	<u>\$ 154,797</u>	<u>\$ 150,276</u>	<u>\$ 28,126</u>
Liabilities:				
Accounts Payable	<u>\$ 23,605</u>	<u>\$ 154,797</u>	<u>\$ 150,276</u>	<u>\$ 28,126</u>
Fines and Forfeitures				
Assets:				
Cash and cash equivalents	\$ -	\$ 252,693	\$ 236,334	\$ 16,359
Due from other governments	14,342	257,093	250,675	20,760
Total assets	<u>\$ 14,342</u>	<u>\$ 509,786</u>	<u>\$ 487,009</u>	<u>\$ 37,119</u>
Liabilities:				
Due to other governments	<u>\$ 14,342</u>	<u>\$ 259,111</u>	<u>\$ 236,334</u>	<u>\$ 37,119</u>
Deed of Trust Fee				
Assets:				
Cash and cash equivalents	<u>\$ 3,230</u>	<u>\$ 37,733</u>	<u>\$ 38,043</u>	<u>\$ 2,920</u>
Liabilities:				
Due to other governments	<u>\$ 3,230</u>	<u>\$ 37,733</u>	<u>\$ 38,043</u>	<u>\$ 2,920</u>
Totals - All Agency Funds				
Assets:				
Cash and cash equivalents	\$ 26,835	\$ 445,223	\$ 424,653	\$ 47,405
Due from other governments	14,342	257,093	250,675	20,760
Total assets	<u>\$ 41,177</u>	<u>\$ 702,316</u>	<u>\$ 675,328</u>	<u>\$ 68,165</u>
Liabilities:				
Accounts payable	23,605	154,797	150,276	28,126
Due to other governments	17,572	296,844	274,377	40,039
Total liabilities	<u>\$ 41,177</u>	<u>\$ 451,641</u>	<u>\$ 424,653</u>	<u>\$ 68,165</u>

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County of Currituck, North Carolina
General Fund
Schedule of Ad Valorem Taxes Receivable
June 30, 2019

<u>Fiscal Year</u>	<u>Uncollected Balance June 30, 2018</u>	<u>Additions</u>	<u>Collections And Credits</u>	<u>Uncollected Balance June 30, 2019</u>
2018-2019	\$ -	\$ 30,768,272 (a)	\$ 30,486,856 (b)	\$ 281,416 (c)
2017-2018	275,812	2,035	198,863	78,984
2016-2017	96,239	-	63,165	33,074
2015-2016	38,293	-	22,533	15,760
2014-2015	22,210	-	14,659	7,551
2013-2014	15,097	-	6,684	8,413
2012-2013	11,448	-	3,522	7,926
2011-2012	9,589	-	1,032	8,557
2010-2011	7,967	-	656	7,311
2009-2010	5,015	-	130	4,885
2008-2009	5,526	-	5,526	-
	<u>\$ 487,196</u>	<u>\$ 30,770,307</u>	<u>\$ 30,803,626 (d)</u>	<u>453,877</u>
Less: allowance for uncollectible accounts:				
General Fund				<u>(17,134)</u>
Ad valorem taxes receivable - net:				<u>\$ 436,743</u>
<u>Reconciliation with revenues:</u>				
Ad valorem taxes - General Fund				\$ 31,045,361
Reconciling items:				
Interest collected				(95,307)
Taxes written off				<u>(146,428)</u>
Total reconciling items				<u>(241,735)</u>
Total collections and credits				<u>\$ 30,803,626 (d)</u>

County of Currituck, North Carolina
Analysis of Current Tax Levy
County - wide Levy
For the Fiscal Year Ended June 30, 2019

	County - wide			Total Levy	
	Property Valuation	Rate	Amount of Levy	Property excluding Registered Motor Vehicles	Registered Motor Vehicles
Original levy:					
Property taxed at current year's rate	\$ 6,408,466,042	0.480	\$ 30,760,637	\$ 29,154,916	\$1,605,721
Penalties	-		25,535	25,535	-
Total	<u>6,408,466,042</u>		<u>30,786,172</u>	<u>29,180,451</u>	<u>1,605,721</u>
Discoveries:					
Current year taxes	1,441,458	0.480	6,919	6,919	-
Prior year taxes	2,321,042		11,141	11,141	-
Penalties	-		4,042	4,042	-
Total	<u>3,762,500</u>		<u>22,102</u>	<u>22,102</u>	<u>-</u>
Abatements	<u>(8,333,750)</u>		<u>(40,002)</u>	<u>(24,815)</u>	<u>(15,187)</u>
Total property valuation	<u>\$ 6,403,894,792</u>				
Net levy			30,768,272 (a)	29,177,738	1,590,534
Uncollected taxes at June 30, 2019			<u>281,416 (c)</u>	<u>281,416</u>	<u>-</u>
Current year's taxes collected			<u>\$ 30,486,856 (b)</u>	<u>\$ 28,896,322</u>	<u>\$1,590,534</u>
Current levy collection percentage			<u>99.09%</u>	<u>99.04%</u>	<u>100.00%</u>

County of Currituck, North Carolina
Secondary Market Disclosures
For the Fiscal Year Ended June 30, 2019

Assessed Valuation:

Assessment Ratio ¹	100 %
Real Property	\$ 6,068,228,309
Personal Property	221,701,143
Public Service Companies ²	<u>113,965,340</u>
Total Assessed Valuation	\$ 6,403,894,792
Tax Rate per \$100	0.48
Levy (includes discoveries, releases and abatements) ³	\$ 30,768,272

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

Corolla fire protection service district	1,427,793
Guinea Mill watershed improvement district	15,876
Hog Ditch watershed improvement district	1,689
Moyock watershed improvement district	17,624
Northwest watershed improvement district	2,780
Whalehead solid waste district	116,611
Whalehead watershed improvement district	903,729
Ocean Sands/Crown Pointe North watershed improvement district	297,186
Ocean Sands water and sewer district	<u>524,496</u>
Total	<u><u>\$ 34,076,056</u></u>

¹ Percentage of appraised value has been established by statute.

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

³ The levy includes interest and penalties.

County of Currituck, North Carolina
Ten Largest Taxpayers
For the Fiscal Year Ended June 30, 2019

Taxpayer	Type of Business	Assessed Valuation January 1, 2018	Percentage of Total Assessed Valuation
Summit Farms Solar LLC	Solar Energy	\$ 112,862,278	1.76 %
Dominion NC Power	Utilities	84,351,570	1.32
Ranchland Solar LLC	Solar Energy	47,912,517	0.75
EPR Resorts LLC	Water Park	35,909,343	0.56
Coastland Properties I LLC	Land Development	22,087,200	0.34
Harrison Inn Corolla LLC	Hotel	20,086,322	0.31
Coastland Corporation	Land Development	15,630,000	0.24
Pine Island Properties LLC	Land Development	13,687,600	0.21
SunEnergy1, LLC	Solar Energy	10,917,011	0.17
Golasa Holdings LLC	Land Development	9,997,661	0.16
Total		\$ 373,441,502	5.82 %

County of Currituck, North Carolina
Emergency Telephone System Unspent Balance
PSAP Reconciliation
June 30, 2019

Amounts reported on the Emergency Telephone System Fund budget to actual are different from the PSAP Revenue-Expenditure Report because:

Net Change in Fund Balance, reported on Budget to Actual	\$ 57,568
Beginning Balance, PSAP Revenue-Expenditure Report	<u>270,256</u>
Ending Balance, PSAP Revenue-Expenditure Report	<u><u>\$ 327,824</u></u>

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Statistical Section

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

Financial Trends:

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

Revenue Capacity:

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

Debt Capacity:

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

Demographic and Economic Information:

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

Operating Information:

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

Schedule 1

Currituck County, North Carolina

Net Position by Component

(accrual basis of accounting)

	Fiscal Year									
	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Governmental activities										
Net investment in capital assets	\$ 74,064,100	\$ 81,090,434	\$ 96,265,950	\$ 101,478,868	\$ 104,063,563	\$ 103,521,339	\$ 95,026,547	\$ 98,607,671	\$ 98,629,299	\$ 93,267,704
Restricted	-	15,397,965	12,362,081	18,056,879	21,530,373	21,700,488	22,905,623	36,645,981	35,385,491	39,590,510
Unrestricted	48,227,525	29,175,234	21,792,937	16,509,722	13,767,217	19,081,705	20,283,060	8,333,046	9,057,138	15,328,578
Total governmental activities net position	<u>\$ 122,291,625</u>	<u>\$ 125,663,633</u>	<u>\$ 130,420,968</u>	<u>\$ 136,045,469</u>	<u>\$ 139,361,153</u>	<u>\$ 144,303,532</u>	<u>\$ 138,215,230</u>	<u>\$ 143,586,698</u>	<u>\$ 143,071,928</u>	<u>\$ 148,186,792</u>
Business-type activities										
Net investment in capital assets	\$ 22,524,024	\$ 23,516,216	\$ 28,802,477	\$ 29,352,060	\$ 28,462,332	\$ 31,801,937	\$ 32,769,142	\$ 34,461,551	\$ 28,527,935	\$ 34,616,594
Unrestricted	13,704,712	13,436,806	13,635,970	13,550,093	14,330,486	11,857,259	12,082,511	10,841,508	18,238,009	16,052,814
Total business-type activities net position	<u>\$ 36,228,736</u>	<u>\$ 36,953,022</u>	<u>\$ 42,438,447</u>	<u>\$ 42,902,153</u>	<u>\$ 42,792,818</u>	<u>\$ 43,659,196</u>	<u>\$ 44,851,653</u>	<u>\$ 45,303,059</u>	<u>\$ 46,765,944</u>	<u>\$ 50,669,408</u>
Primary government										
Net investment in capital assets	\$ 96,588,124	\$ 104,606,650	\$ 125,068,427	\$ 130,830,928	\$ 132,525,895	\$ 135,323,276	\$ 127,795,689	\$ 133,069,222	\$ 127,157,234	\$ 127,884,298
Restricted	-	15,397,965	12,362,081	18,056,879	21,530,373	21,700,488	22,905,623	36,645,981	35,385,491	39,590,510
Unrestricted	61,932,237	42,612,040	35,428,907	30,059,815	28,097,703	30,938,964	32,365,571	19,174,554	27,295,147	31,381,392
Total governmental activities net position	<u>\$ 158,520,361</u>	<u>\$ 162,616,655</u>	<u>\$ 172,859,415</u>	<u>\$ 178,947,622</u>	<u>\$ 182,153,971</u>	<u>\$ 187,962,728</u>	<u>\$ 183,066,883</u>	<u>\$ 188,889,757</u>	<u>\$ 189,837,872</u>	<u>\$ 198,856,200</u>

Schedule 2

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

	Fiscal Year									
	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Expenses										
Governmental activities:										
General government	\$ 8,415,095	\$ 8,369,991	\$ 6,351,749	\$ 7,999,138	\$ 6,607,468	\$ 6,716,864	\$ 7,316,823	\$ 7,605,726	\$ 7,720,712	\$ 8,837,696
Public safety	17,211,595	17,159,996	18,160,689	19,305,733	20,161,974	19,371,231	20,237,291	22,184,580	23,107,388	24,646,123
Transportation	783,800	1,726,573	1,222,468	1,079,075	1,000,818	884,955	1,864,818	878,356	879,908	1,908,078
Economic and physical development	6,713,211	6,469,555	9,094,719	3,531,181	761,700	1,401,180	7,059,866	6,919,571	7,125,880	6,614,928
Environmental protection	568,900	424,447	385,902	3,174,699	8,490,835	6,735,282	1,112,071	1,304,616	1,352,279	1,102,947
Human services	4,155,112	4,156,265	4,351,492	4,492,638	4,688,478	4,551,724	4,821,314	5,135,697	4,183,766	4,270,307
Cultural and recreation	2,577,198	2,094,488	1,939,442	1,982,118	3,131,488	2,945,656	2,337,746	3,649,685	3,521,851	5,516,269
Education	10,330,209	10,098,107	9,810,904	10,100,754	10,782,180	11,099,664	11,078,398	11,223,471	11,377,025	12,193,477
Interest on long-term debt	449,982	456,783	359,601	364,671	290,717	196,630	133,147	106,219	79,098	51,626
Total governmental activities expenses	<u>51,205,102</u>	<u>50,956,205</u>	<u>51,676,966</u>	<u>52,030,007</u>	<u>55,915,658</u>	<u>53,903,186</u>	<u>55,961,474</u>	<u>59,007,921</u>	<u>59,347,907</u>	<u>65,141,451</u>
Business-type activities:										
Solid Waste	4,196,020	4,193,309	4,252,922	4,274,049	4,135,657	4,256,648	4,285,157	4,814,409	4,716,685	4,970,865
Water and Sewer	6,398,328	6,519,262	7,466,805	8,295,709	8,437,098	8,528,166	8,669,910	8,900,685	9,534,844	9,693,392
Total business-type activities expenses	<u>10,594,348</u>	<u>10,712,571</u>	<u>11,719,727</u>	<u>12,569,758</u>	<u>12,572,755</u>	<u>12,784,814</u>	<u>12,955,067</u>	<u>13,715,094</u>	<u>14,251,529</u>	<u>14,664,257</u>
Total primary government expenses	<u>\$ 61,799,450</u>	<u>\$ 61,668,776</u>	<u>\$ 63,396,693</u>	<u>\$ 64,599,765</u>	<u>\$ 68,488,413</u>	<u>\$ 66,688,000</u>	<u>\$ 68,916,541</u>	<u>\$ 72,723,015</u>	<u>\$ 73,599,436</u>	<u>\$ 79,805,708</u>
Program Revenues										
Governmental activities:										
Charges for services:										
General government	\$ 953,864	\$ 960,242	\$ 1,406,215	\$ 2,007,829	\$ 1,500,025	\$ 1,377,621	\$ 1,333,039	\$ 1,082,865	\$ 1,110,766	\$ 1,394,939
Public safety	1,013,183	1,392,245	1,417,775	1,906,102	1,495,000	1,788,900	1,779,070	1,751,361	1,961,604	2,068,414
Transportation	300,395	400,314	444,744	487,746	461,021	357,148	375,589	326,746	325,167	408,216
Economic and physical development	18,570	16,878	37,641	99,060	85,482	-	68,765	271,933	317,343	272,050
Environmental protection	-	-	9,400	80,039	-	86,965	-	-	-	-
Human services	-	-	-	-	14,063	4,408	224	249	279	119
Cultural and recreation	60,577	188,356	66,700	95,097	72,376	70,492	63,688	87,270	91,992	112,120
Operating grants and contributions:										
General government	854,484	40,909	316,482	-	154,237	187,442	174,287	174,988	158,589	70,572
Public safety	495,545	238,506	810,366	187,756	458,824	564,997	851,728	640,816	615,721	859,670
Transportation	-	-	-	-	-	-	-	3,383	3,519	3,781
Economic and physical development	-	-	16,020	33,904	13,547	26,760	-	575,805	69,250	182,589
Environmental protection	56,690	-	32,282	-	273,267	-	26,629	110,808	26,550	89,439
Human services	2,730,538	2,786,951	2,314,370	2,277,836	2,354,571	2,464,702	2,483,300	2,605,116	1,942,628	1,938,563
Cultural and recreation	28,098	-	22,978	-	27,206	4,170	-	-	-	-
Education	-	-	-	-	-	-	-	-	-	-
Capital grants and contributions:										
General government	-	-	-	-	-	-	-	-	-	-
Public safety	-	-	27,636	2,520	41,714	207,170	216,999	235,000	10,657	-
Transportation	-	1,016,192	682,120	476,612	73,511	98,700	1,052,019	867,286	753,297	45,855
Economic and physical development	-	-	5,000	500,696	77,500	10,000	-	-	-	498,873
Environmental protection	-	10,650	-	-	-	199,869	-	-	-	-
Human services	-	-	-	-	-	-	-	-	-	-
Cultural and recreation	294,155	288,824	158,156	53,020	50,000	750,000	459,090	-	75,000	-
Education	-	219,962	-	398,560	270,000	240,000	289,999	185,856	244,357	488,745
Total governmental activities program revenues	<u>\$ 6,806,099</u>	<u>\$ 7,560,029</u>	<u>\$ 7,767,885</u>	<u>\$ 8,606,777</u>	<u>\$ 7,422,344</u>	<u>\$ 8,439,344</u>	<u>\$ 9,174,426</u>	<u>\$ 8,919,482</u>	<u>\$ 7,706,719</u>	<u>\$ 8,433,945</u>

	Fiscal Year									
	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Business-type activities:										
Charges for services:										
Solid Waste	\$ 2,562,992	\$ 2,458,693	\$ 2,956,155	\$ 2,690,617	\$ 2,715,259	\$ 2,756,440	\$ 2,789,931	\$ 2,862,539	\$ 3,012,092	\$ 3,410,411
Water and Sewer	5,884,552	6,620,476	7,732,900	8,846,411	8,553,691	9,183,083	9,339,100	8,604,409	10,311,649	10,592,500
Operating grants and contributions:										
Solid Waste	57,113	67,716	75,477	55,392	26,860	39,024	41,780	51,846	62,468	49,650
Water and Sewer	-	940	-	113,475	48,984	12,544	13,621	27,242	49,121	-
Capital grants and contributions:										
Solid Waste	-	-	-	-	-	-	-	-	-	-
Water and Sewer	329,144	540,000	-	206,491	72,527	-	-	500,000	-	-
Total business-type program revenues	<u>8,833,801</u>	<u>9,687,825</u>	<u>10,764,532</u>	<u>11,912,386</u>	<u>11,417,321</u>	<u>11,991,091</u>	<u>12,184,432</u>	<u>12,046,036</u>	<u>13,435,330</u>	<u>14,052,561</u>
Total primary government program revenues	<u>\$ 15,639,900</u>	<u>\$ 17,247,854</u>	<u>\$ 18,532,417</u>	<u>\$ 20,519,163</u>	<u>\$ 18,839,665</u>	<u>\$ 20,430,435</u>	<u>\$ 21,358,858</u>	<u>\$ 20,965,518</u>	<u>\$ 21,142,049</u>	<u>\$ 22,486,506</u>
Net (Expense)/Revenue										
Governmental activities	\$ (44,399,003)	\$ (43,396,176)	\$ (43,909,081)	\$ (43,423,230)	\$ (48,493,314)	\$ (45,463,842)	\$ (46,787,048)	\$ (50,088,439)	\$ (51,641,188)	\$ (56,707,506)
Business-type activities	<u>(1,760,547)</u>	<u>(1,024,746)</u>	<u>(955,195)</u>	<u>(657,372)</u>	<u>(1,155,434)</u>	<u>(793,723)</u>	<u>(770,635)</u>	<u>(1,669,058)</u>	<u>(816,199)</u>	<u>(611,696)</u>
Total primary government net expense	<u>\$ (46,159,550)</u>	<u>\$ (44,420,922)</u>	<u>\$ (44,864,276)</u>	<u>\$ (44,080,602)</u>	<u>\$ (49,648,748)</u>	<u>\$ (46,257,565)</u>	<u>\$ (47,557,683)</u>	<u>\$ (51,757,497)</u>	<u>\$ (52,457,387)</u>	<u>\$ (57,319,202)</u>
General Revenues and Other Changes in Net Position										
Governmental activities:										
Property taxes	\$ 26,954,749	\$ 27,107,432	\$ 27,761,231	\$ 27,912,650	\$ 29,305,427	\$ 28,264,857	\$ 29,969,020	\$ 30,779,188	\$ 31,577,071	\$ 33,811,863
Intergovernmental	19,128,767	20,290,383	21,046,019	21,808,029	22,746,261	24,835,248	24,796,096	26,438,326	28,020,220	29,763,490
Investment earnings	678,816	806,637	537,109	327,131	357,310	386,405	450,673	526,677	609,114	1,760,571
Miscellaneous	-	-	-	-	-	337,425	679,606	867,331	888,609	784,783
Loss on disposal/sale of capital assets	-	-	-	(99,618)	-	(12,662)	(110,726)	-	(5,569)	(961,139)
Special item	(324,419)	-	-	-	-	-	(13,655,028)	-	-	-
Transfers	(2,297,456)	(1,436,268)	(677,943)	(900,461)	(600,000)	(1,180,187)	(1,430,895)	(1,457,168)	(1,818,270)	(3,337,198)
Total governmental activities	<u>44,140,457</u>	<u>46,768,184</u>	<u>48,666,416</u>	<u>49,047,731</u>	<u>51,808,998</u>	<u>52,631,086</u>	<u>40,698,746</u>	<u>57,154,354</u>	<u>59,271,175</u>	<u>61,822,370</u>
Business-type activities:										
Property taxes	138,053	135,889	131,174	116,393	363,067	315,580	320,358	319,865	609,886	615,922
Investment earnings	148,173	176,875	133,045	115,260	83,032	73,409	97,040	98,154	134,193	330,282
Miscellaneous	-	-	-	-	-	196,289	267,231	212,099	181,218	231,758
Loss on disposal/sale of capital assets	-	-	-	(11,036)	-	3,710	(152,432)	33,178	(21,234)	-
Special item	-	-	5,498,458	-	-	-	-	-	-	-
Transfers	2,297,456	1,436,268	677,943	900,461	600,000	1,180,187	1,430,895	1,457,168	1,818,270	3,337,198
Total business-type activities	<u>2,583,682</u>	<u>1,749,032</u>	<u>6,440,620</u>	<u>1,121,078</u>	<u>1,046,099</u>	<u>1,769,175</u>	<u>1,963,092</u>	<u>2,120,464</u>	<u>2,722,333</u>	<u>4,515,160</u>
Total primary government	<u>\$ 46,724,139</u>	<u>\$ 48,517,216</u>	<u>\$ 55,107,036</u>	<u>\$ 50,168,809</u>	<u>\$ 52,855,097</u>	<u>\$ 54,400,261</u>	<u>\$ 42,661,838</u>	<u>\$ 59,274,818</u>	<u>\$ 61,993,508</u>	<u>\$ 66,337,530</u>
Change in Net Position										
Governmental activities	\$ (258,546)	\$ 3,372,008	\$ 4,757,335	\$ 5,624,501	\$ 3,315,684	\$ 7,167,244	\$ (6,088,302)	\$ 7,065,915	\$ 7,629,987	\$ 5,114,864
Business-type activities	<u>823,135</u>	<u>724,286</u>	<u>5,485,425</u>	<u>463,706</u>	<u>(109,335)</u>	<u>975,452</u>	<u>1,192,457</u>	<u>451,406</u>	<u>1,906,134</u>	<u>3,903,464</u>
Total primary government	<u>\$ 564,589</u>	<u>\$ 4,096,294</u>	<u>\$ 10,242,760</u>	<u>\$ 6,088,207</u>	<u>\$ 3,206,349</u>	<u>\$ 8,142,696</u>	<u>\$ (4,895,845)</u>	<u>\$ 7,517,321</u>	<u>\$ 9,536,121</u>	<u>\$ 9,018,328</u>

Schedule 3

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

	Fiscal Year									
	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
General Fund										
Reserved	\$ 2,148,111	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unreserved	6,419,039	-	-	-	-	-	-	-	-	-
Nonspendable	-	982	832	1,257	809	2,067	925	936	855	1,834
Restricted	-	4,398,634	2,897,830	3,893,453	5,627,104	5,468,650	5,432,591	6,001,888	6,499,969	6,558,698
Committed	-	23,214,936	1,132,486	558,516	720,664	497,191	514,738	642,169	768,592	1,043,346
Assigned	-	3,794,562	3,526,932	3,457,216	3,078,429	2,802,212	3,031,018	2,762,123	2,762,123	3,776,870
Unassigned	-	1,859,873	2,470,171	2,184,656	1,657,309	4,601,431	6,900,115	8,783,320	10,871,843	12,199,631
Total General Fund	<u>\$ 8,567,150</u>	<u>\$ 33,268,987</u>	<u>\$ 10,028,251</u>	<u>\$ 10,095,098</u>	<u>\$ 11,084,315</u>	<u>\$ 13,371,551</u>	<u>\$ 15,879,387</u>	<u>\$ 18,190,436</u>	<u>\$ 20,903,382</u>	<u>\$ 23,580,379</u>
All Other Governmental Funds										
Reserved	\$ 941,130	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Designated										
Special revenue funds	9,768,088	-	-	-	-	-	-	-	-	-
Capital project funds	36,934,559	-	-	-	-	-	-	-	-	-
Nonspendable	-	-	-	-	-	11,685	11,685	36,947	36,947	72,352
Restricted	-	10,999,331	12,749,770	20,971,606	23,082,400	25,046,486	27,366,986	31,853,574	28,885,522	33,031,812
Committed	-	1,704,999	28,090,589	14,086,564	13,186,791	15,735,865	14,759,977	14,036,382	18,057,551	23,147,882
Assigned	-	1,894,695	279,105	1,137,613	1,069,114	1,827,078	1,266,377	401,602	5,975,108	5,975,108
Unassigned	-	5,445,286	33,140	-	-	-	-	-	-	-
Total all other governmental funds	<u>\$ 47,643,777</u>	<u>\$ 20,044,311</u>	<u>\$ 41,152,604</u>	<u>\$ 36,195,783</u>	<u>\$ 37,338,305</u>	<u>\$ 42,621,114</u>	<u>\$ 43,405,025</u>	<u>\$ 46,328,505</u>	<u>\$ 52,955,128</u>	<u>\$ 62,227,154</u>

Note: Classification of fund balance terminology changed with GASB 54.
GASB 54 was implemented with the reporting period ended June 30, 2011.

Schedule 4

Currituck County, North Carolina

Changes in Fund Balances, Governmental Funds

(modified accrual basis of accounting)

	Fiscal Year									
	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Revenues										
Ad valorem taxes	\$ 27,292,183	\$ 27,107,432	\$ 27,766,186	\$ 27,989,041	\$ 29,361,207	\$ 29,470,592	\$ 29,977,477	\$ 30,838,508	\$ 31,581,467	\$ 33,840,876
Other taxes and licenses	19,128,767	20,290,383	21,327,091	22,027,710	22,918,114	23,945,444	24,970,332	26,438,323	28,020,220	29,597,784
Unrestricted										
intergovernmental	237,490	237,129	148,006	138,398	154,237	162,807	160,144	169,703	158,588	165,706
Restricted										
intergovernmental	3,804,759	4,496,639	4,052,379	4,398,369	3,512,640	4,778,513	5,031,852	5,229,354	3,740,980	4,181,687
Permits and fees	1,537,842	2,005,998	1,996,886	2,428,470	2,190,793	2,452,641	3,034,476	2,673,065	2,759,125	3,218,915
Sales and services	612,201	617,213	803,419	781,993	841,435	621,183	838,834	880,906	1,065,032	1,090,390
Investment earnings	678,816	806,637	537,109	327,131	357,310	386,404	450,673	526,677	609,114	1,760,571
Miscellaneous	661,855	346,796	558,250	639,866	560,334	576,849	609,635	814,106	848,095	745,992
Total revenues	<u>53,953,913</u>	<u>55,908,227</u>	<u>57,189,326</u>	<u>58,730,978</u>	<u>59,896,070</u>	<u>62,394,433</u>	<u>65,073,423</u>	<u>67,570,642</u>	<u>68,782,621</u>	<u>74,601,921</u>
Expenditures										
General government	5,893,190	5,806,881	5,633,808	5,962,439	5,716,927	5,742,412	6,002,913	6,225,463	6,856,320	6,631,498
Public safety	16,399,211	16,316,596	17,674,735	20,942,919	18,209,467	19,047,590	20,913,322	20,428,915	22,241,240	23,899,637
Transportation	624,425	2,236,988	958,277	1,040,638	522,626	570,173	1,468,532	1,274,958	1,188,260	503,711
Environmental protection	1,858,626	598,363	1,408,739	3,150,732	2,021,474	823,289	366,153	469,344	525,278	537,800
Economic and physical development	6,830,706	6,271,605	10,086,060	8,207,098	7,808,460	6,604,716	7,211,632	8,247,024	7,224,954	7,065,298
Human services	4,108,356	4,100,337	4,312,266	4,236,116	4,416,362	4,513,935	4,690,256	5,003,830	3,995,831	4,046,505
Cultural and recreation	3,462,977	8,552,159	10,573,236	3,393,603	3,744,138	2,749,701	6,916,868	6,326,634	2,560,105	2,805,837
Education	10,330,209	10,098,107	11,461,403	15,859,070	10,782,180	11,099,664	11,078,398	11,223,471	11,377,025	12,193,477
Debt service										
Principal	2,856,949	2,931,769	2,975,701	3,363,205	3,651,980	2,296,344	1,569,561	1,573,088	1,576,671	1,580,018
Interest	449,982	456,783	359,601	364,671	290,717	196,377	133,147	106,219	79,098	51,919
Total expenditures	<u>52,814,631</u>	<u>57,369,588</u>	<u>65,443,826</u>	<u>66,520,491</u>	<u>57,164,331</u>	<u>53,644,201</u>	<u>60,350,782</u>	<u>60,878,946</u>	<u>57,624,782</u>	<u>59,315,700</u>
Excess of revenues over (under) expenditures	1,139,282	(1,461,361)	(8,254,500)	(7,789,513)	2,731,739	8,750,232	4,722,641	6,691,696	11,157,839	15,286,221
Other Financing Sources (Uses)										
Transfers in	8,427,744	10,949,771	13,216,026	11,303,731	9,360,360	11,469,373	13,097,461	10,688,217	13,816,062	16,109,337
Transfers out	(10,725,200)	(12,386,039)	(13,893,969)	(12,204,192)	(9,960,360)	(12,649,560)	(14,528,356)	(12,145,384)	(15,634,332)	(19,446,535)
Installment purchase proceeds	2,100,000	-	6,800,000	3,800,000	-	-	-	-	-	-
Total other financing sources (uses)	<u>\$ (197,456)</u>	<u>\$ (1,436,268)</u>	<u>\$ 6,122,057</u>	<u>\$ 2,899,539</u>	<u>\$ (600,000)</u>	<u>\$ (1,180,187)</u>	<u>\$ (1,430,895)</u>	<u>\$ (1,457,167)</u>	<u>\$ (1,818,270)</u>	<u>\$ (3,337,198)</u>
Net change in fund balances	\$ 941,826	\$ (2,897,629)	\$ (2,132,443)	\$ (4,889,974)	\$ 2,131,739	\$ 7,570,045	\$ 3,291,746	\$ 5,234,529	\$ 9,339,569	\$ 11,949,023
Debt service as a percent of noncapital expenditures	6.88%	7.11%	5.98%	6.56%	7.75%	4.93%	3.36%	3.22%	3.13%	2.99%

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					
2010	5,902,568,741	1,793,244,633	199,934,713	175,941,576	17,655,061	\$ 8,054,034,602	0.320	8,348,872,221	96.68%
2011	5,972,323,154	1,765,141,892	196,550,493	175,340,287	19,135,253	\$ 8,090,220,573	0.320	7,919,292,799	102.40%
2012	6,105,171,914	1,676,677,997	203,493,600	172,347,136	19,235,248	\$ 8,138,455,399	0.320	6,794,112,307	120.07%
2013	6,228,742,953	1,803,908,007	215,634,113	173,676,116	17,785,438	\$ 8,188,541,638	0.320	6,762,527,463	121.35%
2014	5,124,668,989	177,970,988	131,595,145	146,457,691	15,067,910	\$ 5,565,624,903	0.485	5,787,299,402	96.43%
2015	5,218,928,257	257,265,605	235,857,500	152,012,794	16,886,040	\$ 5,864,064,156	0.480	6,229,160,254	94.14%
2016	5,274,539,057	312,917,873	259,117,083	149,422,449	17,194,566	\$ 5,995,996,462	0.480	6,272,888,617	95.86%
2017	5,349,880,661	317,836,732	288,355,417	155,371,089	17,784,951	\$ 6,111,443,899	0.480	6,532,966,159	93.82%
2018	5,431,504,500	327,292,239	281,322,292	206,447,219	104,102,044	\$ 6,246,566,250	0.480	6,940,621,086	91.50%
2019	5,517,454,300	361,357,367	304,828,958	220,254,167	139,648,630	\$ 6,403,894,792	0.480	7,182,813,855	91.10%

Source: Currituck County Tax Department

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

¹ Includes tax-exempt property.

Schedule 6

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

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
County Direct Rates										
General	0.320	0.320	0.320	0.320	0.485	0.480	0.480	0.480	0.480	0.480
<u>Overlapping Rates</u>¹										
Corolla Fire Protection District	-	-	-	-	-	-	-	-	-	0.050
Guinea Mill Watershed Improvement District	0.010	0.010	0.010	0.010	0.010	0.010	0.010	0.010	0.010	0.010
Hog Ditch Watershed Improvement District	0.010	0.010	0.010	0.010	0.010	0.010	0.010	0.010	0.010	0.010
Moyock Watershed Improvement District	0.015	0.015	0.015	0.015	0.015	0.015	0.015	0.015	0.015	0.015
Northwest Watershed Improvement District	0.020	0.020	0.020	0.020	0.020	0.020	0.020	0.020	0.020	0.020
Ocean Sands North and Crown Point Watershed Improvement District	-	-	-	-	-	-	-	0.050	0.060	0.060
Whalehead Watershed Improvement District	0.040	0.040	0.090	0.090	0.155	0.155	0.155	0.155	0.155	0.155
Whalehead Beach Solid Waste Collection & Disposal Service District	-	-	0.015	0.015	0.025	0.025	0.025	0.025	0.020	0.020
Ocean Sands Water and Sewer District	-	-	-	-	0.050	0.050	0.050	0.050	0.110	0.110
Moyock Commons Sewer District	0.245	0.245	0.245	0.200	0.100	-	-	-	-	-

Source: County of Currituck Budget Ordinance

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

Schedule 7

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

Taxpayer	Type of Business	Fiscal Year 2019			Fiscal Year 2010		
		Assessed Value	Rank	Percentage of Total County Taxable Assessed Value	Assessed Value	Rank	Percentage of Total County Taxable Assessed Value
Summit Farms Solar LLC	Solar Energy	\$ 112,862,278	1	1.76%			
Dominion Power	Utility	84,351,570	2	1.32%	\$ 52,910,484	2	0.64%
Ranchland Solar LLC	Solar Energy	47,912,517	3	0.75%			
EPRR Resorts LLC	Waterpark	35,909,343	4	0.56%			
Coastland Properties 1, LLC	Land Development	22,087,200	5	0.34%	56,361,000	1	0.69%
Harrison Inn Corolla LLC	Hotel	20,086,322	6	0.31%			
Coastland Corporation	Land Development	15,630,000	7	0.24%	39,151,900	3	0.48%
Pine Island Properties LLC	Land Development	13,687,600	8	0.21%	22,132,000	4	0.27%
SunEnergy1 LLC	Solar Energy	10,917,011	9	0.17%			
Golasa Holdings LLC	Land Development	9,997,661	10	0.16%			
Turnpike Properties	Land Development				9,668,149	10	0.12%
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%
Johnson, James E, Jr.	Real Estate Investor				10,608,449	9	0.13%
Total		<u>\$ 373,441,502</u>		<u>5.82%</u>	<u>\$ 257,442,368</u>		<u>3.14%</u>

Source: Currituck County Tax Department

Schedule 8

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

Fiscal Year	Taxes Levied for the Fiscal Year (Original Levy)			Collected within the Fiscal Year of the Levy			Total Collections to Date		
	Adjustments	Total Adjusted Levy		Amount	Percentage of Original Levy	Collections in Subsequent Years	Amount	Percentage of Adjusted Levy	
2010	\$ 26,378,742	\$ (44,455)	\$ 26,334,287	\$ 25,734,946	97.56%	\$ 587,748	\$ 26,322,694	99.96%	
2011	26,474,753	(53,707)	26,421,046	25,941,806	97.99%	475,404	26,417,210	99.99%	
2012	26,651,481	(46,444)	26,605,037	26,145,212	98.10%	454,288	26,599,500	99.98%	
2013	26,855,308	(80,570)	26,774,738	26,371,383	98.19%	395,207	26,766,590	99.96%	
2014	28,242,743	(81,569)	28,161,174	27,778,323	98.31%	372,220	28,150,543	99.96%	
2015	28,211,974	(39,457)	28,172,517	27,838,533	98.67%	327,465	28,165,998	99.98%	
2016	28,824,998	(14,063)	28,810,935	28,468,794	98.76%	311,830	28,780,624	99.89%	
2017	29,422,162	(66,079)	29,356,083	29,068,844	98.80%	254,164	29,323,008	99.89%	
2018	30,051,742	(38,169)	30,013,573	29,737,939	98.96%	196,650	29,934,589	99.73%	
2019	30,786,172	(17,900)	30,768,272	30,486,856	99.03%	-	30,486,856	99.09%	

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					
2010	4,145,000	8,402,094	2,395,000	18,025,000	3,821,469	36,788,563	4.15%	0.46%	1,038	1,554
2011	3,280,000	6,342,471	2,110,000	17,525,000	2,776,422	32,033,893	3.42%	0.40%	959	1,340
2012	2,425,000	11,021,610	1,805,000	17,015,000	10,775,000	43,041,610	4.60%	0.53%	884	1,791
2013	1,575,000	12,308,528	1,490,000	16,475,000	9,745,000	41,593,528	4.18%	0.51%	805	1,714
2014	730,000	9,501,548	1,160,000	15,915,000	8,715,000	36,021,548	3.62%	0.65%	717	1,450
2015	-	7,935,456	815,000	15,330,000	7,685,000	31,765,456	3.00%	0.54%	642	1,264
2016	-	6,365,896	540,000	14,635,000	6,655,000	28,195,896	2.55%	0.47%	591	1,099
2017	-	4,792,807	270,000	13,900,000	5,625,000	24,587,807	2.22%	0.40%	538	934
2018	-	3,216,137	-	13,125,000	11,845,000	28,186,137	2.55%	0.41%	498	1,070
2019	-	1,635,825	-	12,035,000	8,875,000	22,545,825	1.94%	0.31%	445	833

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

^aSee Schedule 12 for personal income and population data.

^bSee Schedule 5 for property values.

Schedule 10

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

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Assessed Value of Property	\$ 8,222,673,629	\$ 8,252,612,186	\$ 8,311,802,189	\$ 8,188,541,638	\$ 5,565,624,903	\$ 5,864,064,156	\$ 5,995,996,462	\$ 6,111,443,899	\$ 6,273,432,500	\$ 6,403,894,792
Debt Limit, 8% of Assessed Value (Statutory Limitation)	657,813,890	660,208,975	664,944,175	655,083,331	445,249,992	469,125,132	479,679,717	488,915,512	501,874,600	512,311,583
Amount of Debt Applicable to Limit										
General Obligation Bonds	6,540,000	5,390,000	4,230,000	3,065,000	1,890,000	815,000	540,000	270,000	-	-
Revenue Bonds	18,025,000	17,525,000	17,015,000	16,475,000	15,915,000	15,330,000	14,635,000	13,900,000	13,125,000	12,035,000
Installment Purchase Agreements	12,230,653	9,118,893	21,796,610	22,053,528	18,216,548	15,620,456	13,020,896	10,417,807	15,061,136	10,510,825
Less: General Obligation Bonds paid from Enterprise Funds	(2,395,000)	(2,110,000)	(1,805,000)	(1,490,000)	(1,160,000)	(815,000)	(540,000)	(270,000)	-	-
Revenue Bonds from Enterprise Funds	<u>(18,025,000)</u>	<u>(17,525,000)</u>	<u>(17,015,000)</u>	<u>(16,475,000)</u>	<u>(15,915,000)</u>	<u>(15,330,000)</u>	<u>(14,635,000)</u>	<u>(13,900,000)</u>	<u>(13,125,000)</u>	<u>(12,035,000)</u>
Total net debt applicable to limit	16,375,653	12,398,893	24,221,610	23,628,528	18,946,548	15,620,456	13,020,896	10,417,807	15,061,136	10,510,825
Legal Debt Margin	<u>\$ 641,438,237</u>	<u>\$ 647,810,082</u>	<u>\$ 640,722,565</u>	<u>\$ 631,454,803</u>	<u>\$ 426,303,444</u>	<u>\$ 453,504,676</u>	<u>\$ 466,658,821</u>	<u>\$ 478,497,705</u>	<u>\$ 486,813,464</u>	<u>\$ 501,800,758</u>
Total net debt applicable to the limit as a percentage of debt limit	0.20%	0.15%	0.29%	0.29%	0.34%	0.27%	0.22%	0.17%	0.24%	0.16%

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

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

	6/30/10	6/30/11	6/30/12	6/30/13	6/30/14	6/30/15	6/30/16	6/30/17	6/30/18	6/30/19
REVENUES										
Water Sales	\$ 2,617,547	\$ 2,624,282	\$ 2,583,481	\$ 2,783,856	\$ 2,740,701	\$ 2,911,883	\$ 2,934,164	\$ 2,874,696	\$ 3,094,533	\$ 3,139,717
Water Impact Fees	183,500	361,916	199,000	291,013	405,200	595,091	624,723	601,276	1,268,600	1,303,036
	<u>\$ 2,801,047</u>	<u>\$ 2,986,198</u>	<u>\$ 2,782,481</u>	<u>\$ 3,074,869</u>	<u>\$ 3,145,901</u>	<u>\$ 3,506,974</u>	<u>\$ 3,558,887</u>	<u>\$ 3,475,972</u>	<u>\$ 4,363,133</u>	<u>\$ 4,442,753</u>
Reconnection Fees	\$ 47,540	\$ 50,050	\$ 57,685	\$ 55,350	\$ 52,375	\$ 50,355	\$ 56,047	\$ 58,700	\$ 77,375	\$ 90,697
Penalties	76,446	79,052	86,945	75,114	85,169	81,887	79,102	73,802	72,928	75,156
Sale of materials	2,684	16,246	14,245	60,099	15,860	30,038	13,960	18,971	15,718	-
Other	-	-	-	-	-	100	84,835	1,000	35,500	-
Investment Earnings	5,302	12,253	8,366	7,690	9,756	11,738	18,550	33,051	48,397	146,353
	<u>\$ 131,972</u>	<u>\$ 157,601</u>	<u>\$ 167,241</u>	<u>\$ 198,253</u>	<u>\$ 163,160</u>	<u>\$ 174,118</u>	<u>\$ 252,494</u>	<u>\$ 185,524</u>	<u>\$ 249,918</u>	<u>\$ 312,206</u>
TOTAL REVENUES	\$ 2,933,019	\$ 3,143,799	\$ 2,949,722	\$ 3,273,122	\$ 3,309,061	\$ 3,681,092	\$ 3,811,381	\$ 3,661,496	\$ 4,613,051	\$ 4,754,959
EXPENSES										
Personnel	\$ 610,789	\$ 665,592	\$ 657,654	\$ 647,997	\$ 630,832	\$ 718,799	\$ 694,687	\$ 499,112	\$ 751,759	\$ 764,733
Operations	673,669	639,345	616,171	786,119	636,330	693,061	712,469	984,253	650,208	731,994
Capital Outlay	114,542	-	35,130	168,605	80,010	228,944	272,506	189,552	189,402	478,057
TOTAL EXPENSES, EXCLUDING DEBT	\$ 1,399,000	\$ 1,304,937	\$ 1,308,955	\$ 1,602,721	\$ 1,347,172	\$ 1,640,804	\$ 1,679,662	\$ 1,672,917	\$ 1,591,369	\$ 1,974,784
REVENUES AVAILABLE FOR DEBT	\$ 1,534,019	\$ 1,838,863	\$ 1,640,767	\$ 1,670,401	\$ 1,961,889	\$ 2,040,288	\$ 2,131,719	\$ 1,988,579	\$ 3,021,682	\$ 2,780,175
2008 Water Revenue Bonds	475,000	500,000	510,000	540,000	560,000	585,000	695,000	735,000	775,000	1,090,000
Interest: 2008 Revenue Bonds	756,650	737,223	716,773	695,914	673,828	599,609	440,150	419,996	399,093	376,841
TOTAL SENIOR DEBT	\$ 1,231,650	\$ 1,237,223	\$ 1,226,773	\$ 1,235,914	\$ 1,233,828	\$ 1,184,609	\$ 1,135,150	\$ 1,154,996	\$ 1,174,093	\$ 1,466,841
2004 General Obligation Bond Refunding	\$ 275,000	\$ 285,000	\$ 305,000	\$ 315,000	\$ 330,000	\$ 345,000	\$ 275,000	\$ 270,000	\$ 270,000	\$ -
Interest: 2004 General Obligation Bond Refunding	116,035	105,035	90,785	75,535	59,785	46,585	29,335	19,710	9,990	-
TOTAL SUBORDINATE DEBT	\$ 391,035	\$ 390,035	\$ 395,785	\$ 390,535	\$ 389,785	\$ 391,585	\$ 304,335	\$ 289,710	\$ 279,990	\$ -
MINIMUM 1.15 SENIOR DEBT COVERAGE	\$ 1,416,398	\$ 1,422,806	\$ 1,410,789	\$ 1,421,301	\$ 1,418,902	\$ 1,362,300	\$ 1,305,423	\$ 1,328,245	\$ 1,350,207	\$ 1,686,867
MINIMUM 1.00 SUBORDINATE DEBT COVERAGE	\$ 391,035	\$ 390,035	\$ 395,785	\$ 390,535	\$ 389,785	\$ 391,585	\$ 304,335	\$ 289,710	\$ 279,990	\$ -
SENIOR DEBT SERVICE COVERAGE	1.25	1.49	1.34	1.35	1.59	1.72	1.88	1.72	2.57	1.90
SUBORDINANT DEBT SERVICE COVERAGE	0.77	1.54	1.05	1.11	1.87	2.19	3.27	2.88	6.60	N/A
TOTAL DEBT SERVICE COVERAGE	0.95	1.13	1.01	1.03	1.21	1.29	1.48	1.38	2.08	1.90

Schedule 12

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

Year	Population ^a	Personal Income (thousands of dollars) ^a	Per Capita Personal Income ^a	Public School Enrollment ^b	Unemployment Rate ^c
2010	23,674	838,094	35,401	3,913	4.90%
2011	23,904	886,144	37,071	4,175	5.60%
2012	24,034	936,653	38,972	3,923	4.70%
2013	24,268	941,681	38,803	4,014	5.80%
2014	24,839	995,070	40,061	3,871	5.60%
2015	25,135	1,057,748	42,083	3,923	5.70%
2016	25,664	1,105,139	43,101	3,966	4.80%
2017	26,331	1,162,499	44,149	3,980	4.00%
2018	27,072	1,230,023	45,435	4,012	3.70%
2019	27,978	*	*	4,049	4.00%

* Information not yet available

Sources:

^a Bureau of Economic Analysis

^b Currituck County Board of Education

^c Bureau of Labor Statistics

Schedule 13

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

Function	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
General government	58.00	59.00	59.00	62.00	62.00	72.00	71.00	72.00	72.00	73.00
Public safety	189.92	189.92	189.92	188.92	192.92	192.67	199.57	202.62	225.62	231.62
Transportation	2.00	2.00	2.00	2.00	2.00	1.40	1.40	1.40	1.40	2.40
Environmental protection	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00
Community development	24.00	24.00	24.00	22.00	22.00	23.00	22.00	22.00	23.00	24.00
Cultural & recreation	19.10	19.10	19.10	19.60	19.60	19.48	20.71	20.71	20.71	20.71
Human services	42.75	42.75	42.75	41.75	41.75	41.75	43.75	44.75	44.75	44.75
Proprietary operations	23.00	23.00	26.00	28.00	28.00	25.00	25.00	25.00	27.00	27.00
	360.77	361.77	364.77	366.27	370.27	377.30	385.43	390.48	416.48	425.48

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

Source: Currituck County Budget

Schedule 14

Currituck County, North Carolina

Principal Employers

Current Year and Nine Years Ago

	<u>2019</u>		<u>2010</u>	
<u>Employer</u>	<u>Employees^a</u>	<u>Rank</u>	<u>Employees^a</u>	<u>Rank</u>
Currituck County Board of Education	500-999	1	500-999	1
County of Currituck	250-499	2	429	2
Academi Training Center LLC	250-499	3	----	
Coastal Staffing	100-249	4	----	
Food Lion LLC	100-249	5	100-249	5
Constellis Group LLC	100-249	6	----	
Twiddy & Co. of Duck Inc.	100-249	7	50-99	8
Sentara Internal Medicine Physician	50-99	8	----	
Southland Trade Corp	50-99	9	100-249	6
Wyndham Vacation	50-99	10	----	
Presidential Airways	----		100-249	3
Sentara Health Care Center	----		100-249	4
Corolla Classic Vacations	----		50-99	7
Bank of Hampton Roads	----		50-99	9
Hardee's	----		50-99	10
Total	<u><u>1,850-3,990</u></u>		<u><u>1,550-3,290</u></u>	

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

Schedule 15

Currituck County, North Carolina
Operating Indicators by Function

Function	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Governmental Activities:											
Public Safety											
Law Enforcement ¹											
Deputies	63	63	63	63	63	63	63	63	63	65	67
Emergency Medical Services ²											
Emergency Medical Technicians	71	72	72	72	73	76	76	76	76	51	52
Fire Services											
Fire Fighters	-	-	-	-	-	-	-	-	-	51	51
Human Services ³											
Number of Physicians	*	9	9	10	8	*	*	*	10	*	*
Population/physician ratio	*	2,616	2,622	2,650	3,105	*	*	*	2,707	*	*
Education ⁴											
Schools	10	10	10	10	10	10	10	10	10	10	10
Teachers	295	264	264	260	238	248	245	245	252	258	286
Student Enrollment	3,961	3,913	4,175	4,175	4,014	3,871	3,923	3,966	3,980	4,012	4,049
SAT Scores ⁷	1,459	1,414	1,471	1,440	1,434	1,445	1,504	1,469	1,072	1,097	1,087
Enterprise Activities:											
Newtown Road Sewer ⁵											
Treatment capacity (MGD)	0.025	0.025	0.025	0.115	0.115	-	-	-	-	-	-
Annual engineering maximum											
plant capacity (millions of gallons)	0.025	0.025	0.025	0.115	0.115	-	-	-	-	-	-
Amount treated annually											
(millions of gallons)	*	3.898	3.898	3.898	3.843	-	-	-	-	-	-
Unused capacity (millions of gallons)	*	0.014	0.014	0.104	0.104	-	-	-	-	-	-
Percentage of capacity utilized	*	42.72%	42.72%	9.57%	9.10%	N/A	N/A	N/A	N/A	N/A	N/A
Residential sewer customers	28	27	27	27	27	27	N/A	N/A	N/A	N/A	N/A
Commercial sewer customers	1	1	1	1	1	1	N/A	N/A	N/A	N/A	N/A
Maple Commerce Park Sewer ⁵											
Treatment capacity (MGD)	*	*	*	*	0.040	0.040	0.040	0.040	0.040	0.040	N/A
Annual engineering maximum											
plant capacity (millions of gallons)	*	*	*	*	0.040	0.040	0.040	0.040	0.040	0.040	N/A
Amount treated annually											
(millions of gallons)	*	*	*	*	1.880	1.880	1.540	2.220	2.220	2.181	N/A
Unused capacity (millions of gallons)	*	*	*	*	0.750	0.750	0.075	0.074	0.074	0.034	N/A
Percentage of capacity utilized	*	*	*	*	6.00%	6.00%	5.20%	8.00%	8.00%	14.94%	N/A
Number of residential customers	*	*	*	*	-	-	-	-	-	-	N/A
Number of commercial customers	*	*	*	*	7	8	8	8	8	8	N/A

continued

Function	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Moyock Commons Sewer⁵											
Treatment capacity (MGD)	0.040	0.040	0.040	0.040	0.040	0.040	0.040	0.040	0.040	0.040	N/A
Annual engineering maximum plant capacity (millions of gallons)	0.040	0.040	0.040	0.040	0.040	0.040	0.040	0.040	0.040	0.040	N/A
Amount treated annually (millions of gallons)	*	3	4.560	3.450	3.450	-	-	-	-	-	N/A
Unused capacity (millions of gallons)	*	0	0.025	0.031	0.031	-	-	-	-	-	N/A
Percentage of capacity utilized	*	0	37.50%	23.75%	23.75%	N/A	N/A	N/A	N/A	N/A	N/A
Number of residential customers	-	-	-	-	-	-	N/A	N/A	N/A	N/A	N/A
Number of commercial customers	23	23	25	25	25	23	N/A	N/A	N/A	N/A	N/A
Mainland Central Sewer⁵											
Treatment capacity (MGD)	*	*	*	*	0	0.099	0.099	0.099	0.099	0.099	0.099
Annual engineering maximum plant capacity (millions of gallons)	*	*	*	*	0	0.099	0.099	0.099	0.099	0.099	0.099
Amount treated annually (millions of gallons)	*	*	*	*	*	4.790	4.267	8.460	8.460	12.939	12.939
Unused capacity (millions of gallons)	*	*	*	*	*	0.086	0.087	0.076	0.076	0.064	0.064
Percentage of capacity utilized	*	*	*	*	*	13.00%	12.00%	23.00%	23.00%	36.81%	36.81%
Number of residential customers	*	*	*	*	*	-	25	27	27	27	585
Number of commercial customers	*	*	*	*	*	8	32	24	24	24	45
Walnut Island Sewer⁵											
Treatment capacity (MGD)	*	*	*	0	0.120	0.120	0.120	0.120	0.120	0.120	N/A
Annual engineering maximum plant capacity (millions of gallons)	*	*	*	0	0.120	0.120	0.120	0.120	0.120	0.120	N/A
Amount treated annually (millions of gallons)	*	*	*	6.49	4.94	4.84	2.73	4.56	4.56	5.82	N/A
Unused capacity (millions of gallons)	*	*	*	0	0.098	0.106	0.112	0.104	0.104	0.104	N/A
Percentage of capacity utilized	*	*	*	0	18.00%	11.00%	6.00%	11.00%	11.00%	13.29%	N/A
Number of residential customers	*	*	*	257	253	264	258	253	253	253	N/A
Number of commercial customers	*	*	*	-	-	-	-	-	-	-	N/A
Southern Outer Banks Water⁵											
Average daily usage (in 1,000 gallons)	333	437	555	668	623	595	672	936	936	1,113	944
Water storage capacity (MGD)		2	1,500	4,200	4,200	4,200	4,200	4,200	4,200	3,696	3,696
Number of water pumping stations		1	1	5	5	5	5	5	5	2	2
Number of residential customers	1,179	1,183	1,217	3,764	2,905	2,758	2,805	2,825	2,825	3,084	2,934
Number of commercial customers	20	22	23	200	197	202	179	200	200	261	214
Ocean Sands Water and Sewer⁵											
Average daily water usage (in 1,000 gallons)	171	190	189	166	166	161	153	162	162	148	163
Water storage capacity (MGD)	0.150	0.150	0.150	0.150	0.150	0.150	0.150	0.150	0.150	0.150	0.150
Sewer treatment capacity (MGD)	0.600	0.600	0.600	0.600	0.600	0.600	0.600	0.600	0.600	0.500	0.500
Annual engineering maximum sewer plant capacity (millions of gallons)	0.600	0.600	0.600	0.600	0.600	0.600	0.600	0.600	0.600	0.500	0.600
Amount sewer treated annually (millions of gallons)	*	57	59	61	61	59	63	68	68	53	51
Unused sewer capacity (millions of gallons)	*	0	0.100	0.433	0.433	0.438	0.428	0.413	0.413	0.355	0.355
Percentage of sewer capacity utilized	*	1	83.33%	27.85%	27.85%	27.00%	28.60%	31.00%	31.00%	70.96%	70.96%
Number of residential water customers	955	954	957	959	975	978	994	993	993	1,014	1,010
Number of commercial water customers	8	8	8	8	8	8	8	8	8	8	8
Number of residential sewer customers	955	954	957	959	975	978	994	993	993	1,014	1,014
Number of commercial sewer customers	8	8	8	8	8	8	8	8	8	8	8

continued

Function	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Mainland Water ⁵											
Water storage capacity (MGD)	*	4	3,600	3,600	3,600	3,600	3,600	3,600	3,600	3,600	3,200
Residential water customers	4,594	4,686	4,686	4,856	4,856	5,165	5,253	5,423	5,423	7,482	6,197
Commercial water customers	374	385	385	394	394	417	394	417	417	501	418
Solid Waste ⁶											
Total number of households served	14,192	14,192	14,362	14,469	14,516	14,624	14,814	15,221	15,455	15,640	16,202
Total tonnage disposed	26,977	24,602	22,536	22,531	24,576	20,013	22,231	21,478	22,752	25,494	23,945
Recycling Program:											
Households served by program	14,192	14,192	14,362	14,469	14,516	14,624	14,814	15,221	15,455	15,640	16,202
Tonnage recovered	1,725	1,849	2,186	2,869	2,540	3,368	2,778	2,914	3,014	2,782	2,137
Mulching/composting program											
Households served by program	10,477	10,477	14,362	14,469	14,516	14,624	14,814	15,221	15,455	15,640	16,202
Tonnage recovered	1,055	1,335	1,405	2,869	1,206	870	1,076	1,011	1,888	1,154	2,180
Total cost of solid waste program	\$ 3,600,877	\$ 3,960,588	\$ 3,742,527	\$ 3,912,428	\$ 3,978,363	\$ 3,790,041	\$ 3,893,336	\$ 3,735,002	\$ 4,187,336	\$ 4,672,364	\$ 4,921,809
Cost per household	\$ 344	\$ 378	\$ 261	\$ 270	\$ 274	\$ 259	\$ 256	\$ 245	\$ 271	\$ 299	\$ 304
Cost per ton - includes recycling & mulch/compost	\$ 121	\$ 143	\$ 143	\$ 138	\$ 140	\$ 156	\$ 149	\$ 174	\$ 164	\$ 147	\$ 175

Sources:

¹Currituck County Sheriff's Department

²Currituck County Emergency Medical Services Department

³NC Department of Commerce

⁴Currituck County Schools

⁵Currituck County Utilities Department

⁶Currituck County Public Works Department

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

*Data not available

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

Function	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Governmental Activities:										
General Government										
Buildings ³	61	61	61	61	65	65	65	66	66	66
Public Safety										
Law Enforcement ¹										
Stations	1	1	1	1	1	1	1	1	1	1
Satellite Stations	3	3	3	3	3	3	3	3	3	3
Emergency Medical Services ²										
Stations	11	11	11	11	11	11	11	11	11	11
Cultural and Recreation										
Libraries	3	3	3	3	3	3	3	3	3	3
Parks	3	3	3	3	3	3	3	3	3	3
Community Recreation Facility	-	-	1	1	1	1	1	1	1	1
Enterprise Activities:										
Newtown Road Sewer ⁴										
Miles of sewer lines	1	1	1	1	1	1	-	-	-	N/A
Number of treatment plants	1	1	1	1	1	1	-	-	-	N/A
Maple Commerce Park Sewer ⁴										
Miles of sewer lines	*	*	1	1.4	1.4	1.4	1.4	1.4	1.4	N/A
Number of treatment plants	*	*	1	1	1	1	1	1	1	N/A
Moyock Commons Sewer ⁴										
Miles of sewer lines	1	4	8	6.9	6.9	6.9	-	-	-	N/A
Number of treatment plants	1	1	1	1	1	1	1	-	-	N/A
Mainland Central Sewer										
Miles of sewer lines	*	*	*	1	1.2	1.2	5.9	5.9	5.9	5.9
Number of treatment plants	*	*	*	1	1	1	1	1	1	1

continued

Function	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Walnut Island Sewer ⁴										
Miles of sewer lines	*	2	4	3.6	3.6	3.6	5.2	5.2	5.2	N/A
Number of treatment plants	*	2	1	1	1	1	1	1	1	N/A
Southern Outer Banks Water ⁴										
Miles of water lines	27.57	41.75	75.00	75.00	75.00	75.00	75.00	75.00	75.00	75.00
Number of water wells	47	28	113	113	113	113	113	113	113	113
Ocean Sands Water and Sewer ⁴										
Miles of water lines	11.09	11.09	11.09	11.09	11.09	11.09	11.09	11.09	11.09	11.09
Miles of sewer lines	12.40	12.40	12.40	12.40	12.40	12.40	12.40	12.40	12.40	12.40
Number of sewer treatment plants	1	1	1	1	1	1	1	1	1	1
Mainland Water ⁴										
Miles of water lines	261	261	261	262	262	262	263	263	263	263
Number of water wells	31	31	31	31	31	31	31	31	31	31
Number of water pumping stations	7	7	7	7	7	7	7	7	7	7

Sources:

¹Currituck County Sheriff's Department

²Currituck County Emergency Medical Services Department

³Currituck County Public Works Department

⁴Currituck County Utilities Department

*Data not available

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

To the Board of County Commissioners
Currituck County, North Carolina

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component unit, each major fund, and the aggregate remaining fund information of the County of Currituck, North Carolina, as of and for the year ended June 30, 2019, and the related notes to the financial statements, which collectively comprises the County of Currituck's basic financial statements, and have issued our report thereon dated December 20, 2019. Our report includes a reference to other auditors who audited the financial statements of the Currituck County ABC Board as described in our report on the County of Currituck's financial statements. This report does not include the results of the other auditors' testing of internal control over financial reporting or compliance and other matters that are reported separately by those auditors. The financial statements of the Currituck County ABC Board was not audited in accordance with *Government Auditing Standards*.

Internal Control Over Financial Reporting

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

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

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

control, described in the accompanying schedule of findings and questioned costs that we consider to be significant deficiencies. [2019-001]

Compliance and Other Matters

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

Currituck County's Response to Findings

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

Purpose of this Report

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

Cam, Riggs & Ingram, L.L.C.

New Bern, NC

December 20, 2019



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

To the Board of County Commissioners
Currituck County, North Carolina

Report on Compliance for Each Major Federal Program

We have audited the County of Currituck, North Carolina, compliance with the types of compliance requirements described in the OMB *Compliance Supplement* and the *Audit Manual for Governmental Auditors in North Carolina*, issued by the Local Government Commission, that could have a direct and material effect on each of the County of Currituck's major federal programs for the year ended June 30, 2019. The County of Currituck's major federal programs are identified in the summary of Auditors' results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

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

Auditors' Responsibility

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

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

Opinion on Each Major Federal Program

In our opinion, the County of Currituck complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2019.

Report on Internal Control Over Compliance

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

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

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

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

Cam, Riggs & Ingram, L.L.C.

New Bern, NC
December 20, 2019

CURRITUCK COUNTY, NORTH CAROLINA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the Fiscal Year Ended June 30, 2019

Section I	Summary of Auditors' Results
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Financial Statements

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

Unmodified

Internal control over financial reporting:

- | | | |
|---------------------------------------|---|--|
| • Material weakness(es) identified? | <input type="checkbox"/> yes | <input checked="" type="checkbox"/> no |
| • Significant deficiencies identified | <input checked="" type="checkbox"/> yes | <input type="checkbox"/> none reported |

Noncompliance material to financial statements noted

☐ yes ☒ no

Federal Awards

Internal control over major federal programs

- | | | |
|---------------------------------------|------------------------------|---|
| • Material weakness(es) identified? | <input type="checkbox"/> yes | <input checked="" type="checkbox"/> no |
| • Significant deficiencies identified | <input type="checkbox"/> yes | <input checked="" type="checkbox"/> none reported |

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

Unmodified

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

☐ yes ☒ no

Identification of major federal programs:

<u>CFDA Numbers</u>	<u>Names of Federal Program or Cluster</u>
93.778	Medical Assistance Program (Medicaid Cluster)

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

\$750,000

Auditee qualified as low-risk auditee?

☒ yes ☐ no

State Awards

None noted

Section II	Financial Statement Findings
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Significant Deficiency

2019-001 Excess of Expenditure over Appropriation

Criteria: G.S. 159-28(a) states that no obligation may be incurred in a function accounted for in a fund included in the budget ordinance unless the budget ordinance includes an appropriation authorizing the obligation and an unencumbered balance remains in the appropriation sufficient to pay in the current fiscal year the sums obligated by the transaction for the current fiscal year.

Condition: For the fiscal year ended June 30, 2019, expenditures made in the Solid Waste Fund exceeded the authorized appropriations made by the governing board by \$150,330.

Effect: Moneys were spent that had not been obligated and appropriated.

Cause: Invoices for service months of May and June 2019 for trash collection and disposal were received after the last meeting of the fiscal year for the Governing Body. These invoices totaled \$528,896, which were higher than anticipated and budgeted.

Recommendation: Before an obligation is to incur that will exceed the amount that was previously approved in the budget ordinance, an amendment to the budget should be adopted.

View of responsible officials: The County agrees with this finding.

Section III	Federal Award Findings and Questioned Costs
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None Reported

Section IV	State Award Findings and Questioned Costs
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None Reported



BOARD OF COMMISSIONERS

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

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

Benjamin C. Stikeleather
County Manager
Donald Ike McRee
County Attorney
Leeann Walton
Clerk to the Board

CORRECTIVE ACTION PLAN
For the Fiscal Year Ended June 30, 2019

Section II Financial Statement Findings

2019-001 Excess of Expenditure over Appropriation

Name of contact person: Sandra Hill, Finance Director

Corrective Action: Management will review budgets timely to ensure all moneys to be spent are properly obligated and appropriated. Budget amendments will be adopted timely to prevent over expenditures in the future. Department Heads will be contacted prior to year-end to confirm funding has been appropriated for all potential obligations when there may be large outstanding invoices at the end of the fiscal year.

Proposed Completion Date: Immediately

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

None Reported

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

None Reported

COUNTY OF CURRITUCK
SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS
For the Fiscal Year Ending June 30, 2019

GRANTOR, PASS THROUGH GRANTOR PROGRAM TITLE	CFDA	AMOUNT EXPENDED		COUNTY
		FEDERAL	STATE	
FEDERAL AWARDS -				
U.S. Department of Agriculture				
North Carolina Department of Health Human Resources: Division of Social Services				
SNAP Cluster (Note 3):				
State Administrative Matching Grants for the Supplemental Nutrition Assistance Program Cluster (Note 9)	10.561	\$ 174,703	\$ -	\$ -
Total U.S. Department of Agriculture		<u>174,703</u>	<u>-</u>	<u>-</u>
U.S. Department of Transportation				
Passed through NC Department of Transportation Airport Improvement Program	20.106	34,082	-	-
Total U.S. Department of Transportation		<u>34,082</u>	<u>-</u>	<u>-</u>
U.S. Department of Health and Human Services				
North Carolina Department of Health and Human Services				
Division of Social Services:				
Temporary Assistance for Needy Families Cluster (Note 3):				
Temporary Assistance for Needy Families Cluster (Notes 9)	93.558	256,073	-	-
Total TANF Cluster		<u>256,073</u>	<u>-</u>	<u>-</u>
Low Income Home Energy Assistance				
Administration	93.568	65,438	-	-
Crisis Intervention Program	93.568	33,888	-	-
Total Low Income Home Energy Assistance		<u>99,326</u>	<u>-</u>	<u>-</u>
Promoting Safe and Stable Families	93.556	7,763		-
Stephanie Tubbs Jones Child Welfare Services Program	93.645	7,574		-
Social Services Block Grant	93.667	69,483		-
Chafee Foster Care Independence Program (Note 9)	93.674	2,469	617	-
Child Support Enforcement	93.563	143,446		-
Foster Care and Adoption Cluster (Note 3):				
Foster Care Title IV-E (Note 9)	93.658	143,590	19,322	-
Adoption Assistance (Note 9)	93.659	448	-	-
Total Foster Care and Adoption Cluster		<u>144,038</u>	<u>19,322</u>	<u>-</u>
Division of Child Development and Early Education:				
Child Care Development Fund Cluster (Note 3):				
Division of Social Services				
Child Care Mandatory and Matching Funds of the Child Care and Development Fund	93.596	76,052	-	-
Total Subsidized Child Care		<u>76,052</u>	<u>-</u>	<u>-</u>
Centers for Medicare and Medicaid Services:				
Passed-through NC Department of Health and Human Services, Division of Health Benefits:				
Medicaid Cluster (Note 3):				
Medical Assistance Program (Note 9)	93.778	667,581	799	-
Total Medicaid Cluster		<u>667,581</u>	<u>799</u>	<u>-</u>
Childrens Health Insurance Program - NC Health Choice (Note 9)	93.767	30,398		
Total U.S. Department of Health and Human Services		<u>1,504,203</u>	<u>20,738</u>	<u>-</u>

continued

GRANTOR, PASS THROUGH GRANTOR PROGRAM TITLE	CFDA	AMOUNT EXPENDED		COUNTY
		FEDERAL	STATE	
U.S. Department of Homeland Security				
Passed through NC Department of				
Public Safety				
Emergency Management Performance Grants	97.042	44,638	-	-
Homeland Security Grant Program	97.067	2,387	-	-
Disaster Grants - Public Assistance (Presidentially Declared Disasters)	97.036	9,691	3,230	-
Staffing for Adequate Fire and Emergency Response (SAFER)	97.083	580,108	-	-
Total U.S. Department of Homeland Security		<u>636,824</u>	<u>3,230</u>	<u>-</u>
TOTAL FEDERAL AWARDS		<u>2,349,812</u>	<u>23,968</u>	<u>-</u>
STATE AWARDS -				
North Carolina Department of Health and Human Services				
Division of Social Services:				
State Child Welfare		-	14,988	-
Total North Carolina Department of Health and Human Services		<u>-</u>	<u>14,988</u>	<u>-</u>
NC Department of Public Safety				
Juvenile Crime Prevention Programs		-	79,443	
Total North Carolina Department of Public Safety		<u>-</u>	<u>79,443</u>	<u>-</u>
North Carolina Department of Transportation				
Public Transportation Division:				
DOT-8 Parallel Taxiway		-	11,773	-
Total North Carolina Department of Transportation		<u>-</u>	<u>11,773</u>	<u>-</u>
North Carolina Department of Environmental Quality				
Lottery Fund		-	107,528	
		<u>-</u>	<u>107,528</u>	<u>-</u>
TOTAL STATE AWARDS		<u>-</u>	<u>213,732</u>	<u>-</u>
TOTAL FEDERAL AND STATE AWARDS		<u>\$ 2,349,812</u>	<u>\$ 237,700</u>	<u>\$ -</u>

The County did not provide federal funds to subrecipients for the fiscal year ended June 30, 2019.

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

Note 1: Basis of Presentation

The accompanying schedule of expenditures of federal and State awards (SEFSA) includes the federal and State grant activity of Currituck County under the program of the federal government and the State of North Carolina for the year ended June 30, 2019. The information in the SEFSA is presented in accordance with the requirements of Title 2 *US Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* and the *State Single Audit Implementation Act*. Because the Schedule presents only a selected portion of the operations of Currituck County, it is not intended to and does not present the financial position, changes in net position or cash flows of Currituck County.

Note 2: Summary of Significant Accounting Policies

Expenditures reported in the SEFSA are reported on the modified accrual basis of accounting. Such expenditures are recognized following the cost principles contained in Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

Note 3: Cluster of Programs

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

continued

Note 4: Federal Pass-Through Funds

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

Note 5: Contingencies

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

Note 6: Noncash Assistance

The County did not receive any federal noncash assistance for the fiscal year ended June 30, 2019.

Note 7: Indirect Cost Rate

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

Note 8: Loans and Loan Guarantees

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

Note 9: 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.

Program Title	CFDA No.	Federal	State
Special Supplemental Nutrition Program for Women, Infant and Children	10.557	219,845	-
Supplemental Nutrition Assistance Program	10.561	2,210,175	-
Temporary Assistance for Needy Families	93.558	67,309	-
Adoption Assistance	93.659	32,421	7,900
Foster Care - Title IV-E	93.658	30,230	6,219
Chafee Foster Care Independence Program	93.674	3,428	-
Medical Assistance Program	93.778	12,434,898	6,346,996
Children's Health Insurance Program	93.767	346,743	-
Child Welfare Services Adoption	-	-	129,853
State / County Special Assistance Program	-	-	177,994

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