

Comprehensive Annual Financial Report

For the Year Ended June 30, 2014

Duplin County



North Carolina

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Introductory Section

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January 2, 2015

To the Board of Commissioners, County Manager, and Citizens of Duplin County:

State law requires that all general purpose local governments publish, within six months of the close of each fiscal year, a complete set of audited financial statements. This report is published to fulfill that requirement for the fiscal year ended June 30, 2014.

Management assumes full responsibility for the completeness and reliability of the information contained in this report, based upon a comprehensive framework of internal control that it has established for this purpose. Because the cost of internal control should not exceed anticipated benefits, the objective is to provide reasonable, rather than absolute, assurance that the financial statements are free of any material misstatements.

Carr, Riggs and Ingram, LLC, a firm of Certified Public Accountants, have issued an unqualified ("clean") opinion on Duplin County's financial statements for the year ended June 30, 2014. The independent auditor's report is located at the front of the financial section of this report.

Management's discussion and analysis (MD&A) immediately follows the independent auditor's report and provides a narrative introduction, overview, and analysis of the basic financial statements. MD&A complements this letter of transmittal and should be read in conjunction with it.

Profile of the Government

Duplin County, founded in 1750, is located in the southeastern part of North Carolina, amid the extensive Coastal Plain region, which covers nearly half the state. The County, which encompasses approximately 819 square miles, has approximately five square miles of water. It is bounded on the north by Wayne County, on the northeast by Lenoir County, on the east by Jones County, on the southeast by Onslow County, on the south by Pender County and on the west by Sampson County. The Town of Kenansville, which is the County Seat, is located geographically in the center of the County. Other municipalities located in the County include Beulaville, Calypso, Faison, Greenevers, Magnolia, Rose Hill, Teachey, Wallace and Warsaw. The County has a diversified economy based upon industry, agriculture, education, and governmental institutions supported by a mix of wholesale and retail businesses as well as numerous service providers.

The County has a land area of approximately 521,886 acres of which approximately 248,026 acres or 47.5% are classified as farm land. With elevations about 137 feet above mean sea level, the land surface is smooth with slight steeps along the flood plain of permanent streams. The largest waterway, the Northeast Cape Fear River, runs north to south in the eastern portion of the County as it flows in an eastward direction to the Atlantic Ocean.

Duplin County experiences a mild climate with an average temperature of 63 degrees and an average annual rainfall of approximately 53 inches, with most precipitation occurring during the summer months. The average frost-free season is from mid-April to mid-November, slightly more than 200 days. The County has a wide range of soil types that contribute to a highly productive agricultural industry. According to the 2012 Census of Agriculture, Duplin County was ranked 17th in the state and 26th in the nation for tobacco production and ranked 4th in the state for corn for grain production. The County also is a huge producer of livestock, poultry and their by-products – ranking 1st in the state and 11th in the nation for market value of livestock, poultry and by-products and also 1st in the state and nation for hogs and pigs sold according to the same 2012 Census of Agriculture. Duplin County is home to the world's largest turkey processing plant at 675,000 square feet owned by Butterball LLC. Because agriculture is such an integral part of Duplin County's economy, an Agriculture Protection Plan was developed in 2010 to help improve and protect current and future agriculture owners' land and enhance programs.

The County is governed by a five-member Board of Commissioners, referred to as the "Board". One member is elected from each of five different voting districts in the County. All five members serve four-year terms. The partisan elections for three of the Board members are held in November of Presidential election years and two of the Board members are held two years into the Presidential term. The Board elects a Chairman and Vice-Chairman from among its members every first Monday in December.

The County provides its citizens a wide range of services that include education, human services including health and social services, public safety such as Paramedic level Emergency Medical Services, cultural and recreational activities, environmental protection, general administration services, general transportation services, county-wide water services, and solid waste collection, disposal and recycling. The County also offers an airport providing general aviation services such as fueling and hangar rental. This report includes all the County's activities in maintaining these services, except schools, which are administered by the Duplin County Board of Education. The County also offers financial support to certain boards, agencies and commissions to assist their efforts in serving citizens. Among these are James Sprunt Community College and Duplin County Tourism Development Authority. The County has evaluated its relationship with each of these entities according to criteria established by GASB. Because County allocations do not constitute a major portion of its revenues and because the County has no authority to designate their management, James Sprunt Community College is not included in this report as a component unit. However, because the County does control the Duplin County Tourism Development Authority's budget and revenue authority, it is included in this report as a discretely presented component unit.

The proposed County budget is required to be presented for the upcoming fiscal year no later than June 1 and must be adopted by July 1, the beginning of the fiscal year. This annual budget serves as the foundation for Duplin County's financial planning and control. The budget is prepared by fund (e.g. General, Special Revenue, Enterprise), department (e.g. Finance, Sheriff, Transportation) and line types within the department (e.g. salaries, supplies, telephone, utilities). Department heads may transfer resources within a department with approval by the County Manager up to \$10,000. Transfers over \$10,000 and/or budget amendments involving revenue need special approval from the Board of Commissioners.

Local Economy

Duplin County is a rural county situated in the eastern coastal plain region of North Carolina and is located on the northeastern border of North Carolina's Southeast Regional Economic Development Partnership that includes 13 counties and many corporate partners in Eastern North Carolina. Kenansville, the county seat, is intersected by three highways: NC 24, NC 11 and NC 50. The County includes major highways such as Interstate 40, US 117 and NC 24. The County also offers a rail system that runs along US 117 which offers businesses both rail and major interstate access. Interstate 40 continues to have a positive economic impact on the County as can be seen directly by the business activity

along the exits and indirectly by the business the interstate brings into the County.

Duplin County has an estimated population of 60,084 and labor force of almost 25,000 per the North Carolina Employment Security Commission. The unadjusted unemployment rate at June 2014 was 6.9%. The County's economy has historically been based on agriculture, agriculture related processing and manufacturing. In the past, tobacco and row crops were the staples of agricultural production. In more recent years, poultry and livestock production has displaced row crops as the primary source of production. The County has diversified its economic base by attracting a local technology company and a plastics molding company.

The primary agricultural products produced in the County are poultry, tobacco, grain, produce and livestock. The County is a national leader in poultry and swine production with one of the nation's largest hog producers and the world's largest turkey processing plant located in the County.

The County considers the production of alternative energy fuel crops as a future agribusiness growth opportunity, and research into such crops is being conducted in the County. Research is being conducted locally on alternative crops for the production of ethanol and biodiesel fuels that would not compete with Midwestern corn supplies which are critical for local livestock production. Other fuel crops, such as industrial sweet potatoes and canola are being evaluated at the North Carolina State University Williamsdale Research farm located in the County.

Due to the County's geographic proximity to the military installations of Marine Corps Base Camp Lejeune (45 miles), Marine Corps Air Station New River (40 miles), Fort Bragg U.S. Army Base (65 miles), Marine Corps Air Station Cherry Point (85 miles) and Seymour Johnson Air Force Base (40 miles), the County is strategically positioned to support projected military growth in the area. Initiatives of growth to attract military population or business include civic and community efforts to attract military families. The Town of Warsaw maintains a Veterans Museum and hosts the longest running Veteran's Day parade in the United States.

Duplin County is also home to a growing wine industry which contributes to the local economy through wine production and tourism. Duplin Winery, which is located in Rose Hill, is the County's largest tourist attraction. It has a tank capacity of over 1.4 million gallons, is the largest winery in the South and produces the best-selling wine in North Carolina. Over 100,000 visitors visit the winery and production facility each year. With the growth of the industry, many farmers have replaced tobacco with grapes as a cash crop. In addition to jobs in the vineyard, wineries are an increasing source of employment in the County.

Long-term financial planning and major initiatives

Duplin County has to be in a continued state of planning to keep up with the ever-changing environment of local government. This is an ongoing charge to the elected officials as well as County staff. The Board of Commissioners had a planning retreat in February 2013 to discuss and develop strategies to help plan current and future needs of the County. The County continues to have low-cost access to the debt markets to finance the acquisition, renovation or construction of various long-term assets. With the most recent Limited Obligation Bonds' issuance in 2012, the County received a bond rating of "AA-" with Standard & Poor's and "A2" with Moody's. It is management's objective to adequately plan to meet the County's ongoing demands for essential capital improvement projects and equipment without overburdening taxpayers with bonds payable from ad valorem taxes.

Duplin County annually reviews and updates the County Capital Needs Assessment, for "pay as you go" capital as well as long term capital projects and needs for county government and the education system. The County has been successful in utilizing the North Carolina Lottery funds for renovations and improvements of several schools throughout the County which prevents impact to local budgets.

The County continues to add to and improve the water system to reach as many households as possible. A sewer

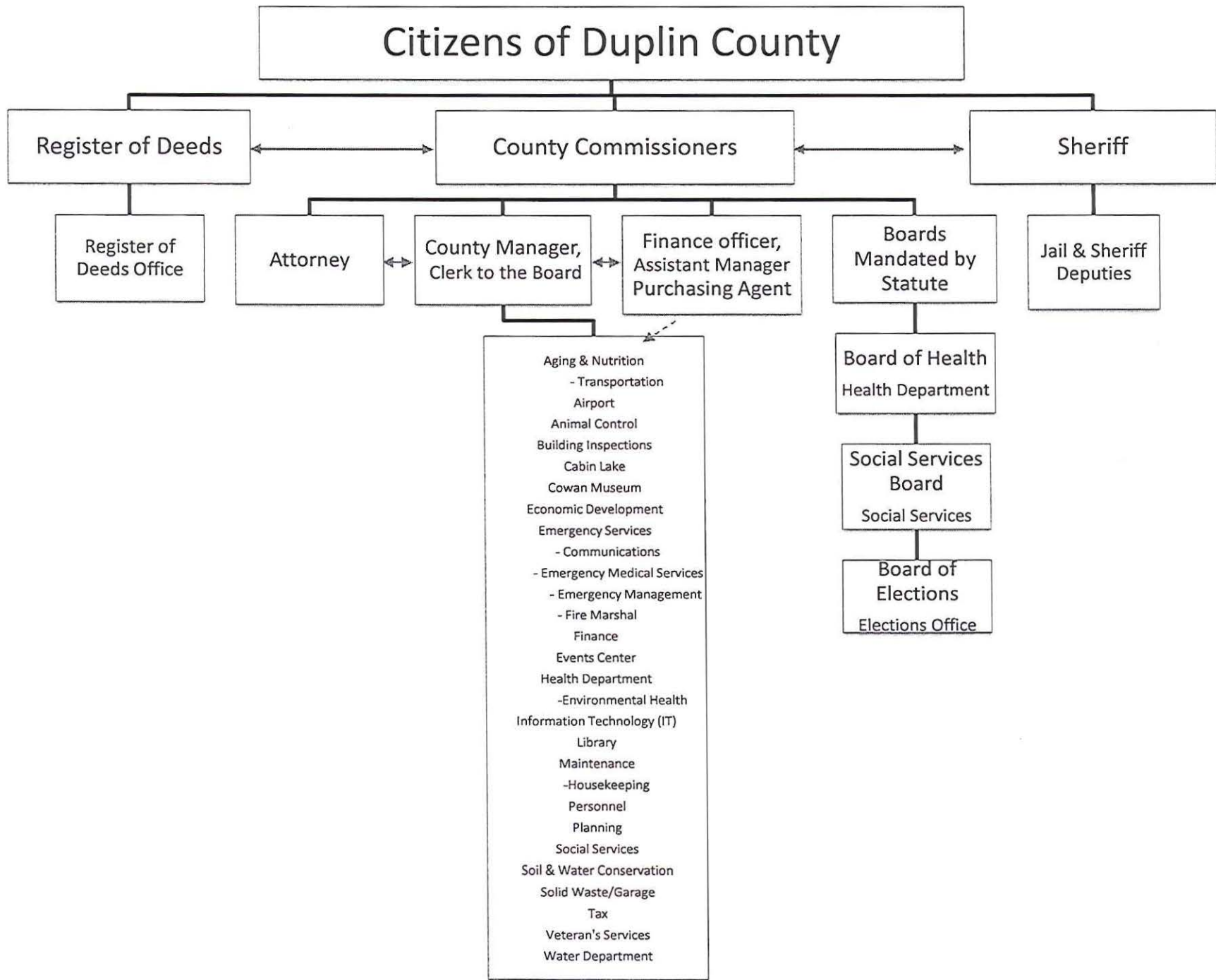
system project located at Interstate 40, exit 373 was completed, which will allow potential business growth in this area of the County as well as serve residents in that area. In 2012, the County collaborated with five granting agencies and existing industry, Lear Corporation, formally known as Guilford Mills, to construct a ten mile gas pipeline to help retain 500 existing jobs, leverage new investment and create 88 new jobs.

The preparation of this report would not have been possible without the skill, effort, and dedication of the entire staff of the Finance Office. I would like to express my appreciation to all government departments for their assistance in providing the data necessary to prepare this report. Credit also must be given to the County Manager and Board of Commissioners for their support for maintaining the highest standards of professionalism in the management of Duplin County's finances.

Respectfully submitted,

A handwritten signature in cursive script that reads "Teresa Lanier".

Teresa Lanier
Finance Officer



Duplin County, North Carolina

Principal Officials

Board of County Commissioners

Frances S. Parks	District I
Tim Smith	District II
Harold Raynor	District III
Kennedy Thompson, Chairman	District IV
Albert R. Brown, Vice Chairman	District V
Anita R. Powers	District VI

Mike Aldridge	County Manager
Teresa Lanier	Finance Officer
Gary Rose	Tax Administrator
Wendy Sivori	County Attorney

Financial Section

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INDEPENDENT AUDITOR'S REPORT

To the Board of County Commissioners
Duplin County, North Carolina

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of Duplin County, North Carolina (the "County") as of and for the year ended June 30, 2014, and the related notes to the financial statements, which collectively comprise the 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.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. 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 Duplin County Tourism Development Authority 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 auditor's 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 auditor considers 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, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of Duplin County, North Carolina, as of June 30, 2014, and the respective changes in financial position, and, where applicable, cash flows thereof and the respective budgetary comparison for the General Fund 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 and the Law Enforcement Officers' Special Separation Allowance and Other Post-employment Benefit schedules of funding progress and employer contributions on pages 83–84 and 85 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 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 Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the County's basic financial statements. The introductory section, combining and individual fund financial statements, budgetary schedules, other schedules, and statistical section, are presented for purposes of additional analysis and are not a required part of the basic financial statements. The schedule of expenditures of federal and state awards is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and the *State Single Audit Implementation Act* and is also 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. In our opinion, 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 and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated January 2, 2015, on our consideration of the 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 that 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 the County's internal control over financial reporting and compliance.

Carr, Riggs & Ingram, L.L.C.

La Grange, North Carolina
January 2, 2015

Management's Discussion and Analysis

As management of Duplin County, we offer readers of Duplin County's financial statements this narrative overview and analysis of the financial activities of Duplin County for the year ended June 30, 2014. 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.

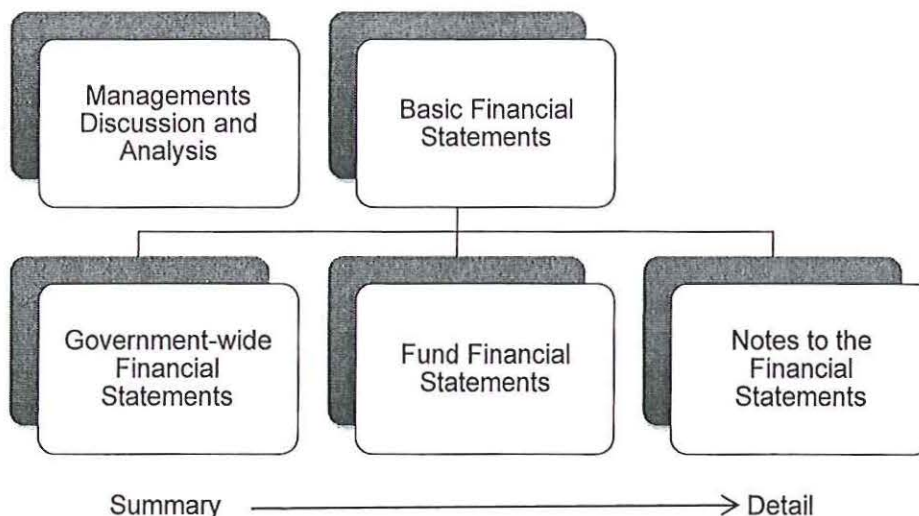
Financial Highlights

- The assets and deferred outflows of resources of Duplin County exceeded its liabilities and deferred inflows of resources at the close of the fiscal year by \$81,893,228 (*net position*).
- The government's total net position increased by \$6,588,260, primarily due to a one cent property tax rate increase and an increased amount of capital grants and contributions to fund the construction of water system improvements.
- As of the close of the current fiscal year, Duplin County's governmental funds reported combined ending fund balances of \$21,155,790, after a net increase in fund balance of \$1,706,255. Approximately 70.46 percent of this total amount, or \$14,905,815, is either nonspendable, restricted, committed, or assigned.
- At the end of the current fiscal year, unassigned fund balance for the General Fund was \$6,254,031, or 12.25 percent of total general fund expenditures for the fiscal year.
- Total long-term debt decreased by \$2,326,482 (7.50%) during the year ended June 30, 2014.
- Standard and Poor's Ratings Services raised the County's credit rating one level from A+ to AA-

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to Duplin 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. 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 Duplin 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 9) 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 North Carolina General Statutes also can be found in this part of the statements.

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 they have changed. Net position is the difference between the County's total assets and deferred outflows of resources and the total liabilities and deferred inflows of resources. Measuring net position is one way to gauge the County's financial condition.

The government-wide statements are divided into two categories: governmental activities and business-type activities. The governmental activities include most of the County's basic services such as general government, public safety, human services, cultural and recreational, economic and physical development, environmental protection, and education. Property taxes, local option sales taxes and state grant funds finance most of these activities. The business-type activities are those that the County charges customers to provide. These include the water operations, solid waste operations, transportation services and airport operations. The final category is the component unit. Duplin County Tourism Development Authority is legally separate from the County however the County is financially accountable for the Authority by approving all new members that are elected by the Authority. The County finance officer is also the ex-officio finance officer of the Tourism Development Authority.

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. Duplin 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 Duplin 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* which provides 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 less financial resources available to finance the County's programs. The relationship between governmental 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.

Duplin 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 in 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 – Duplin County has two different kinds of proprietary funds. *Enterprise Funds* are used to report the same functions presented as business-type activities in the government-wide financial statements. Duplin County uses enterprise funds to account for its water activities, solid waste operations, transportation services, and airport operations. These funds are the same as those functions shown in the business-type activities in the Statement of Net Position and the Statement of Activities. Internal Service Funds are an accounting device used to accumulate and allocate costs internally among functions of the County. The County uses an internal service fund to account for one activity – to administer its self-insured hospital insurance policy. Because this activity benefits predominantly governmental rather than business-type activities, the internal service fund has been included within the governmental activities in the government-wide financial statements.

Fiduciary Funds – Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Duplin County has six fiduciary funds - County Agency Fund, the Board of Education Fines and Forfeitures Fund, the Motor Vehicle Tax Fund, the Motor Vehicle 3% Interest Fund, the Social Services Fund, and the Register of Deeds 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 49 of this report.

Other Information – In addition to the basic financial statements and accompanying notes, this report includes certain required supplementary information concerning Duplin County's progress in funding its obligation to provide pension and other post-employment benefits to its employees. Required supplementary information can be found in Exhibit's A-1 and A-2 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 its liabilities and deferred inflows of resources by \$81,893,228 as of June 30, 2014. The County's net position increased by \$6,588,260 for the fiscal year ended June 30, 2014. The largest portion \$50,748,228 (61.97%) reflects the County's net investment in capital assets (eg. land, buildings, equipment, vehicles, etc.). Duplin County uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although Duplin 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 Duplin County's net position \$9,785,144 (11.95%) represents resources that are subject to external restrictions on how they may be used. The remaining balance of \$21,359,856 (26.08%) is unrestricted.

Figure 2
Duplin County, North Carolina
Condensed Statement of Net Position
As of June 30,

	Governmental Activities		Business-type Activities		Total	
	2014	2013	2014	2013	2014	2013
Assets						
Current and other assets	\$ 34,208,597	\$ 31,515,326	\$ 10,478,182	\$ 27,266,292	\$ 44,686,779	\$ 58,781,618
Capital assets	22,446,273	22,942,526	57,033,810	54,346,722	79,480,083	77,289,248
Total assets	56,654,870	54,457,852	67,511,992	81,613,014	124,166,862	136,070,866
Total deferred outflows of resources						
	-	-	246,622	257,546	246,622	257,546
Liabilities						
Current and other liabilities	2,999,529	3,061,743	1,182,797	3,209,416	4,182,326	6,271,159
Long-term liabilities	20,627,695	21,268,024	17,585,509	33,246,865	38,213,204	54,514,889
Total liabilities	23,627,224	24,329,767	18,768,306	36,456,281	42,395,530	60,786,048
Total deferred inflows of resources						
	124,726	237,397	-	-	124,726	237,397
Net Position						
Net investment in capital assets	10,917,432	9,963,445	39,830,796	36,267,466	50,748,228	46,230,911
Restricted	9,561,211	8,512,963	223,933	1,556,484	9,785,144	10,069,447
Unrestricted	12,424,277	11,414,280	8,935,579	7,590,329	21,359,856	19,004,609
Total net position	\$ 32,902,920	\$ 29,890,688	\$ 48,990,308	\$ 45,414,279	\$ 81,893,228	\$ 75,304,967

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

- Continued diligence in the collection of property taxes by maintaining a collection percentage of 96.21%.
- Continued low costs of debt due to the County's high bond rating.
- Management's proactive stance on monitoring spending across County departments to ensure compliance with the budget.

Figure 3

Duplin County, North Carolina
Condensed Statement of Revenues, Expenses, and Changes in Net Position
For the Fiscal Year Ended June 30,

	Governmental Activities		Business-type Activities		Total	
	2014	2013	2014	2013	2014	2013
Revenues						
Program revenues:						
Charges for services	\$ 9,176,538	\$ 15,384,506	\$ 8,139,249	\$ 8,311,271	\$ 17,315,787	\$ 23,695,777
Operating grants and contributions	10,586,282	10,831,435	586,312	500,262	11,172,594	11,331,697
Capital grants and contributions	920,045	2,217,868	3,402,150	2,298,916	4,322,195	4,516,784
General revenues:						
Property taxes	30,238,201	28,484,431	-	-	30,238,201	28,484,431
Other taxes	8,541,028	7,881,602	124,675	-	8,665,703	7,881,602
Other revenue	218,213	175,785	56,355	689,264	274,568	865,049
Total revenues	59,680,307	64,975,627	12,308,741	11,799,713	71,989,048	76,775,340
Expenses						
General government	5,884,447	6,215,976	-	-	5,884,447	6,215,976
Public safety	17,821,492	18,488,567	-	-	17,821,492	18,488,567
Economic and physical development	1,363,220	3,107,600	-	-	1,363,220	3,107,600
Human services	16,015,053	17,199,716	-	-	16,015,053	17,199,716
Cultural and recreational	1,204,921	1,239,294	-	-	1,204,921	1,239,294
Environmental protection	704,203	792,256	-	-	704,203	792,256
Non-departmental	287,491	281,301	-	-	287,491	281,301
Education	13,334,623	13,238,503	-	-	13,334,623	13,238,503
Interest on long-term debt	431,245	527,820	-	-	431,245	527,820
Airport	-	-	1,796,254	1,138,106	1,796,254	1,138,106
Water	-	-	3,347,524	4,568,959	3,347,524	4,568,959
Transportation	-	-	1,073,121	993,244	1,073,121	993,244
Solid waste	-	-	2,971,828	3,274,051	2,971,828	3,274,051
Total expenses	57,046,695	61,091,033	9,188,727	9,974,360	66,235,422	71,065,393
Change in net position before transfers and special items						
	2,633,612	3,884,594	3,120,014	1,825,353	5,753,626	5,709,947
Special items	598,597	-	236,037	-	834,634	-
Transfers	(219,978)	(127,584)	219,978	127,584	-	-
Change in net position	3,012,231	3,757,010	3,576,029	1,952,937	6,588,260	5,709,947
Net position, beginning	29,890,689	26,133,679	45,414,279	43,461,342	75,304,968	69,595,021
Net position, ending	\$ 32,902,920	\$ 29,890,689	\$ 48,990,308	\$ 45,414,279	\$ 81,893,228	\$ 75,304,968

The County's net position increased by \$6,588,260 during the fiscal year ended June 30, 2014. Of this total increase 45.72% came from governmental activities and 54.28 % came from business-type activities.

Governmental Activities: Key elements of this increase are as follows:

- Increase in property tax revenue due to a one cent increase adopted in the 2013-2014 budget ordinance.

Business-type activities: Key elements of this increase are as follows:

- Increase in capital grants and contributions used to finance capital asset improvement projects.
- Decrease in operating expenses.

Financial Analysis of the County's Funds

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

Governmental Funds. The focus of Duplin County's governmental funds is to provide information on near-term inflows, outflows, and balances of usable resources. Such information is useful in assessing Duplin County's ability to finance current activities or future projects. Specifically, unassigned fund balance 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 Duplin County. At the end of the current year, unassigned fund balance of the General Fund was \$6,254,031, while total fund balance was \$15,405,538 (Exhibit 3). As a measure of the General Fund's liquidity, it may be useful to compare both unassigned fund balance and total fund balance to total fund expenditures. Unassigned fund balance represents 12.25 percent of total General Fund expenditures, while total fund balance represents 30.16 percent of that same amount.

At June 30, 2014, the governmental funds of Duplin County reported a combined fund balance of \$21,155,798.

Figure 4
Governmental Funds – Total Fund Balance
June 30, 2014

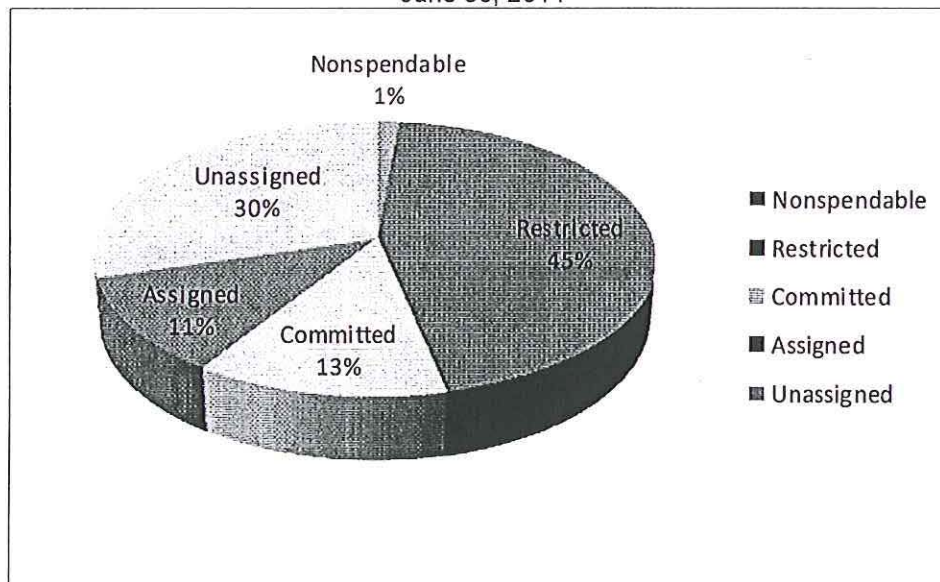


Figure 5
 Governmental Funds Revenue
 For the Years Ended June 30, 2014 and 2013

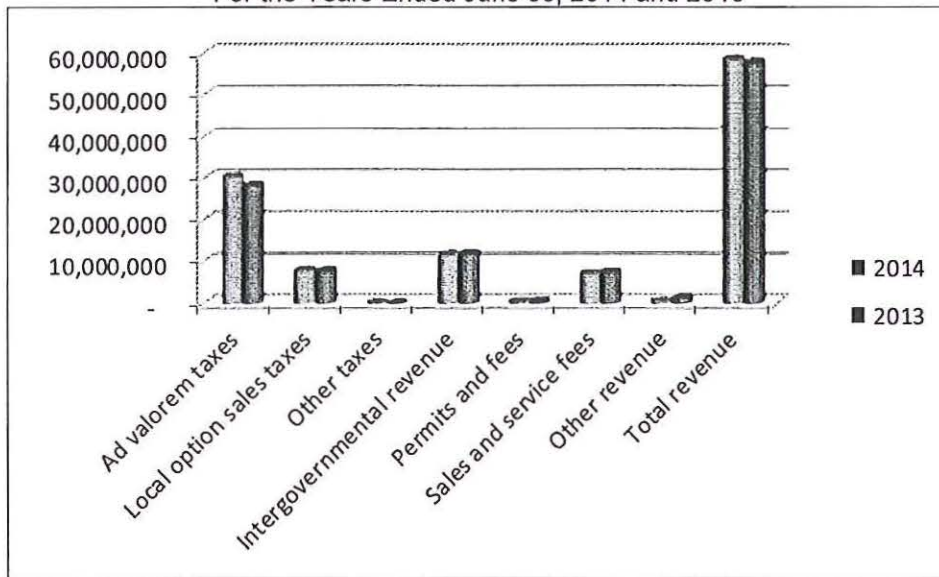
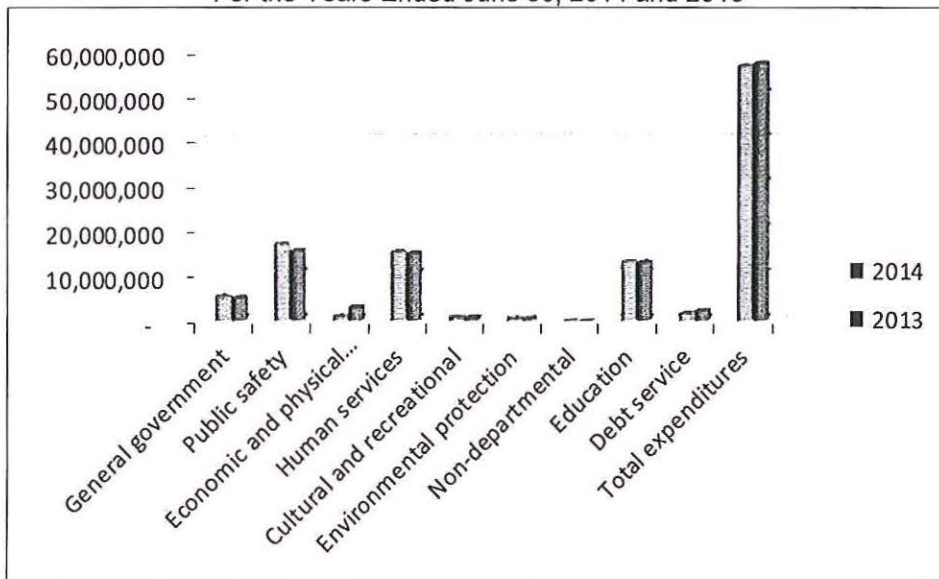


Figure 6
 Governmental Funds Expenditures
 For the Years Ended June 30, 2014 and 2013



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. Total amendments to the General Fund increased budgeted revenues by \$4.65 million. The largest increases were to intergovernmental revenues and sales and service revenues.

The actual operating revenues for the General Fund were more than the budgeted amounts by \$305,190, most of which is attributed to property tax and local option sales tax revenues. (Exhibit 5)

Proprietary Funds. Duplin County's proprietary funds provide the same type of information found in the government-wide statements but in more detail. At the end of the fiscal year, several funds had unrestricted net position. The Airport Commission Fund amounted to \$185,928, and those for the major Water Funds equaled \$4,331,660. The non-major funds of the Solid Waste Fund, County Water Fund, Albertson Water Fund, and the Transportation Development Fund had a combined total of unrestricted net position of \$4,417,991. (Exhibit 6)

The total increase in net position for the enterprise funds was Airport Commission Fund - \$(731,060) and the major combined Water Funds of \$3,392,560 (Exhibit 7). The non-major funds had a combined increase in net position totaling \$914,529. Other factors concerning the finances of these funds have already been addressed in the discussion of Duplin County's business-type activities.

Capital Asset and Debt Administration

Capital assets

Duplin County's investment in capital assets for its governmental and business-type activities as of June 30, 2014, totals \$79,480,083 (net of accumulated depreciation) (Exhibit 1). Some of these assets include buildings, land, land improvements, machinery and equipment, park facilities, water systems, and vehicles.

Major capital asset transactions during the year include:

- Increase in construction in progress for several Water Districts, such as District E and District G.
- Placing the new airport terminal in service.
- Purchase of public safety and solid waste vehicles and equipment.

Figure 7
Duplin County, North Carolina
Condensed Statement of Capital Assets (net of depreciation)
As of June 30,

	Governmental Activities		Business-type Activities		Total	
	2014	2013	2014	2013	2014	2013
Land	\$ 2,460,144	\$ 2,443,908	\$ 1,161,597	\$ 1,160,197	\$ 3,621,741	\$ 3,604,105
Construction in progress	-	-	4,927,689	3,636,390	4,927,689	3,636,390
Buildings	16,938,241	17,446,514	2,379,025	2,211,309	19,317,266	19,657,823
Water plants and distribution systems	-	-	39,463,535	38,751,337	39,463,535	38,751,337
Airport terminals and runways	-	-	8,175,582	7,625,416	8,175,582	7,625,416
Equipment	1,727,654	1,757,436	442,699	483,373	2,170,353	2,240,809
Vehicles	1,320,234	1,294,668	483,683	478,700	1,803,917	1,773,368
Total capital assets, net	\$ 22,446,273	\$ 22,942,526	\$ 57,033,810	\$ 54,346,722	\$ 79,480,083	\$ 77,289,248

Additional information on the County's capital assets can be found in Note 8 of the Notes to the Financial Statements.

Long-term Debt.

As of June 30, 2014, Duplin County had total long-term debt outstanding of \$28,731,855.

	Governmental Activities		Business-type Activities		Total	
	2014	2013	2014	2013	2014	2013
Limited obligation bonds	\$ -	\$ -	\$ 15,843,587	\$ 16,367,679	\$ 15,843,587	\$ 16,367,679
Notes payable	10,171,014	10,323,424	1,359,427	1,711,577	11,530,441	12,035,001
Certificates of participation	1,357,827	2,655,657	-	-	1,357,827	2,655,657
Total long-term debt	\$ 11,528,841	\$ 12,979,081	\$ 17,203,014	\$ 18,079,256	\$ 28,731,855	\$ 31,058,337

Duplin County's total debt has decreased by \$2,326,482 (7.50 percent) during the past fiscal year. This decrease is primarily due to scheduled principal payments. The remaining decrease was the result of debt forgiveness from the North Carolina Eastern Region dissolution.

As mentioned in the financial highlights section of this document, Duplin County maintains an AA- bond rating from Standard and Poor's Corporation. This bond rating is a clear indication of the sound financial condition of Duplin County.

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 Duplin County is \$301,820,075.

Additional information regarding Duplin County's long-term debt can be found in Note 17 of the Notes to the Financial Statements.

Economic Factors and Next Year's Budgets and Rates

The following key economic indicators reflect the growth and prosperity of the County.

- The unemployment rate for the county is 9.4% which is above the state average of 8.8%.
- The assessed value of real and personal property increased by \$57,582,816 or 1.6%.
- Our population of 60,033 has grown over the past few years mainly due to the growth of the Hispanic population being permanently located in Duplin as compared to being a seasonal workforce.

Budget Highlights for the Fiscal Year Ending June 30, 2015

Governmental Activities: The County approved an original \$53.1 million general fund budget. This represents a slight decrease over the final budget for FY 2014. The property rate for tax year FY 2015 has been increased to \$0.730 per hundred dollar valuation.

Business – type Activities: The County has not increased its tipping fees in the solid waste fund. The water funds' rates remained at prior year amounts. The Transportation fund rate schedule for FY 2014-2015 remained at a flat rate fee per trip of \$8.00.

Economic Forecast

Duplin County's economy has historically been based on agriculture. In the past, tobacco and row crops were the staples of agricultural production. In more recent years, poultry and livestock production has displaced traditional row crops as the primary "cash crop". According to the North Carolina Department of Agriculture's 2012 statistics, Duplin County ranked number 1 in the state in cash receipts from the sale of crops and livestock with total sales of just over \$1 billion. Duplin County is also recognized as an important agricultural producer nationally. According to the most recent (2007) Census of Agriculture, Duplin County is ranked 15th of 3,079 U.S. counties in market value of Agricultural products sold.

A network of 6 primary highways intersect with I-40, the state's major east-west artery. The county has four-lane access to the region's population centers; deep water ports at Wilmington and Morehead City; and the military installations of Marine Corps Base Camp Lejeune, Fort Bragg, and Seymour Johnson Air Force Base.

The production of alternative energy fuel crops is a future agribusiness growth opportunity for the county. Important research is being conducted locally on alternative crops for the production of ethanol and biodiesel fuels that would not compete with Midwestern corn supplies which are critical for local livestock production. Fuel crops such as Giant Miscanthus and Switchgrass are being evaluated at the North Carolina State University's Williamsdale Biofuels Field Laboratory located in Duplin County.

Manufacturing, including agricultural related processing, is an important segment of the county's employment. Approximately 30% of the county's workforce is employed in agricultural related processing and manufacturing. Of the ten largest employers in the county, six are engaged in agricultural production, manufacturing or processing.

Duplin County partnered with James Sprunt Community College to offer workforce development training in support of the local agricultural economy by establishing a Diesel Mechanics School in the county's industrial park near Warsaw. Construction of the facility is being funded in part, by a \$1 million grant from the Golden Leaf Foundation.

Duplin County continues to take advantage of low-interest loans and grant opportunities to finance investment in infrastructure to attract and support economic growth. Currently, Duplin County has \$4.8 million of water expansion contracts awarded and under construction. The county, in conjunction with the town of Magnolia, is investing \$2.2 million to extend sewer to the I-40 / NC 11-903 interchange at Exit 373.

Requests for Information

This report is designed to provide an overview of the County's finances for those with an interest in this area. Questions concerning any of the information found in this report or requests for additional information should be directed to the Duplin County Finance Office, PO Box 950, Kenansville, N.C. 28349.

Basic Financial Statements

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Duplin County, North Carolina
Statement of Net Position
June 30, 2014
Exhibit 1

	Primary Government			Component Unit
	Governmental Activities	Business-type Activities	Total	Duplin County Tourism Development Authority
Assets				
Current assets:				
Cash and cash equivalents	\$18,244,327	\$ 7,472,569	\$25,716,896	\$ 334,342
Receivables, net	13,094,555	1,426,646	14,521,201	20,016
Internal balances	120,000	(120,000)	-	-
Due from agency funds	6,595	-	6,595	-
Due from component unit	600	-	600	-
Inventories	292,590	44,937	337,527	-
Restricted cash and cash equivalents	-	584,169	584,169	-
Total current assets	31,758,667	9,408,321	41,166,988	354,358
Noncurrent assets:				
Restricted cash and cash equivalents	2,449,930	1,069,861	3,519,791	-
Capital assets:				
Land and construction in progress	2,460,142	6,089,286	8,549,428	-
Other capital assets, net of depreciation	19,986,131	50,944,524	70,930,655	-
Total capital assets	22,446,273	57,033,810	79,480,083	-
Total noncurrent assets	24,896,203	58,103,671	82,999,874	-
Total assets	56,654,870	67,511,992	124,166,862	354,358
Deferred Outflows of Resources	-	246,622	246,622	-
Liabilities				
Current liabilities:				
Accounts payable and accrued liabilities	1,483,005	203,030	1,686,035	-
Due to primary government	-	-	-	600
Customer deposits	-	374,180	374,180	-
Unearned revenue	-	2,903	2,903	-
Certificates of participation - current	1,357,827	-	1,357,827	-
Notes payable - current	158,697	73,591	232,288	-
Limited obligation bonds - current	-	529,093	529,093	-
Total current liabilities	2,999,529	1,182,797	4,182,326	600
Long-term liabilities:				
Compensated absences	1,155,784	135,274	1,291,058	5,995
Other post-employment benefit	9,001,527	849,905	9,851,432	-
LEO special separation allowance	458,067	-	458,067	-
Notes payable	10,012,317	1,285,836	11,298,153	-
Limited obligation bonds	-	15,314,494	15,314,494	-
Total long-term liabilities	20,627,695	17,585,509	38,213,204	5,995
Total liabilities	23,627,224	18,768,306	42,395,530	6,595
Deferred Inflows of Resources	124,726	-	124,726	-
Net Position				
Net investment in capital assets	10,917,432	39,830,796	50,748,228	-
Restricted	9,561,211	223,933	9,785,144	20,016
Unrestricted	12,424,277	8,935,579	21,359,856	327,747
Total net position	\$32,902,920	\$48,990,308	\$81,893,228	\$ 347,763

See accompanying notes to financial statements.

Functions/Programs	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Primary Government				
Governmental activities:				
General government	\$ 5,884,447	\$ 1,636,600	\$ -	\$ -
Public safety	17,821,492	2,907,354	1,045,958	-
Economic and physical development	1,363,220	68,137	138,267	260,631
Human services	16,015,053	4,412,664	9,173,184	-
Cultural and recreational	1,204,921	149,585	137,396	-
Environmental protection	704,203	2,198	77,154	-
Non-departmental	287,491	-	-	-
Education	13,334,623	-	14,323	659,414
Interest on long-term debt	431,245	-	-	-
Total governmental activities	57,046,695	9,176,538	10,586,282	920,045
Business-type activities:				
Airport	1,796,254	498,854	-	103,164
Water	3,347,524	4,274,645	-	3,298,986
Transportation	1,073,121	625,597	575,445	-
Solid waste	2,971,828	2,740,153	10,867	-
Total business-type activities	9,188,727	8,139,249	586,312	3,402,150
Total primary government	\$ 66,235,422	\$ 17,315,787	\$ 11,172,594	\$ 4,322,195
Component unit:				
Tourism development authority	\$ 192,771	\$ -	\$ -	\$ -

General revenues:

Property taxes, levied for general purposes

Local option sales taxes

Other taxes and licenses

Investment earnings, unrestricted

Miscellaneous, unrestricted

Total general revenues excluding transfers and special items

Extraordinary item - NC Eastern Region Dissolution

Transfers

Total general revenues, special items, and transfers

Change in net position

Net position, beginning of year

Net position, end of year

Duplin County, North Carolina
Statement of Activities
For the Year Ended June 30, 2014
Exhibit 2

Net (Expense) Revenue and Changes in Net Position			
Primary Government			Component Unit
Governmental Activities	Business-type Activities	Total	Duplin County Tourism Development Authority
\$ (4,247,847)	\$ -	\$ (4,247,847)	
(13,868,180)	-	(13,868,180)	
(896,185)	-	(896,185)	
(2,429,205)	-	(2,429,205)	
(917,940)	-	(917,940)	
(624,851)	-	(624,851)	
(287,491)	-	(287,491)	
(12,660,886)	-	(12,660,886)	
(431,245)	-	(431,245)	
<u>(36,363,830)</u>	<u>-</u>	<u>(36,363,830)</u>	
	(1,194,236)	(1,194,236)	
	4,226,107	4,226,107	
	127,921	127,921	
	(220,808)	(220,808)	
	<u>2,938,984</u>	<u>2,938,984</u>	
<u>(36,363,830)</u>	<u>2,938,984</u>	<u>(33,424,846)</u>	
			\$ (192,771)
30,238,201	-	30,238,201	-
7,885,364	-	7,885,364	-
655,664	124,675	780,339	221,380
25,582	4,197	29,779	33
192,631	52,158	244,789	-
<u>38,997,442</u>	<u>181,030</u>	<u>39,178,472</u>	<u>221,413</u>
598,597	236,037	834,634	-
(219,978)	219,978	-	-
<u>39,376,061</u>	<u>637,045</u>	<u>40,013,106</u>	<u>221,413</u>
3,012,231	3,576,029	6,588,260	28,642
<u>29,890,689</u>	<u>45,414,279</u>	<u>75,304,968</u>	<u>319,121</u>
<u>\$ 32,902,920</u>	<u>\$ 48,990,308</u>	<u>\$ 81,893,228</u>	<u>\$ 347,763</u>

See accompanying notes to financial statements.

Duplin County, North Carolina
Balance Sheet
Governmental Funds
June 30, 2014
Exhibit 3

	Major	Non-Major		Total
	General Fund	Debt Service Fund	Other Governmental Funds	
Assets				
Cash and cash equivalents	\$12,326,809	\$ 448,795	\$ 2,675,663	\$ 15,451,267
Restricted cash and cash equivalents	-	-	2,449,930	2,449,930
Receivables, net	11,677,525	-	1,416,158	13,093,683
Due from other funds	128,343	-	-	128,343
Due from component unit	600	-	-	600
Inventories	292,590	-	-	292,590
Total assets	\$24,425,867	\$ 448,795	\$ 6,541,751	\$ 31,416,413
Liabilities				
Accounts payable and accrued liabilities	\$ 588,010	\$ -	\$ 491,002	\$ 1,079,012
Due to other funds	-	-	758	758
Total liabilities	588,010	-	491,760	1,079,770
Deferred Inflows of Resources	8,432,319	-	748,526	9,180,845
Fund Balances				
Nonspendable - inventories	292,590	-	-	292,590
Restricted:				
Stabilization by state statute	4,002,234	-	669,576	4,671,810
Register of deeds	-	-	17,357	17,357
Federally seized assets	193,895	-	-	193,895
Grants and projects	130,727	-	-	130,727
Health	467,492	-	-	467,492
Sheriff	94,478	-	-	94,478
Daycare	3,470	-	-	3,470
Economic development	604,366	-	-	604,366
Schools	-	-	2,256,445	2,256,445
E-911	-	-	263,851	263,851
Tax revaluation	-	-	857,320	857,320
Committed:				
Capital improvements	958,041	-	247,166	1,205,207
Debt service	-	448,795	-	448,795
Economic development	-	-	916,846	916,846
Various programs	-	-	77,559	77,559
Assigned:				
Subsequent year's expenditures	2,404,214	-	-	2,404,214
Unassigned	6,254,031	-	(4,655)	6,249,376
Total fund balances	15,405,538	448,795	5,301,465	21,155,798
Total liabilities, deferred inflows of resource, and fund balances	\$24,425,867	\$ 448,795	\$ 6,541,751	

See accompanying notes to financial statements.

Duplin County, North Carolina
 Balance Sheet
 Governmental Funds
 June 30, 2014
 Exhibit 3

	Total Governmental Funds
<hr/>	
Amounts reported for governmental activities in the Statement of Net Position (Exhibit 1) are different because:	
Total fund balance - governmental funds	\$ 21,155,798
Internal service fund activities to benefit governmental activities	2,725,137
Capital assets used in governmental activities are not financial resources and therefore are not reported in the fund statements.	22,446,273
Liabilities for deferred inflows of resources reported in the fund statements, but not the government-wide statements.	9,056,119
Some liabilities, including bonds payable, other postemployment benefits, and compensated absences are not due and payable in the current period and therefore are not reported in the fund statements.	(22,480,407)
<hr/>	
Net position of governmental activities	<u>\$ 32,902,920</u>

See accompanying notes to financial statements.

Duplin County, North Carolina
Statement of Revenues, Expenditures, and Changes in Fund Balances
Governmental Funds
For the Year Ended June 30, 2014
Exhibit 4

	Major	Non-Major		Total
	General Fund	Debt Service Fund	Other Governmental Funds	
Revenues				
Ad valorem taxes	\$29,603,813	\$ -	\$ 864,636	\$30,468,449
Local option sales taxes	6,334,468	-	1,550,896	7,885,364
Other taxes and licenses	93,773	-	-	93,773
Unrestricted intergovernmental	5,801,641	-	1,955	5,803,596
Restricted intergovernmental	4,825,497	-	1,065,195	5,890,692
Restricted grants	150,412	-	-	150,412
Permits and fees	484,499	-	-	484,499
Restricted revenue	76,967	-	-	76,967
Sales and services	7,200,636	-	-	7,200,636
Investment earnings	602	46	24,681	25,329
Contributions	65,472	-	94,890	160,362
Miscellaneous	148,280	-	73,377	221,657
Total revenues	54,786,060	46	3,675,630	58,461,736
Expenditures				
Current:				
General government	5,623,892	-	61,206	5,685,098
Public safety	16,181,436	-	1,003,507	17,184,943
Economic and physical development	898,010	-	339,097	1,237,107
Human services	15,437,403	-	96,000	15,533,403
Cultural and recreational	1,032,756	-	-	1,032,756
Environmental protection	684,793	-	-	684,793
Capital projects	-	-	-	-
Non-departmental	222,715	-	-	222,715
Intergovernmental:				-
Education	10,994,566	-	2,340,057	13,334,623
Debt service:				-
Principal retirement	-	1,382,410	-	1,382,410
Interest and fees	-	524,290	-	524,290
Total expenditures	51,075,571	1,906,700	3,839,867	56,822,138
Excess (deficiency) of revenues over expenditures	3,710,489	(1,906,654)	(164,237)	1,639,598
Other financing sources (uses)				
Proceeds from sale of capital assets	44,351	-	-	44,351
Transfers from other funds	20,688	1,958,300	900,451	2,879,439
Transfers to other funds	(2,216,622)	(51,600)	(1,231,195)	(3,499,417)
Total other financing sources (uses)	(2,151,583)	1,906,700	(330,744)	(575,627)
Extraordinary item	598,597	-	-	598,597

See accompanying notes to financial statements.
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Duplin County, North Carolina
Statement of Revenues, Expenditures, and Changes in Fund Balances
Governmental Funds
For the Year Ended June 30, 2014
Exhibit 4

	Major	Non-Major		Total
	General Fund	Debt Service Fund	Other Governmental Funds	
Net change in fund balances	2,157,503	46	(494,981)	1,662,568
Fund balances, beginning of year	13,204,340	448,749	5,796,446	19,449,535
Increase in inventory	43,695	-	-	43,695
Fund balances, end of year	\$15,405,538	\$ 448,795	\$ 5,301,465	\$21,155,798

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

Net changes in fund balances - governmental funds \$ 1,662,568

Change in fund balance due to change in reserve for inventory 43,695

Internal service fund activities to benefit governmental activities 96,832

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 outlays in the current period. (496,253)

Revenues in the Statement of Activities that do not provide current financial resources are not reported as revenues in the funds. 1,173,967

The issuance of long-term debt 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 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. 1,475,455

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. (944,033)

Total changes in net position of governmental activities \$ 3,012,231

Duplin County, North Carolina
Statement of Revenues, Expenditures, and Changes in Fund Balances
Budget and Actual
General Fund
For the Year Ended June 30, 2014

Exhibit 5

	Original Budget	Final Budget	Actual	Variance With Final Positive (Negative)
Revenues				
Ad valorem taxes	\$ 28,433,413	\$ 29,154,840	\$ 29,603,813	\$ 448,973
Local option sales taxes	5,553,315	6,026,265	6,334,468	308,203
Other taxes and licenses	96,500	96,500	93,773	(2,727)
Unrestricted intergovernmental	5,926,642	6,341,469	5,801,641	(539,828)
Restricted intergovernmental	3,722,641	4,842,494	4,825,497	(16,997)
Restricted grants	20,900	135,712	150,412	14,700
Permits and fees	522,000	478,700	484,499	5,799
Restricted revenue	85,000	85,800	76,967	(8,833)
Sales and services	5,414,939	7,211,864	7,200,636	(11,228)
Investment earnings	7,500	1,200	495	(705)
Miscellaneous	48,912	105,919	213,752	107,833
Total revenues	49,831,762	54,480,763	54,785,953	305,190
Expenditures				
Current:				
General government	4,334,233	6,117,510	5,623,892	493,618
Public safety	15,088,471	16,866,590	16,181,436	685,154
Economic and physical development	700,275	1,541,649	898,010	643,639
Human services	16,149,722	17,085,874	15,437,403	1,648,471
Cultural and recreational	1,151,229	1,201,301	1,032,756	168,545
Environmental protection	774,290	916,934	684,793	232,141
Non-departmental	855,657	374,650	222,715	151,935
Intergovernmental:				
Education	11,049,120	11,086,464	10,994,566	91,898
Total expenditures	50,102,997	55,190,972	51,075,571	4,115,401
Revenues over (under) expenditures	(271,235)	(710,209)	3,710,382	4,420,591
Other financing sources (uses)				
Proceeds from sale of capital assets	-	35,134	44,351	9,217
Transfers to other funds	(1,698,854)	(2,127,547)	(2,104,690)	22,857
Total other financing uses	(1,698,854)	(2,092,413)	(2,060,339)	32,074
Extraordinary item	-	580,700	598,597	17,897
Appropriated fund balance	1,970,089	2,221,922	-	(2,221,922)
Net change in fund balance	<u>\$ -</u>	<u>\$ -</u>	2,248,640	<u>\$ 2,248,640</u>
Fund balance, beginning of year			12,155,162	
Increase in inventory			43,695	
Fund balance, end of year			<u>\$ 14,447,497</u>	

See accompanying notes to financial statements.

Duplin County, North Carolina
Statement of Revenues, Expenditures, and Changes in Fund Balances
Budget and Actual
General Fund
For the Year Ended June 30, 2014

Exhibit 5

	Original Budget	Final Budget	Actual	Variance With Final Positive (Negative)
A legally budgeted Capital Reserve Fund is consolidated into the General Fund for reporting purposes:				
Investment earnings			\$ 107	
Transfers from General Fund			20,688	
Transfers to other funds			(111,932)	
Fund balance, beginning of year			1,049,178	
Fund balance, end of year (Exhibit 4)			\$ 15,405,538	

See accompanying notes to financial statements.

	Major		
	Airport	Water Debt Service 2012 Limited Obligation Bond Fund	Water Fund- District B
	Commission Fund		
Assets			
Current assets:			
Cash and cash equivalents	\$ 211,093	\$ 5	\$ 1,144,901
Receivables, net	45,672	49,165	59,699
Inventories	21,502	-	-
Due from other funds	-	-	713
Restricted cash and cash equivalents	11,093	-	60,975
Due from water districts'-GO Bonds	-	529,093	-
Total current assets	289,360	578,263	1,266,288
Noncurrent assets:			
Restricted cash and cash equivalents	-	-	-
Due from water districts'-GO Bonds	-	15,314,494	-
Capital assets:			
Land and construction in progress	559,333	-	56,500
Other capital assets, net of depreciation	8,248,934	-	5,087,260
Total capital assets	8,808,267	-	5,143,760
Total noncurrent assets	8,808,267	15,314,494	5,143,760
Total assets	9,097,627	15,892,757	6,410,048
Deferred Outflows of Resources	-	-	30,984
Liabilities			
Current liabilities:			
Accounts payable and accrued liabilities	4,867	49,165	5,939
Customer deposits	-	-	60,975
Unearned revenue	-	-	-
Due to other funds	-	-	15,023
Notes payable - current	-	-	-
Due to the County-GO Bonds - current	-	-	76,845
Limited obligation bonds - current	-	529,093	-
Total current liabilities	4,867	578,258	158,782
Long-term liabilities:			
Compensated absences	9,855	-	-
Other post-employment benefit	67,397	-	-
Notes payable	-	-	-
Due to the County-GO Bonds	-	-	1,735,048
Limited obligations bonds	-	15,314,494	-
Total long-term liabilities	77,252	15,314,494	1,735,048
Total liabilities	82,119	15,892,752	1,893,830
Net Position			
Net investment in capital assets	8,808,267	-	3,331,867
Restricted	21,313	-	-
Unrestricted	185,928	5	1,215,335
Total net position	\$ 9,015,508	\$ 5	\$ 4,547,202

See accompanying notes to financial statements.

Duplin County, North Carolina
Statement of Fund Net Position
Proprietary Funds
June 30, 2014
Exhibit 6

Major				Nonmajor		
Water Fund- District D	Water Fund- District E	Water Fund- District F	Water Fund- District G	Other Proprietary Funds	Total	Internal Service Fund
\$ 13,655	\$ 1,287,762	\$ 983,070	\$ 774,362	\$ 3,057,721	\$ 7,472,569	\$ 2,793,060
65,992	109,527	93,935	110,997	940,824	1,475,811	872
-	-	-	-	23,435	44,937	-
1,951	-	-	1,917	326,632	331,213	-
61,300	68,645	76,325	260,631	45,200	584,169	-
-	-	-	-	-	529,093	-
142,898	1,465,934	1,153,330	1,147,907	4,393,812	10,437,792	2,793,932
-	-	-	-	1,069,861	1,069,861	-
-	-	-	-	-	15,314,494	-
52,000	1,146,053	1,983,531	2,014,871	276,998	6,089,286	-
8,377,467	5,450,705	7,700,569	5,561,142	10,518,447	50,944,524	-
8,429,467	6,596,758	9,684,100	7,576,013	10,795,445	57,033,810	-
8,429,467	6,596,758	9,684,100	7,576,013	11,865,306	73,418,165	-
8,572,365	8,062,692	10,837,430	8,723,920	16,259,118	83,855,957	2,793,932
53,659	54,717	62,790	44,472	-	246,622	-
14,831	32,877	13,705	56,764	74,047	252,195	67,805
61,300	68,645	76,325	61,735	45,200	374,180	-
-	-	-	-	2,903	2,903	-
365,969	17,460	23,363	13,793	15,605	451,213	990
23,175	-	32,010	-	18,406	73,591	-
119,413	109,559	134,982	88,294	-	529,093	-
-	-	-	-	-	529,093	-
584,688	228,541	280,385	220,586	156,161	2,212,268	68,795
-	-	-	-	125,419	135,274	-
-	-	-	-	782,508	849,905	-
347,542	193,800	145,050	452,200	147,244	1,285,836	-
3,522,086	3,390,298	4,004,604	2,662,458	-	15,314,494	-
-	-	-	-	-	15,314,494	-
3,869,628	3,584,098	4,149,654	3,114,658	1,055,171	32,900,003	-
4,454,316	3,812,639	4,430,039	3,335,244	1,211,332	35,112,271	68,795
4,417,251	2,903,101	5,367,454	4,373,061	10,629,795	39,830,796	-
-	1,083	-	201,537	-	223,933	-
(245,543)	1,400,586	1,102,727	858,550	4,417,991	8,935,579	2,725,137
\$ 4,171,708	\$ 4,304,770	\$ 6,470,181	\$ 5,433,148	\$ 15,047,786	\$ 48,990,308	\$ 2,725,137

See accompanying notes to financial statements.

	Major			
	Airport Commission Fund	Water Debt Service 2012 Limited Obligation Bond Fund	Water Fund- District B	Water Fund- District D
Operating revenues				
Water sales	\$ -	\$ -	\$ 527,956	\$ 499,089
Administration fees	-	-	-	1,139
Sales and rentals	498,854	-	-	-
Miscellaneous	-	-	-	-
Charges for services	-	-	-	-
Total operating revenues	498,854	-	527,956	500,228
Operating expenses				
Operating expenses	1,787,994	-	484,780	453,861
Operating income (loss)	(1,289,140)	-	43,176	46,367
Non-operating revenues (expenses)				
Investment earnings	18	587,781	122	15
State grants	-	-	-	-
Disposal tax revenues	-	-	-	-
Interest expense	(8,260)	(587,776)	(65,797)	(138,108)
Gain (loss) on disposal of capital assets	-	-	-	-
Miscellaneous	7,143	-	11	1,409
Total non-operating revenue (expense)	(1,099)	5	(65,664)	(136,684)
Income (loss) before transfers and capital c	(1,290,239)	5	(22,488)	(90,317)
Transfers in (out)	219,978	-	-	-
Capital contributions	103,164	-	-	-
Debt forgiveness	236,037	-	-	-
Change in net position	(731,060)	5	(22,488)	(90,317)
Net position, beginning of year	9,746,568	-	4,569,690	4,262,025
Net position, end of year	\$ 9,015,508	\$ 5	\$ 4,547,202	\$ 4,171,708

See accompanying notes to financial statements.

Duplin County, North Carolina
Statement of Revenues, Expenses, and Changes in Fund Net Position
Proprietary Funds
For the Year Ended June 30, 2014
Exhibit 7

Major			Nonmajor		
Water Fund- District E	Water Fund- District F	Water Fund- District G	Other Proprietary Funds	Total	Internal Service Fund
\$ 648,611	\$ 883,233	\$ 493,037	\$ 398,376	\$ 3,450,302	\$ -
448	-	-	771,027	772,614	-
-	-	-	-	498,854	-
-	-	-	51,729	51,729	-
-	-	-	3,365,750	3,365,750	4,180,942
<u>649,059</u>	<u>883,233</u>	<u>493,037</u>	<u>4,586,882</u>	<u>8,139,249</u>	<u>4,180,942</u>
474,489	545,900	321,333	4,501,356	8,569,713	4,484,363
174,570	337,333	171,704	85,526	(430,464)	(303,421)
165	111	145	3,616	591,973	253
-	-	-	561,429	561,429	-
-	-	-	124,675	124,675	-
(134,361)	(162,049)	(105,245)	(5,194)	(1,206,790)	-
-	-	-	31,874	31,874	-
1,115	39	1,357	34,093	45,167	-
<u>(133,081)</u>	<u>(161,899)</u>	<u>(103,743)</u>	<u>750,493</u>	<u>148,328</u>	<u>253</u>
41,489	175,434	67,961	836,019	(282,136)	(303,168)
-	-	-	-	219,978	400,000
990,164	782,066	1,448,246	78,510	3,402,150	-
-	-	-	-	236,037	-
1,031,653	957,500	1,516,207	914,529	3,576,029	96,832
3,273,117	5,512,681	3,916,941	14,133,257	45,414,279	2,628,305
<u>\$ 4,304,770</u>	<u>\$ 6,470,181</u>	<u>\$ 5,433,148</u>	<u>\$ 15,047,786</u>	<u>\$ 48,990,308</u>	<u>\$ 2,725,137</u>

See accompanying notes to financial statements.

	Major		
	Water Debt Service 2012		
	Airport Commission Fund	Limited Obligation Bond Fund	Water Fund- District B
Cash flows from operating activities			
Cash received from customers	\$ 484,868	\$ -	\$ 526,520
Cash paid for goods and services	(369,061)	-	(264,000)
Cash paid to employees for services	(182,733)	-	-
Customer deposits received, net	-	-	4,300
Net cash provided (used) by operating activities	(66,926)	-	266,820
Cash flows from non-capital financing activities			
Transfers in (out)	219,978	-	-
Miscellaneous	7,143	-	11
Net cash provided by non-capital financing activities	227,121	-	11
Cash flows from capital and related financing activities			
Capital contributions	103,164	-	-
Proceeds from sale of capital assets	-	-	-
Advances from (to) other funds, net	(10)	-	1,807
Acquisition and construction of capital assets	(226,747)	-	-
Proceeds from notes payable	-	-	-
Principal paid on bond maturities and notes payable	(42,528)	(505,000)	(75,000)
Interest paid on bond maturities and notes payable	(8,260)	(608,131)	(66,281)
Net cash provided (used) by capital and related financing activities	(174,381)	(1,113,131)	(139,474)
Cash flows from investing activities			
Interest on investments	18	608,136	122
Principal received on water district bonds	-	505,000	-
Net cash provided (used) by investing activities	18	1,113,136	122
Net increase (decrease) in cash and cash equivalents	(14,168)	5	127,479
Cash and cash equivalents, beginning of year	236,354	-	1,078,397
Cash and cash equivalents, end of year	\$ 222,186	\$ 5	\$ 1,205,876

See accompanying notes to financial statements.

Duplin County, North Carolina
Statement of Cash Flows
Proprietary Funds
For the Year Ended June 30, 2014
Exhibit 8

Major				Nonmajor		
Water Fund- District D	Water Fund- District E	Water Fund- District F	Water Fund- District G	Other Proprietary Funds	Total	Internal Service Fund
\$ 500,969	\$ 644,964	\$ 881,682	\$ 492,519	\$ 4,503,771	\$ 8,035,293	\$ 4,180,862
(220,666)	(308,785)	(399,307)	(288,139)	(2,607,966)	(4,457,924)	(4,505,413)
-	-	-	-	(2,023,982)	(2,206,715)	-
2,525	5,600	4,725	3,305	1,085	21,540	-
282,828	341,779	487,100	207,685	(127,092)	1,392,194	(324,551)
-	-	-	-	-	219,978	400,000
1,409	1,115	39	1,357	720,197	731,271	-
1,409	1,115	39	1,357	720,197	951,249	400,000
-	966,872	782,066	1,393,900	78,510	3,324,512	-
-	-	-	-	31,874	31,874	-
(944)	472	3,895	2,600	(8,196)	(376)	3,085
(1,399)	(1,134,369)	(782,066)	(1,819,505)	(301,336)	(4,265,422)	-
-	193,800	-	452,200	-	646,000	-
(133,170)	(298,800)	(162,010)	(537,200)	(18,405)	(1,772,113)	-
(140,463)	(136,717)	(164,768)	(105,795)	(5,282)	(1,235,697)	-
(275,976)	(408,742)	(322,883)	(613,800)	(222,835)	(3,271,222)	3,085
15	165	111	145	3,616	612,328	253
-	-	-	-	-	505,000	-
15	165	111	145	3,616	1,117,328	253
8,276	(65,683)	164,367	(404,613)	373,886	189,549	78,787
66,679	1,422,090	895,028	1,439,606	3,798,896	8,937,050	2,714,273
\$ 74,955	\$ 1,356,407	\$ 1,059,395	\$ 1,034,993	\$ 4,172,782	\$ 9,126,599	\$ 2,793,060

(continued)

	Airport Commission Fund	Major Water Debt Service 2012 Limited Obligation Bond Fund	Water Fund- District B
(continued)			
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:			
Operating income (loss)	\$ (1,289,140)	\$ -	\$ 43,176
Adjustments to reconcile operating income (loss) to net cash provided by operating activities:			
Depreciation	1,176,318	-	220,147
Changes in assets and liabilities:			
(Increase) decrease in accounts receivable	(13,986)	-	(1,436)
(Increase) decrease in inventory	20,925	-	-
Increase (decrease) in accounts payable	(1,234)	-	633
Increase (decrease) in deferred revenue	-	-	-
Increase (decrease) in customer deposits	-	-	4,300
Increase (decrease) in OPEB obligation	38,824	-	-
Increase (decrease) in compensated absences	1,367	-	-
Total adjustments	1,222,214	-	223,644
Net cash provided (used) by operating activities	\$ (66,926)	\$ -	\$ 266,820

See accompanying notes to financial statements.

Duplin County, North Carolina
Statement of Cash Flows
Proprietary Funds
For the Year Ended June 30, 2014
Exhibit 8

Major				Nonmajor			
Water Fund- District D	Water Fund- District E	Water Fund- District F	Water Fund- District G	Other Proprietary Funds	Total	Internal Service Fund	
\$ 46,367	\$ 174,570	\$ 337,333	\$ 171,704	\$ 85,526	\$ (430,464)	\$ (303,421)	
232,846	194,901	146,548	97,300	(489,725)	1,578,335	-	
741	(4,095)	(1,551)	(518)	(86,014)	(106,859)	(80)	
-	-	-	-	(1,875)	19,050	-	
349	(29,197)	45	(64,106)	(11,931)	(105,441)	(21,050)	
-	-	-	-	2,903	2,903	-	
2,525	5,600	4,725	3,305	1,085	21,540	-	
-	-	-	-	365,232	404,056	-	
-	-	-	-	7,707	9,074	-	
236,461	167,209	149,767	35,981	(212,618)	1,822,658	(21,130)	
\$ 282,828	\$ 341,779	\$ 487,100	\$ 207,685	\$ (127,092)	\$ 1,392,194	\$ (324,551)	

See accompanying notes to financial statements.

Duplin County, North Carolina
Statement of Fiduciary Net Position
Fiduciary Funds
June 30, 2014
Exhibit 9

	Agency Funds
Assets	
Cash and cash equivalents	\$ 165,446
Miscellaneous receivables	26,706
Total assets	\$ 192,152
Liabilities	
Miscellaneous liabilities	\$ 185,557
Due to other funds	6,595
Total liabilities	\$ 192,152

See accompanying notes to financial statements.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies of Duplin County, North Carolina 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.

Reporting Entity

The County, which is governed by a six-member board of commissioners, is one of the 100 counties established in North Carolina under North Carolina General Statute 153A-10. 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 Duplin County Water Districts (the "Districts"), which have a June 30th year-end, are presented as if they were a separate proprietary fund of the County (blended presentation). The Districts do not issue separate financial statements. Duplin County Industrial Facility and Pollution Control Financing Authority (the Authority) exists to issue and service revenue bond debt of private businesses for economic development purposes. The Authority has no financial transactions or account balances; therefore, it is not presented in the basic financial statements. The Duplin County Tourism Development Authority has elected not to issue separate financial statements, but to include all relevant information required by generally accepted accounting principles as supplementary information in the County's Comprehensive Annual Financial Report.

Component Unit	Reporting Method	Criteria for Inclusion	Separate Financial Statements
Duplin County Water Districts as follows: Albertson District B District D District E District F District G	Blended	Under State law [NCGS 162A-89], the County's board of commissioners also serve as the governing board for the Districts.	None issued
Duplin County Industrial Facility and Pollution Control Financing Authority	Discrete	The Authority is governed by a six-member board of commissioners that is appointed by the County commissioners. The County can remove any commissioner of the Authority with or without cause.	None issued
Duplin County Tourism Development Authority	Discrete	The Authority exists to promote tourism within the county. The County commissioners appointed the original governing board of the Authority. All new members to the board are now nominated and selected by the Authority board, but subject to the approval of the County commissioners.	None issued

Basis of Presentation

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. 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.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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. Non-operating 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 Capital Reserve Fund is a legally budgeted fund under North Carolina General Statutes; however, for statement presentation in accordance with GASB Statement No. 54 it is consolidated in the General Fund.

The County reports the following major enterprise funds:

Airport Commission Fund: This fund is used to account for the operations of the County airport.

Water Debt Service 2012 Limited Obligation Bond Fund: This fund is used to account for the County's purchase of the water district's refunding bonds and the limited obligation bond debt that was issued to finance the purchase of the water district refunding bonds.

Water Fund – District B: This fund is used to account for the operations of Water District B.

Water Fund – District D: This fund is used to account for the operations of Water District D.

Water Fund – District E: This fund is used to account for the operations of Water District E.

Water Fund – District F: This fund is used to account for the operations of Water District F.

Water Fund – District G: This fund is used to account for the operations of Water District G.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

The County reports the following fund types:

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 County Agency Fund which accounts for monies deposited for various cooperative extension programs, sheriff execution monies collected from individuals and businesses, the jail inmate trust funds, and the County attorney's trust fund; the Motor Vehicle 3% Interest Fund, which accounts for the three percent interest on the first month of delinquent motor vehicle taxes that the County is required to remit to the North Carolina Department of Motor Vehicles; the Motor Vehicle Tax Fund, which accounts for registered motor vehicle property taxes that are billed by the State and collected by the State and the County for various municipalities within the County but that are not revenues to the County; the Register of Deeds Fund which accounts for the \$5 of each fee collected by the register of deeds for registering a deed of trust or mortgage; and the Board of Education Fines and Forfeitures Fund which accounts for various legal fines and forfeitures required to be remitted to the Board of Education.

Internal Service Fund: This fund is used to account for the County's participation in the self-insured hospital insurance plan.

Non-major Funds: The Emergency Telephone System Fund, Automation Enhancement and Preservation Fund, Revaluation Fund, Community Development Revolving Loan Fund, School Planning Allocation Fund, Fire District Fund, CDBG 12-C-2494 Fund, CDBG 12-C-2414 Fund, CDBG 11-C-2292 Fund, and County Trust Fund, are reported as non-major special revenue funds. The Industrial Expansion Capital Project Fund, Capital Project School Fund, and Capital Project JSCC Fund are reported as a non-major capital project funds. The Transportation Development Plan Fund, County Water Fund, Albertson Water Fund, and Solid Waste Fund are reported as non-major enterprise funds.

Measurement Focus, Basis of Accounting

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

Government-wide, Proprietary, and Fiduciary Fund Financial Statements: The government-wide, proprietary, and fiduciary fund financial statements are reported using the economic resources measurement focus. The government-wide and proprietary 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.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Proprietary funds distinguish operating revenues and expenses from non-operating 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 non-operating 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 30th, 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 utilities franchise tax, collected and held by the State at year-end on behalf of the County are recognized as revenue. Intergovernmental revenues and sales and services are not susceptible to accrual because generally they are not measurable until received in cash. Expenditure driven grants are recognized as revenue when the qualifying expenditures have been incurred and all other grant requirements have been satisfied.

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

Budgetary Data

The County's budgets are adopted as required by the North Carolina General Statutes. An annual budget is adopted for the general, special revenue (excluding the Capital Reserve and Grant projects), and the enterprise funds. All annual appropriations lapse at the fiscal year end. Project ordinances are adopted for the Capital Projects, Capital Reserve, Grant projects, and Enterprise Capital Project funds. The Enterprise Capital Project funds are consolidated with the enterprise operating funds for reporting purposes..

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

All budgets are prepared using the modified accrual basis of accounting, which is consistent with the accounting system used to record transactions. Expenditures may not legally exceed appropriations at the functional level for all annually budgeted funds and at the object level for the multi-year funds. Amendments by the board are required for any revisions that alter total expenditures of any fund or that change functional appropriations by more than \$10,000. The County manager may move up to \$10,000 between line items appropriations and must provide a list of such changes to the Board at the next meeting. The governing board must approve all amendments. During the year, several 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 to cover that time until the annual ordinance can be adopted.

A budget calendar is included in the North Carolina General Statutes, which prescribes the last day on which certain steps of the budget procedure are to be performed. The following schedule lists the tasks to be performed and the date by which each is required to be completed.

- April 30 Each department head will transmit to the budget officer the departmental budget requests and revenue estimates for the budget year.
- June 1 The budget and the budget message shall be submitted to the governing board. The public hearing on the budget should be scheduled at this time.
- July 1 The budget ordinance shall be adopted by the governing board.

As required by State law [G.S. 159-26(d)], the County maintains encumbrance accounts, which are considered to be "budgetary accounts". Encumbrances outstanding at year-end represent the estimated amounts of the expenditures ultimately to result if unperformed contracts in progress at year-end are completed. Encumbrances outstanding at year-end do not constitute expenditures or liabilities.

Deposits and Investments

All deposits of the County and the Duplin County Tourism Development Authority are made in board-designated official depositories and are secured as required by G.S. 159-31. The County may designate as an official depository any bank or savings association whose principal office is located in North Carolina. Also, the County and Tourism Development Authority 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 Tourism Development Authority to invest in obligations of the United States or obligations fully guaranteed both as to principal and interest by the United States; obligations of the State of North Carolina; bonds and notes of any North Carolina local government or public authority; obligations of certain non-guaranteed federal agencies; certain high quality issues of commercial paper and bankers' acceptances and the North Carolina Capital Management Trust (NCCMT).

The County's investments are carried at fair value as determined by quoted market prices. The securities of the NCCMT Cash Portfolio, an SEC-registered (2a-7) money market mutual fund, are valued at fair value, which is the NCCMT's share price. The NCCMT Term Portfolio's securities are valued at fair value. Money market investments that have a remaining maturity at the time of purchase of one year or less are reported at amortized cost. Non-participating interest earnings and investment contracts are reported at cost.

Cash and Cash Equivalents

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

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**Restricted Assets**

Customer deposits held by the County before any services are supplied are restricted to the service for which the deposit was collected. In the Solid Waste Fund, funds have been restricted to provide for future environmental contingencies. Money in the Tax Revaluation Fund is also classified as restricted assets because its use is restricted per North Carolina General Statute 153A-150. Money in the School Planning Allocation Fund is classified as restricted assets because its use is restricted to education by the North Carolina Public School Building Capital Fund. Restricted cash and cash equivalents consists of the following at June 30, 2014:

Governmental Activities:	
Revaluation Fund - G.S. 153A-150	\$ 857,320
School Planning Allocation Fund - Public School Building Capital Fund	1,592,610
Total governmental activities	2,449,930
Business-type Activities:	
Customer Deposits:	
Water Fund - District B	60,975
Water Fund - District D	61,300
Water Fund - District E	68,645
Water Fund - District F	76,325
Water Fund - District G	260,631
Albertson Water Fund	42,025
County Water Fund	2,975
Solid Waste Fund	200
Total restricted to customer deposits	573,076
Airport Commission Fund - Unexpended grant funds	11,093
Solid Waste Fund - environmental contingencies	1,069,861
Total business-type activities	\$ 1,654,030

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 1st, the beginning of the fiscal year. The taxes are due on September 1st (lien date); however, penalties and interest do not accrue until the following January 6th. These taxes are based on the assessed values as of January 1, 2013.

Allowance for Doubtful Accounts

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

Inventory and Prepaid Items

The inventories of the County are valued at average cost, which approximates market. The County's General Fund inventory consists of expendable supplies that are recorded as expenditures when purchased. The inventory of the County's enterprise funds consists of materials and supplies held for consumption or resale. The cost of the inventory carried in the County's enterprise funds is recorded as an expense as it is consumed or sold. Occasionally, certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both the government-wide and fund financial statements.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Capital Assets

Purchased or constructed capital assets are reported at cost or estimated historical cost. Donated capital assets are recorded at their estimated fair value at the date of donation. The County's minimum capitalization amount for capital assets is \$5,000. Certain items acquired before July 1, 1970, are recorded at an estimated historical cost. The total of such estimates is not considered large enough that errors would be material when the capital assets are considered as a whole. 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.

Capital assets of the County are depreciated on a straight-line basis over the following estimated useful lives:

	<u>Useful Life</u>
Water plants and distribution systems	50 years
Airport terminals and runways	20 to 50 years
Building and improvements	10 to 50 years
Equipment	10 years
Vehicles	5 years

Deferred Outflows/Inflows of Resources

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows 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 one item that meets this criterion – a deferred loss on refunding of debt.

In addition to liabilities, the statement of financial position can also report a separate section for deferred inflows of resources. This separate financial statement element, *Deferred Inflows of Resources*, represents an acquisition of net position that applies to a future period and so will not be recognized as revenue until then. The County has only three items that meet the criterion for this category – taxes receivable, accounts receivable, and prepaid taxes.

Long-term Obligations

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

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

Compensated Absences

The vacation policy of the County and the Tourism Development Authority provides for the accumulation of up to thirty days earned vacation leave with such leave being fully vested when earned. For the County's government-wide and proprietary funds, an expense and a liability for compensated absences and the salary-related payments are recorded as the leave is earned.

The sick leave policies of the County and Tourism Development Authority 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 neither entity has any obligation for accumulated sick leave until it is actually taken, no accrual for sick leave has been made.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)***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 represents constraints on resources that are either externally imposed by creditors, grantors, contributors, or laws or regulations of other governments or 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 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 for Stabilization of State Statute – portion of fund balance that is restricted by State Statute [GS 159-8(a)].

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

Restricted for Federally Seized Assets – portion of fund balance that is restricted by revenue source to pay for public safety expenditures.

Restricted for Grants/Projects – portion of fund balance that is restricted by revenue source to pay for grant related expenditures or remaining portion of projects in process.

Restricted for Health – portion of fund balance that is restricted by revenue source for health services to citizens.

Restricted for Economic Development – portion of fund balance that is restricted by revenue source for economic and physical development activities.

Restricted for Sheriff – portion of fund balance that is restricted by revenue source for sheriff expenditures.

Restricted for Daycare – portion of fund balance that is restricted by revenue source for daycare services.

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

Restricted for E-911 – portion of fund balance that is restricted by revenue source for emergency services.

Restricted for Tax Revaluation – portion of fund balance that can only be used for tax revaluation.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Committed Fund Balance – portion of fund balance that can only be used for specific purpose imposed by Duplin County's governing body.

Committed for Capital Improvements – portion of fund balance that can only be used for capital improvements.

Committed for Debt Service – portion of fund balance that can only be used for debt service.

Committed for Economic Development – portion of fund balance in the Community Development Revolving Loan Fund that can only be used for economic development activities.

Assigned Fund Balance – portion of fund balance that Duplin County's governing body has budgeted.

Subsequent year's expenditures - portion of fund balance that is appropriated in the next year's budget that is not already classified in restricted or committed.

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

Duplin County has a revenue spending policy that provides guidance for programs with multiple revenue sources. The Finance Officer 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 Officer has the authority to deviate from this policy if it is in the best interest of the County.

NOTE 2 – STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

Deficit Fund Balance in an Individual Fund

As of June 30, 2014, the Fire District Fund had a deficit fund balance of \$1,943. This is a result of the County remitting all prepaid tax collections to the fire districts prior to the tax collections being recognized as revenue. This will be remedied during the year ending June 30, 2015.

NOTE 3 – RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS***Explanation of certain differences between the governmental fund balance sheet and the government-wide statement of net position***

The governmental fund balance sheet includes 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 \$11,747,122 consists of several elements as follows:

Description	Amount
Total fund balances - governmental funds	\$ 21,155,798
Internal service fund activities to benefit governmental activities	2,725,137
Capital assets used in governmental activities are not financial resources and are therefore not reported in the fund statements.	
Historical cost of capital assets	39,524,865
Accumulated depreciation	(17,078,592)
Capital assets, net	22,446,273
Deferred inflows of resources reported in the fund statements but not the government-wide statements.	
Unavailable taxes receivable, net	2,107,132
Unavailable accounts receivable, net	6,948,987
Total	9,056,119
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.	
Compensated absences	(1,155,784)
Other post-employment benefits	(9,001,527)
Law enforcement officers' special separation allowance	(458,067)
Refunding certificates of participation	(1,357,827)
Notes payable	(10,171,014)
Accrued interest payable	(336,188)
Total	(22,480,407)
Total adjustment	11,747,122
Net position of governmental activities	\$ 32,902,920

NOTE 3 – RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS (continued)***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 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. The total adjustment of \$1,349,663 is comprised of the following:

Description	Amount
Net change in fund balances - governmental funds	\$ 1,662,568
Internal service fund activities to benefit governmental activities	96,832
Capital outlay expenditures recorded in the fund statements but capitalized as assets in the government-wide statements	894,751
Depreciation expense, the allocation of those assets over their useful lives, that is recorded in the Statement of Activities but not in the fund statements	(1,391,004)
Principal payments on debt owed are recorded as a use of funds in the fund statements but only the Statement of Net Position in the government-wide statements.	1,382,410
Increase in inventory on hand	43,695
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	(64,776)
Other post-employment benefits	(840,799)
Law enforcement officers' special separation allowance	(38,450)
Interest expense	25,215
Amortization of premiums received on certificates of participation	67,822
Revenues reported in the Statement of Activities that do not provide current resources are not recorded as revenues in the fund statements	
Unavailable ad valorem tax revenue	(230,248)
Unavailable revenue related to public safety	1,174,062
Unavailable revenue related to economic and physical development	(45,848)
Unavailable revenue related to human services	283,323
Unavailable revenue related to cultural and recreational	(7,322)
Total adjustments	1,349,663
Change in net position of governmental activities	\$ 3,012,231

NOTE 4 - DEPOSITS

All of the County and Tourism Development Authority'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 Tourism Development Authority'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 Tourism Development Authority, these deposits are considered to be held by their agents in the entities' names. The amount of the pledged collateral is based on an approved averaging method for non-interest bearing deposits and the actual current balance for interest-bearing deposits. Depositories using the Pooling Method report to the State Treasurer the adequacy of their pooled collateral covering uninsured deposits. The State Treasurer does not confirm this information with the County, the Tourism Development Authority, or the escrow agent. Because of the inability to measure the exact amount of collateral pledged for the County or Tourism Development Authority under the Pooling Method, the potential exists for under collateralization, 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 and Tourism Development Authority rely on the State Treasurer to monitor those financial institutions. The County and Tourism Development Authority analyze the financial soundness of any other financial institution used by the County or Tourism Development Authority. The County and Tourism Development Authority comply with the provisions of G.S. 159-31 when designating official depositories and verifying that deposits are properly secured. Neither the County nor Tourism Development Authority has a policy regarding custodial credit risk for deposits.

At June 30, 2014 the carrying amount of the County's deposits was \$3,339,414 and the bank balance was \$3,258,119. Of the bank balance, \$250,000 was covered by federal depository insurance and \$3,008,119 was covered by collateral held under the Pooling Method.

At June 30, 2014 the County had \$20,525 cash on hand.

At June 30, 2014 the carrying amount of the Tourism Development Authority's deposits was \$957 and the bank balance was \$957. The entire bank balance was covered by federal depository insurance at June 30, 2014.

NOTE 5 – INVESTMENTS

The County's investments in the North Carolina Capital Management Trust are exempt from risk categorization because the County does not own any identifiable securities in these mutual funds. At June 30, 2014, the County's investment balances consisted of \$26,626,363 held in the North Carolina Capital Management Cash Portfolio, which carried a credit rating of AAAM by Standard and Poor's. The County has no policy regarding credit risk.

At June 30, 2014, the Tourism Development Authority's investments consisted of \$333,385 in the North Carolina Capital Management Trust's Cash Portfolio, which carried a credit rating of AAAM by Standard and Poor's. The Authority has no policy on credit risk.

Notes to Financial Statements

NOTE 6 – 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
2013	\$ 3,533,830	\$ 203,214	\$ 3,737,044
2010-2012	10,190,885	2,411,214	12,602,099
Totals	\$ 13,724,715	\$ 2,614,428	\$ 16,339,143

NOTE 7 – RECEIVABLES

Receivables at the government-wide level at June 30, 2014, were as follows:

Governmental Activities:	Accounts	Taxes	Due from		Total
			Governments	Other	
General	\$ 9,334,807	\$ 2,976,128	\$ 2,643,769	\$ -	\$ 14,954,704
Other funds	255,925	59,157	414,523	687,425	1,417,030
Totals	9,590,732	3,035,285	3,058,292	687,425	16,371,734
Allowance for doubtful accounts	(2,349,026)	(928,153)	-	-	(3,277,179)
Receivables, net	\$ 7,241,706	\$ 2,107,132	\$ 3,058,292	\$ 687,425	\$ 13,094,555

Business-type Activities:	Accounts	Taxes	Due from		Total
			Governments	Other	
Airport	\$ 32,570	\$ -	\$ 13,102	\$ -	\$ 45,672
Water Debt Service 2012 LOB Fund	-	-	-	-	-
Water Fund - District B	59,699	-	-	-	59,699
Water Fund - District D	65,992	-	-	-	65,992
Water Fund - District E	88,286	-	21,241	-	109,527
Water Fund - District F	93,935	-	-	-	93,935
Water Fund - District G	61,436	-	49,561	-	110,997
Albertson Water Fund	38,770	-	-	-	38,770
County Water Fund	2,585	-	-	-	2,585
Solid Waste Fund	776,398	-	30,661	-	807,059
Transportation	64,482	-	27,928	-	92,410
Totals	1,284,153	-	142,493	-	1,426,646
Allowance for doubtful accounts	-	-	-	-	-
Receivables, net	\$ 1,284,153	\$ -	\$ 142,493	\$ -	\$ 1,426,646

The Tourism Development Authority's receivables are accounts receivable. Management expects all accounts receivable to be collected; therefore, no allowance for doubtful accounts has been recorded.

NOTE 7 – RECEIVABLES (continued)

Due from other governments at June 30, 2014 consists of the following:

Description	Governmental Activities	Business-type Activities
Sales tax refunds	\$ 264,353	\$ -
Local option sales taxes	2,076,361	-
Medicaid hold harmless distribution	284,029	-
Video programming distribution	6,003	-
White goods disposal taxes	-	4,519
Scrap tire disposal taxes	-	18,402
Solid waste disposal taxes	-	7,740
Grants	427,546	111,832
Totals	\$ 3,058,292	\$ 142,493

NOTE 8 – CAPITAL ASSETS

Governmental capital asset activity for the year ended June 30, 2014, was as follows:

Governmental Activities	Beginning Balances	Increases	Decreases	Ending Balances
Capital assets not being depreciated:				
Land	\$ 2,443,908	\$ 16,234	\$ -	\$ 2,460,142
Capital assets being depreciated:				
Buildings	25,571,528	185,852	-	25,757,380
Equipment	6,733,886	95,692	(74,587)	6,754,991
Vehicles	4,591,803	596,973	(636,424)	4,552,352
Total capital assets being depreciated	36,897,217	878,517	(711,011)	37,064,723
Less accumulated depreciation for:				
Buildings	8,125,014	694,123	-	8,819,137
Equipment	4,976,450	125,474	(74,587)	5,027,337
Vehicles	3,297,135	571,407	(636,424)	3,232,118
Total accumulated depreciation	16,398,599	1,391,004	(711,011)	17,078,592
Total capital assets being depreciated, net	20,498,618			19,986,131
Governmental activities capital assets, net	\$ 22,942,526			\$ 22,446,273

NOTE 8 – CAPITAL ASSETS (continued)**Primary Government Depreciation Expense**

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

General government	\$ 92,780
Public safety	794,403
Economic and physical development	115,314
Human services	127,833
Cultural and recreational	254,693
Environmental protection	5,981
Total depreciation expense	\$ 1,391,004

Business-type capital asset activity for the year ended June 30, 2013, was as follows:

Water Activities	Beginning Balances	Increases	Decreases	Ending Balances
Capital assets not being depreciated:				
Land	\$ 387,398	\$ 1,400	\$ -	\$ 388,798
Construction in progress	2,080,507	3,811,220	(966,920)	4,924,807
Total capital assets not being depreciated	2,467,905	3,812,620	(966,920)	5,313,605
Capital assets being depreciated:				
Plants and distribution systems	52,865,086	966,920	-	53,832,006
Equipment	356,790	-	(224,141)	132,649
Vehicles	144,859	22,540	(15,529)	151,870
Total capital assets being depreciated	53,366,735	989,460	(239,670)	54,116,525
Less accumulated depreciation for:				
Plants and distribution systems	14,113,747	254,725	-	14,368,472
Equipment	356,790	(12,985)	(224,141)	119,664
Vehicles	118,409	12,593	(15,529)	115,473
Total accumulated depreciation	14,588,946	254,333	(239,670)	14,603,609
Total capital assets being depreciated, net	38,777,789			39,512,916
Water activities capital assets, net	\$ 41,245,694			\$ 44,826,521

NOTE 8 – CAPITAL ASSETS (continued)

Transportation Activities	Beginning Balances	Increases	Decreases	Ending Balances
Capital assets being depreciated:				
Equipment	\$ 96,724	\$ 5,774	\$ -	\$ 102,498
Vehicles	652,587	185,740	(219,932)	618,395
Total capital assets being depreciated	749,311	191,514	(219,932)	720,893
Less accumulated depreciation for:				
Equipment	60,059	10,202	-	70,261
Vehicles	459,973	107,530	(219,932)	347,571
Total accumulated depreciation	520,032	117,732	(219,932)	417,832
Transportation activities capital assets, net	\$ 229,279			\$ 303,061

Airport Activities	Beginning Balances	Increases	Decreases	Ending Balances
Capital assets not being depreciated:				
Land	\$ 556,451	\$ -	\$ -	\$ 556,451
Construction in progress	1,555,883	140,085	(1,693,086)	2,882
Total capital assets not being depreciated	2,112,334	140,085	(1,693,086)	559,333
Capital assets being depreciated:				
Terminal and runways	12,987,233	1,714,347	(21,261)	14,680,319
Equipment	401,367	65,400	(5,320)	461,447
Vehicles	29,787	-	-	29,787
Total capital assets being depreciated	13,418,387	1,779,747	(26,581)	15,171,553
Less accumulated depreciation for:				
Terminal and runways	5,361,817	1,164,181	(21,261)	6,504,737
Equipment	384,214	9,201	(5,320)	388,095
Vehicles	26,851	2,936	-	29,787
Total accumulated depreciation	5,772,882	1,176,318	(26,581)	6,922,619
Total capital assets being depreciated, net	7,645,505			8,248,934
Airport activities capital assets, net	\$ 9,757,839			\$ 8,808,267

NOTE 8 – CAPITAL ASSETS (continued)

Solid Waste Activities	Beginning Balances	Increases	Decreases	Ending Balances
Capital assets not being depreciated:				
Land	\$ 216,348	\$ -	\$ -	\$ 216,348
Capital assets being depreciated:				
Buildings	3,515,323	-	-	3,515,323
Equipment	1,305,174	-	(183,990)	1,121,184
Vehicles	1,245,536	12,000	(22,270)	1,235,266
Total capital assets being depreciated	6,066,033	12,000	(206,260)	5,871,773
Less accumulated depreciation for:				
Buildings	1,304,014	(167,716)	-	1,136,298
Equipment	875,619	105,430	(183,990)	797,059
Vehicles	988,836	92,238	(22,270)	1,058,804
Total accumulated depreciation	3,168,469	29,952	(206,260)	2,992,161
Total capital assets being depreciated, net	2,897,564			2,879,612
Solid Waste activities capital assets, net	\$ 3,113,912			\$ 3,095,960

NOTE 9 – CONSTRUCTION COMMITMENTS

The County has active construction projects at June 30, 2014. These projects include water system improvements and other capital improvements.

At year-end, the County's commitments with contractors are as follows:

Project	Contract Amount	Remaining Commitment
I-40 Sewer Project - Water District E (30%) Water District G (70%):		
T.A. Loving Company	1,362,412	75,467
Water District E:		
Herring-Rivenbark	648,654	96,107
Water District F:		
Caldwell Tanks	1,936,078	473,323
Water District G:		
Herring-Rivenbark	724,806	68,531
Airport Terminal Building:		
United Builders Group	1,488,557	81,052

NOTE 10 - PAYABLES

Payables at the government-wide level at June 30, 2014, were as follows:

Governmental Activities	Vendors	Salaries and Employee Benefits	Accrued Interest	Total
General	\$ 591,097	\$ 4,424	\$ 336,180	\$ 931,701
Other governmental funds	551,304	-	-	551,304
Total governmental activities	\$ 1,142,401	\$ 4,424	\$ 336,180	\$ 1,483,005

Business-type Activities	Vendors	Salaries and Employee Benefits	Accrued Interest	Total
Airport	4,867	-	-	4,867
Water Debt Service 2012 LOB Fund	-	-	-	-
Water Fund - District B	628	-	5,307	5,935
Water Fund - District D	3,459	-	11,373	14,832
Water Fund - District E	21,307	-	11,571	32,878
Water Fund - District F	45	-	13,660	13,705
Water Fund - District G	46,980	-	9,785	56,765
Albertson Water Fund	890	-	792	1,682
County Water Fund	1,205	-	-	1,205
Solid Waste Fund	71,161	-	-	71,161
Transportation	-	-	-	-
Total business-type activities	150,542	-	52,488	203,030

NOTE 11 – PENSION PLAN OBLIGATIONS***Local Governmental Employee's Retirement System***

Plan Description: Duplin County contributes to the statewide Local Governmental Employees' Retirement System (LGERS), a cost-sharing multi-employer defined benefit pension plan administered by the State of North Carolina. LGERS provides retirement and disability benefits to plan members and beneficiaries. Article 3 of G.S. Chapter 128 assigns the authority to establish and amend benefit provisions to the North Carolina General Assembly. The Local Government 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 27669-1410, or by calling (919) 981-5454.

Funding Policy: Plan members are required to contribute six percent of their annual covered salary. The County is required to contribute at an actuarially determined rate. For the County, the current rate for employees not engaged in law enforcement and for law enforcement officers is 7.07 percent and 7.28 percent, respectively, of annual covered payroll. The contribution requirements of members and of Duplin County are established and may be amended by the North Carolina General Assembly. The County's contributions to LGERS for the years ended June 30, 2014, 2013 and 2012 were \$1,339,281, \$1,209,740, and \$1,117,273, respectively. The contributions made by the County equaled the required contributions for each year.

NOTE 11 – PENSION PLAN OBLIGATIONS (continued)***Law Enforcement Officers' Special Separation Allowance***

Plan Description: Duplin County administers a public employee retirement system (the "Separation Allowance"), a single-employer defined benefit pension plan that provides retirement benefits to the County's qualified sworn law enforcement officers. The Separation Allowance is equal to 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, 2013, the Separation Allowance's membership consisted of:

Retirees receiving benefits	6
Active plan members	76
Total	82

A separate report was not issued for the plan.

Summary of Significant Accounting Policies:

Basis of Accounting. The County has chosen to fund the Separation Allowance on a pay as you go basis. Pension expenditures are made from the General Fund, which is maintained on the modified accrual basis of accounting.

Method Used to Value Investments. No funds are set aside to pay benefits and administration costs. These expenditures are paid as they come due.

Contributions

The County is required by Article 12D of G.S. Chapter 143 to provide these retirement benefits and has chosen to fund the benefit payments on a pay as you go basis through appropriations made in the General Fund operating budget. The County's obligation to contribute to this plan is established and may be amended by the North Carolina General Assembly. There were no contributions made by employees.

The annual required contribution for the current year was determined as part of the December 31, 2013 actuarial valuation using the projected unit credit actuarial cost method. The actuarial assumptions included (a) 5.00% investment rate of return (net of administrative expenses) and (b) projected salary increase ranging from 4.25% to 7.85% per year. Both (a) and (b) included an inflation component of 3.00%. The assumptions did not include post-retirement benefit increases.

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

Employer annual required contribution	\$ 106,395
Interest on net pension obligation	20,981
Adjustment to annual required contribution	(34,187)
Annual pension cost	93,189
Employer contributions made	(54,739)
Increase in net pension obligation	38,450
Net pension obligation, beginning of year	419,617
Net pension obligation, end of year	\$ 458,067

NOTE 11 – PENSION PLAN OBLIGATIONS (continued)**3 Year Trend Information**

Fiscal Year Ended	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
June 30, 2014	\$ 93,189	58.74%	\$ 458,067
June 30, 2013	107,136	52.68%	419,617
June 30, 2012	96,673	66.25%	368,924

Funded Status and Funding Progress

As of December 31, 2013, the most recent valuation date, the plan was not funded. The actuarial accrued liability for benefits was \$951,792, and the actuarial value of assets was zero, resulting in an unfunded actuarial accrued liability (UAAL) of \$951,792.

The covered payroll (annual payroll of active employees covered by the plan) was \$2,901,682, and the ratio of the UAAL to the covered payroll was 32.80%.

The schedule of funding progress, presented as required supplementary information following the notes to the financial statements, presents multi-year trend information about whether the actuarial value of plan assets are increasing or decreasing over time relative to the actuarial accrued liability for benefits.

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, 2014 were \$287,437, which includes \$150,494 from the County and \$51,677 from the law enforcement officers. In addition, \$85,266 was contributed to the plan by employees who were not law enforcement officers and were ineligible for the County's five percent contribution.

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 unforeseeable emergency.

NOTE 11 – PENSION PLAN OBLIGATIONS (continued)

Registers of Deeds' Supplemental Pension Fund

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

Funding Policy. On a monthly basis, the County remits to the Department of State Treasurer an amount equal to one and one-half percent (1.5%) of the monthly receipts collected pursuant to Article 1 of G.S. 161. Immediately following January 1 of each year, the Department of State Treasurer divides ninety-three percent (93%) of the amount in the Fund at the end of the preceding calendar year into equal shares to be disbursed as monthly benefits. The remaining seven percent (7%) of the Fund's assets may be used by the State Treasurer in administering the Fund. For the year ended June 30, 2014, the County's required and actual contributions were \$3,386.

NOTE 12 – OTHER POST-EMPLOYMENT BENEFIT

Healthcare Benefits

Plan Description. Under County policy, Duplin County provides post-employment healthcare benefits through a single-employer defined benefit Healthcare Benefits Plan (HCB Plan) to retirees of the County who participate in the North Carolina Local Governmental Employees' Retirement System (System) and participated in the health insurance plan for twelve months and have at least twenty-five years (or ten years if hired before August 18, 2008) of non-continuous full-time employment with Duplin County immediately preceding retirement, twelve months of which may be represented by accumulated sick leave as calculated by the System. Also, the County retirees can purchase coverage for their dependents at the County's group rates. The Board of Commissioners may amend the benefit provisions. A separate report was not issued for the plan.

Membership of the HCB Plan consisted of the following at December 31, 2011, the date of the latest actuarial valuation:

Retirees and dependents receiving benefits	67
Active plan members - general	431
Active plan members - law enforcement officers	67
<u>Total</u>	<u>565</u>

Funding Policy. The Board of Commissioners established and may amend the contribution requirements of plan members. The County members pay an average of \$558 per month for coverage. The County has chosen to fund the healthcare benefits on a pay as you go basis.

The current annual required contribution (ARC) rate is 8.94% of annual covered payroll. For the current year, the County contributed \$333,425 or 1.91% of annual covered payroll. The County is self-insured for healthcare coverage with stop loss claims over \$75,000 through private insurers. The County's obligation to contribute to HCB Plan is established and may be amended by the Board of Commissioners.

NOTE 12 – OTHER POST-EMPLOYMENT BENEFIT (continued)

Summary of Significant Accounting Policies. Post-employment expenditures are made from the General Fund, which is maintained on the modified accrual basis of accounting. No funds are set aside to pay benefits and administration costs. These expenditures are paid as they come due.

Annual OPEB Cost and Net OPEB Obligation. The County's annual OPEB cost (expense) is calculated based on the *annual required contribution of the employer (ARC)*, and amount actuarially determined in accordance with the parameters of GASB Statement 45. The ARC represents a level of funding that, if paid on an ongoing basis is projected to cover normal cost each year and amortize any unfunded actuarial liabilities (or funding excess) over a period not to exceed thirty years.

The following table shows the components of the County's annual OPEB cost for the current year, the amount actually contributed to the plan, and changes in the County's net OPEB obligation for the post-employment healthcare benefits:

Employer annual required contribution	\$ 1,562,895
Interest on net OPEB obligation	344,263
Adjustment to annual required contribution	(328,878)
Annual OPEB cost	1,578,280
Employer contributions made	(333,425)
Increase in net OPEB obligation	1,244,855
Net OPEB obligation, beginning of year	8,606,577
Net OPEB obligation, end of year	\$ 9,851,432

3 Year Trend Information

Fiscal Year Ended	Annual OPEB Cost	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation
June 30, 2014	\$ 1,578,280	21.10%	\$ 9,851,432
June 30, 2013	1,667,795	12.00%	8,606,577
June 30, 2012	1,660,579	20.80%	7,130,936

Funded Status and Funding Progress. As of December 31, 2011, the most recent actuarial valuation date, the plan was not funded. The actuarial accrued liability for benefits and, thus, the unfunded actuarial accrued liability (UAAL) was \$15,824,727. The covered payroll (annual payroll of active employees covered by the plan) was \$17,478,497 and the ratio of the UAAL to the covered payroll was 90.50%.

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

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

NOTE 12 – OTHER POST-EMPLOYMENT BENEFIT (continued)

In the December 31, 2011 actuarial valuation, the projected unit credit actuarial cost method was used. The actuarial assumptions include a 4.00% investment rate of return (net of administrative expenses), which is the expected long-term investment returns on the employer's own investments calculated based on the funded level of the plan at the valuation date, and an annual medical cost trend increase of 9.5% and 5.00% annually. Both rates included a 3.00% inflation assumption. The actuarial value of assets, of any, was determined using techniques that spread the effects of short-term volatility in the market value of investments over a 5 year period. The UAAL is being amortized as a level percentage of projected pay on an open basis. The remaining amortization period at December 31, 2011, was 30 years.

NOTE 13 – OTHER EMPLOYMENT BENEFIT

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 month's salary in a row during the 24 months prior to the employee's death, but the benefit will be a minimum of \$25,000 and will not exceed \$50,000. All death benefit payments are made from the Death Benefit Plan. The County has no liability beyond the payment of monthly contributions. The contributions to the Death Benefit Plan cannot be separated between the post-employment benefit amount and the other benefit amount. The County considers these contributions to be immaterial.

For the fiscal year ended June 30, 2014, the County was not required to make contributions to the Death Benefit Plan. Due to a surplus in the death benefit, a decision was made by the State to temporarily stop employer contributions to the LGERS Death Benefit Plan beginning July 1, 2012. A temporary relief period based on the number of years the employer has contributed as of December 31, 2010 was established as follows:

Number of Years Contributing	Years of Relief	Fiscal Year Contributions Resume
Less than 10 years	1	2014
10 – 20 years	2	2015
20 or more years	3	2016

The period of reprieve is determined separately for law enforcement officers. Duplin County will have a three year reprieve because it has been contributing for more than 20 years. Contributions will resume in the fiscal year beginning July 1, 2015.

NOTE 14 – DEFERRED OUTFLOWS AND INFLOWS OF RESOURCES

The balance in deferred outflows of resources includes the deferred loss on refunding of debt in the amount of \$246,622. This deferred charge is the result of the advance refunding of the water district's general obligation debt.

The balance in deferred inflows of resources at June 30, 2014 is comprised of the following:

Description	Unavailable Revenue	Unearned Revenue
Taxes receivable, net (General)	\$ 2,047,975	\$ -
Taxes receivable, net (Special Revenue)	59,157	-
Accounts receivable, net (General)	6,261,562	-
Accounts receivable, net (Special Revenue)	687,425	-
Prepaid taxes not yet earned (General)	-	122,782
Prepaid taxes not yet earned (Special Revenue)	-	1,944
Totals	\$ 9,056,119	\$ 124,726

NOTE 15 – RISK MANAGEMENT

The County is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; error and omissions; injuries to employees; and natural disasters. The County obtains property insurance coverage and general liability coverage for these risks through commercial carriers. The County also obtains health insurance for County employees through a self-insured plan. Based on past experience, management believes that the County's coverage's are sufficient.

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 \$100,000 each. The remaining employees that have access to funds are bonded under a blanket bond for \$250,000.

The County carries commercial insurance for all other risks of loss. There have been no significant reductions in insurance coverage from the previous year and settled claims from these risks have not exceeded the total commercial insurance coverage in any of the last three fiscal years. The County does not carry flood insurance as there doesn't appear to be any exposure to County-owned properties.

NOTE 16 – CONTINGENT LIABILITIES

At June 30, 2014, 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.

NOTE 17 – LONG-TERM OBLIGATIONS

Refunding Certificates of Participation

During fiscal year 2003, the County issued refunding certificates of participation indebtedness to retire certificates of participation issued in 1991 and 1993 to finance various major projects. The transactions require annual principal payments and semi-annual interest payments by the County at rates between 2.5% and 5.0% maturing in 2015.

For Duplin County, annual debt service requirements to maturity for these certificates of participation including interest of \$32,250 for governmental activities are as follows:

Fiscal Year Ending June 30,	Governmental Activities	
	Principal	Interest
2015	\$ 1,290,000	\$ 32,250
Unamortized premium on refunding certificates of participation	67,827	
Total carrying amount of debt	\$ 1,357,827	

General Obligation Indebtedness

All general obligation bonds serviced by the County's Water Districts are collateralized by the full faith, credit and taxing power of the County. Duplin County Water Districts issue general obligation bonds to provide funds for the acquisition and construction of major water system capital improvements. These bonds, which are recorded in each individual Water District's Fund, are collateralized by the full faith, credit, and taxing power of the Districts. Principal and interest payments are appropriated when due.

All of the 2012 Advance Refunding Bonds issued by the water districts (blended component units) were sold to Duplin County. Due to the blended presentation of the water districts these bonds have been reclassified as Due from water districts – GO Bonds and Due to County – GO Bonds in the Statement of Fund Net Position (Exhibit 6). Subsequently, these balances, along with the associated investment earnings and interest expense have been eliminated in the government-wide financial statements (Exhibits 1 and 2)

NOTE 17 – LONG-TERM OBLIGATIONS (continued)

The County's limited obligation bonds payable at June 30, 2014 are comprised of the following individual issues:

Limited obligation bonds serviced by the Water Districts:

Water District B - \$1,920,000 2012 Advance Refunding Bonds due in annual principal installments ranging from \$70,000 to \$100,000 plus semi-annual interest payments through June 1, 2034; interest at 3.68 percent.	\$ 1,775,000
Water District D - \$3,760,000 2012 Advance Refunding Bonds due in annual principal installments ranging from \$110,000 to \$185,000 plus semi-annual interest payments through June 1, 2037; interest at 3.98 percent.	3,540,000
Water District E - \$3,595,000 2012 Advance Refunding Bonds due in annual principal installments ranging from \$95,000 to \$190,000 plus semi-annual interest payments through June 1, 2037; interest at 4.02 percent.	3,395,000
Water District F - \$4,275,000 2012 Advance Refunding Bonds due in annual principal installments ranging from \$120,000 to \$205,000 plus semi-annual interest payments through June 1, 2037; interest at 3.97 percent.	4,025,000
Water District G - \$2,840,000 2012 Advance Refunding Bonds due in annual principal installments ranging from \$80,000 to \$135,000 plus semi-annual interest payments through June 1, 2037; interest at 3.97 percent.	2,675,000
Total general obligation bonds	\$ 15,410,000

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

Fiscal Year Ending June 30,	Business-type Activities	
	Principal	Interest
2015	\$ 510,000	\$ 589,981
2016	520,000	574,681
2017	535,000	559,081
2018	570,000	537,681
2019	585,000	514,881
2020-2024	3,125,000	2,339,932
2025-2029	3,640,000	1,776,750
2030-2034	3,875,000	1,046,450
2035-2037	2,050,000	204,250
	15,410,000	\$ 8,143,687
Unamortized premiums on general obligation bonds	433,587	
Total carrying amount of debt	\$ 15,843,587	

As June 30, 2014, Duplin County had a legal debt margin of \$315,689,075.

NOTE 17 – LONG-TERM OBLIGATIONS (continued)

Notes Payable

As authorized by state law [G.S. 160A-20 and 153A-158.1], the County has financed various property acquisitions and improvements through notes payable with the United States Department of Agriculture and the North Carolina Department of Environment and Natural Resources. The County's notes payable at June 30, 2014 are comprised of the following individual notes:

Serviced by the County's General Fund:

\$11,000,000 2005 United States Department of Agriculture Loan to finance the construction of the Duplin County Events Center; due in annual installments of \$578,270 including interest through 2045; interest at 4.125 percent.	\$ 10,171,014
------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------	---------------

Serviced by the Water Districts:

Water District F - \$150,000 1997 North Carolina Clean Water Revolving Loan to finance water system improvements; due in annual installments of \$7,500 plus interest through 2018; interest at 2.88 percent.	\$ 30,000
Water District F - \$490,199 1998 North Carolina Clean Water Revolving Loan to finance water system improvements; due in annual installments of \$24,510 plus interest through 2020; interest at 2.60 percent.	147,060
Albertson Water Fund - \$368,110 2001 North Carolina Clean Water Revolving Loan to finance water system improvements; due in annual installments of \$18,406 plus interest through 2023; interest at 2.87 percent.	165,650
Water District D - \$463,507 2010 ARRA Revolving Loan to finance water system improvements; due in annual installments of \$23,175 through 2030; no stated interest rate.	370,717
Water Districts E and G - \$646,000 2014 United States Department of Agriculture Loan to finance the construction of a sewer system near Interstate 40; due in annual installments of \$29,852 including interest beginning in 2017 and ending in 2054; interest at 3.25 percent. Payments due in 2015 and 2016 are interest only.	646,000
<u>Total business-type activities notes payable</u>	<u>\$ 1,359,427</u>

NOTE 17 – LONG-TERM OBLIGATIONS (continued)

For Duplin County, the following summarizes the annual requirements for notes payable, including interest of \$8,326,753 for governmental activities and \$569,394 for business-type activities:

Fiscal Year Ending June 30,	Governmental Activities		Business-type Activities	
	Principal	Interest	Principal	Interest
2015	\$ 158,697	\$ 419,573	\$ 73,591	\$ 30,437
2016	165,244	413,026	73,590	29,055
2017	172,060	406,210	82,447	27,674
2018	179,157	399,113	82,735	26,004
2019	186,547	391,723	75,533	24,326
2020-2024	1,054,711	1,836,639	266,025	103,162
2025-2029	1,290,947	1,600,403	176,913	88,222
2030-2034	1,576,098	1,311,252	94,717	77,637
2035-2039	1,934,011	957,339	84,043	65,217
2040-2044	2,367,195	524,155	98,617	50,643
2045-2049	1,086,347	67,320	115,718	33,542
2050-2054	-	-	135,498	13,475
Totals	\$ 10,171,014	\$ 8,326,753	\$ 1,359,427	\$ 569,394

Advance Refunding

On July 12, 2012, the County issued \$16,861,772 in general obligation advance refunding bonds to provide resources to purchase U.S. Government securities that were placed in an irrevocable trust for the purpose of general resources for all future debt service payments of \$16,593,300 of general obligation bonds in all of the County's water districts. As a result, the refunded bonds are considered to be defeased and the liability will be removed from the business-type activities column of the statement of net position beginning with the fiscal year that began on July 1, 2012. The reacquisition price exceeded the net carrying amount of the old debt by \$268,471. This amount is being netted against the new debt and amortized over the life of the refunded debt which is shorter than the life of the new debt issued. This advance refunding was undertaken to reduce total debt service payments over the next 25 years by \$3,137,797 and resulted in an economic gain of \$1,853,412.

NOTE 17 – LONG-TERM OBLIGATIONS (continued)***Long-Term Obligation Activity***

The following is a summary of changes in the County's long-term obligations for the year ended June 30, 2014:

Governmental Activities	Beginning Balances	Increases	Decreases	Ending Balances	Current Portion of Balance
Certificates of participation	\$ 2,655,657	\$ -	\$ (1,297,830)	\$ 1,357,827	\$ 1,357,827
Notes payable	10,323,424	-	(152,410)	10,171,014	158,697
Other post-employment benefit	8,160,728	840,799	-	9,001,527	-
Compensated absences	1,091,008	64,776	-	1,155,784	-
LEO Special Separation Allowance	419,617	38,450	-	458,067	-
Total governmental activities	\$ 22,650,434	\$ 944,025	\$ (1,450,240)	\$ 22,144,219	\$ 1,516,524

Water Activities	Beginning Balances	Increases	Decreases	Ending Balances	Current Portion of Balance
Limited obligation bonds	16,367,679	-	(524,092)	15,843,587	529,093
Notes payable	1,433,012	646,000	(719,585)	1,359,427	73,590
Other post-employment benefit	132,595	86,728	-	219,323	-
Compensated absences	34,784	3,666	-	38,450	-
Total water activities	\$ 17,968,070	\$ 736,394	\$ (1,243,677)	\$ 17,460,787	\$ 602,683

Airport Activities	Beginning Balances	Increases	Decreases	Ending Balances	Current Portion of Balance
Notes payable	\$ 278,565	\$ -	\$ (278,565)	\$ -	\$ -
Other post-employment benefit	28,573	38,824	-	67,397	-
Compensated absences	8,488	1,367	-	9,855	-
Total airport activities	\$ 315,626	\$ 40,191	\$ (278,565)	\$ 77,252	\$ -

Solid Waste Activities	Beginning Balances	Increases	Decreases	Ending Balances	Current Portion of Balance
Other post-employment benefit	\$ 199,626	\$ 201,232	\$ -	\$ 400,858	\$ -
Compensated absences	55,956	3,889	-	59,845	-
Total solid waste activities	\$ 255,582	\$ 205,121	\$ -	\$ 460,703	\$ -

NOTE 17 – LONG-TERM OBLIGATIONS (continued)

Transportation Activities	Beginning Balances	Increases	Decreases	Ending Balances	Current Portion of Balance
Other post-employment benefit	\$ 85,055	\$ 77,272	\$ -	\$ 162,327	\$ -
Compensated absences	26,972	152	-	27,124	-
Total transportation activities	\$ 112,027	\$ 77,424	\$ -	\$ 189,451	\$ -
Total business-type activities	\$ 18,651,305	\$ 1,059,130	\$ (1,522,242)	\$ 18,188,193	\$ 602,683

NOTE 18 – CONDUIT DEBT OBLIGATIONS

Duplin County Industrial Facility and Pollution Control Financing Authority have issued industrial revenue bonds to provide financial assistance to private businesses for economic development purposes. These bonds are secured by the properties financed as well as letters of credit and are payable solely from payments received from the private businesses served by the bond issuance. The County, the Authority, the State, nor any political subdivision thereof is obligated in any manner for the repayment of the bonds. Accordingly, the bonds are not reported as liabilities in the accompanying financial statements. As of June 30, 2014, there were no industrial revenue bonds outstanding.

NOTE 19 – INTERFUND BALANCES AND ACTIVITY

Transfers to/from other funds during the year ended June 30, 2014, consist of the following:

Transfer Out	Transfer In	Amount
General Fund	Capital Reserve Fund	\$ 20,688
General Fund	Capital Project Fund - School Fund	766,848
General Fund	Automation Enhancement and Preservation Fund	21,670
General Fund	Debt Service Fund	675,505
General Fund	Hospital Insurance Fund	400,000
General Fund	Airport Commission Fund	219,978
Debt Service Fund	Airport Commission Fund	51,600
School Planning Allocation Fund	Debt Service Fund	3,684
Capital Project Fund - School Fund	Debt Service Fund	1,227,511
Capital Reserve Fund	Capital Project Fund	111,932
Albertson Water District NC Rural 2008 Project Fund	Albertson Water Fund	10,942
Airport Commission Fund	Airport Commission Project Fund	59,200
		\$ 3,569,558

The transfer from the General Fund to the Capital Reserve Fund was made to set aside funds that were committed by the Board of County Commissioners.

NOTE 19 – INTERFUND BALANCES AND ACTIVITY (continued)

The transfers from the General Fund to the Capital Project Fund – School Fund, the Automation Enhancement and Preservation Fund, and the Hospital Insurance Fund were made in accordance with the annual budget ordinance to provide financial resources sufficient to support the objectives of these special revenue, capital project, and internal service funds.

The transfers to the Debt Service Fund from the General Fund, the School Planning Allocation Fund, and the Capital Project Fund – School Fund were made to provide sufficient financial resources to make the annual debt payments related to the County's certificates of participation and the USDA Events Center note payable.

The transfer from the General Fund to the Airport Commission Fund was made in accordance with the annual budget ordinance to provide operating resources to the Airport.

The transfer from the Capital Reserve Fund to the Capital Project Fund was made to release funds previously committed by the Board of County Commissioners.

The transfer from the Albertson Water District NC Rural 2008 Project Fund to the Albertson Water Fund was made to transfer previously transferred funds back to the water district and close the capital project fund.

The transfer from the Airport Commission Fund to the Airport Commission Project Fund was made to finance ongoing projects.

Amounts due to/from other funds at June 30, 2014 consist of the following:

Due To	Due From	Balance
General Fund	Water Fund - District D	\$ 120,000
General Fund	Emergency Telephone System Fund	758
General Fund	Agency Fund	6,591
General Fund	Register of Deeds Trust Fund	4
General Fund	Hospital Insurance Fund	990
Albertson Water Fund	Albertson Water District NC Rural 2008 Project Fund	6,634
Water Fund - District B	Albertson Water Fund	97
Water Fund - District B	Water Fund - District E	616
Water Fund - District D	Water Fund - District E	415
Water Fund - District D	Water Fund - District F	1,536
Water Fund - District G	Water Fund - District F	1,917
County Water Fund	Albertson Water Fund	8,873
County Water Fund	Water Fund - District B	15,023
County Water Fund	Water Fund - District D	232,000
County Water Fund	Water Fund - District D	13,969
County Water Fund	Water Fund - District E	16,429
County Water Fund	Water Fund - District F	19,910
County Water Fund	Water Fund - District G	13,793
Water Debt Service 2012 LOB Fund	Water Fund - District B	1,775,000
Water Debt Service 2012 LOB Fund	Water Fund - District B	3,540,000
Water Debt Service 2012 LOB Fund	Water Fund - District E	3,395,000
Water Debt Service 2012 LOB Fund	Water Fund - District F	4,025,000
Water Debt Service 2012 LOB Fund	Water Fund - District G	2,675,000
		\$ 15,869,555

NOTE 19 – INTERFUND BALANCES AND ACTIVITY (continued)

The balances due between the governmental funds are the result of the timing of cash payments made between the funds. The County pools monies from several funds to better facilitate cash receipts and disbursements. These balances are the residual amounts owed at June 30, 2014.

The balances due between the County's various water funds are the result of the County Water Fund providing extensive administrative services for the water districts. The County Water Fund employs all of the water employees, provides maintenance and repair services, and billing services to all of the water districts. These balances are the residual amounts owed at June 30, 2014.

The balance due between the General Fund and Water Fund – District D in the amount of \$120,000 is a loan that was approved by the Board of County Commissioners on May 5, 2003. This loan was made to Water District D in two advances, the first was on May 23, 2003 in the amount of \$80,000, and the second was on June 23, 2004 in the amount of \$40,000. As of June 30, 2014 Water District D has not made any principal or interest payments related to these advances.

The balance due between the County Water Fund and Water Fund – District D in the amount of \$232,000 is made up of loans that were approved by the Board of County Commissioners on May 15, 2000, June 25, 2002, and June 6, 2005. The following loan advances were made to Water District D:

June 29, 2001	\$	52,000
June 25, 2002		130,000
June 6, 2005		30,000
June 5, 2009		20,000
Total	\$	232,000

Over the life of these loans Water District D has made interest payments to the County Water Fund totaling \$30,001. The last interest payment made by Water District D was on June 7, 2011.

The balances due between the Water Debt Service 2012 Limited Obligation Bond Fund and the Water Districts are the result of an advance refunding transaction in 2012 where the County bought all of the advance refunding bonds issued by the Water Districts. See Note 17 for a complete description of this transaction.

NOTE 20 – NET INVESTMENT IN CAPITAL ASSETS

	Governmental Activities	Business-type Activities
Capital assets	\$ 22,446,273	\$ 57,033,810
Less long-term debt:		
Certificates of participation	(1,357,827)	-
Notes payable	(10,171,014)	(1,359,427)
Limited obligation bonds	-	(15,843,587)
Net investment in capital assets	\$ 10,917,432	\$ 39,830,796

NOTE 21 – FUND BALANCE

Duplin County has a revenue spending policy that provides guidance for programs with multiple revenue sources. The Finance Officer 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 Officer 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	\$ 15,405,538
Less:	
Inventories	292,590
Stabilization by state statute	4,002,234
Appropriated fund balance in 2014 budget	2,404,214
Federally seized assets	193,895
Grants/projects	130,727
Health	467,492
Sheriff	94,478
Daycare	3,470
Economic development	604,366
Capital improvements	958,041
Remaining fund balance	\$ 6,254,031

The outstanding encumbrances are amounts needed to pay any commitments related to purchase orders and contracts that remain unperformed at year-end.

<u>June 30,</u>	<u>2014</u>
Encumbrances:	
General Fund	\$ 505,304

NOTE 22 – RELATED ORGANIZATION

The County's governing board is responsible for appointing the members of the board of the Industrial Revenue Bond Authority, but the County's accountability for this organization does not extend beyond making these appointments. The Authority exists to issue and service revenue bond debt for private business for economic development purposes. Its primary revenues are the payments to service the issued debt that are received from the businesses involved. The County is not responsible for the debt issued by the Authority and the Authority's debt is not included in determining the County's legal debt limit.

NOTE 23 – JOINT VENTURES

The County in conjunction with several other counties participates in a joint venture to operate Eastpointe Human Services, a managed care organization. Each participating government appoints board members to Eastpointe's board. The County has an ongoing financial responsibility for the joint venture because Eastpointe's continued existence depends on the participating governments' continued funding. The County contributed \$224,474 to the joint venture during the year ended June 30, 2014. None of the participating governments have any equity interest in the joint venture, so no equity interest has been reflected in the County's financial statements at June 30, 2014. Complete financial statements for Eastpointe Human Services can be obtained from their office in Beulaville, North Carolina.

NOTE 23 – JOINT VENTURES (continued)

The County in conjunction with the State of North Carolina and the Duplin County Board of Education participates in a joint venture to operate James Sprunt Community College. Each of the three participants appoints four members of the thirteen member board of trustees of the community college. The president of the community college's student government serves as an ex officio non-voting member of the community college's board of trustees. The community college is included as a component unit of the State. The County has the basic responsibility for providing funding for the facilities of the community college and also provides some financial support for the community college's operations. The County has an ongoing financial responsibility for the community college because of the statutory responsibilities to provide funding for the community college's facilities. The County contributed \$1,543,970 and \$255,150 to the community college for operating and capital purposes, respectively, during the fiscal year ended June 30, 2014. The participating governments do not have any equity interest in the joint venture; therefore, no equity interest has been reflected in the County's financial statements at June 30, 2014. Complete financial statements for the community college may be obtained from the community college's administrative offices at Highway 11 South, Kenansville, North Carolina.

NOTE 24 – BENEFIT PAYMENTS ISSUED BY THE STATE

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

Program	Federal	State
Medicaid	\$ 48,139,668	\$ 26,751,415
State Children's Insurance Program	1,263,390	398,595
Food stamps	15,183,078	-
Women, infants, and children	1,555,200	-
IV-E Family Foster Max	53	-
IV-E Admin County Paid to CCI	23,487	11,744
IV-E Foster Care	39,295	10,241
TANF Payments and Penalties	379,240	-
CWS Adopt Subsidy and Vendor	-	67,807
SC/SA Domicillary Care Payment	-	540,120
SFHF Maximization	-	17,179
State Foster Home	-	28,064
Totals	\$ 66,583,411	\$ 27,825,165

NOTE 25 – 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.

NOTE 26 – EXTRAORDINARY ITEM***Dissolution of North Carolina's Eastern Region***

Chapter 158, Article 4 of the North Carolina General Statutes created "North Carolina's Eastern Region" (the "Region") to promote the development of the North Carolina Global TransPark and to promote and encourage economic development within the region of the state that includes Carteret, Craven, Duplin, Edgecombe, Greene, Jones, Lenoir, Nash, Onslow, Pamlico, Pitt, Wayne, and Wilson counties. Effective June 30, 2014, Chapter 158, Article 4 of the North Carolina General Statutes was repealed, and as such the Region was dissolved. During its existence, the Region collected a vehicle registration tax on all vehicles registered in the counties that made up the Region. Upon dissolution the balance of this tax collected from Duplin County vehicle registrations was returned to the County. This amount totaled \$834,634. Of this total, \$598,597 was remitted to the County and the remaining \$236,037 came in the form of debt forgiveness in the Airport Commission Fund.

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Required Supplementary Information

This section contains additional information 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 appropriate operational, economic, or historical context.

Law Enforcement Officers' Special Separation Allowance:

- Schedule of Funding Progress
- Schedule of Employer Contributions
- Notes to Required Schedules

Postemployment Health Benefit Obligation:

- Schedule of Funding Progress
- Schedule of Employer Contributions
- Notes to Required Schedules

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Duplin County, North Carolina
 Law Enforcement Officers' Special Separation Allowance
 Required Supplementary Information
 Exhibit A-1

Schedule of Funding Progress

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Liability (AAL) (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percent of Covered Payroll (b-a/c)
December 31, 2013	\$ -	\$ 951,792	\$ 951,792	0.00%	\$ 2,901,682	32.80%
December 31, 2012	-	853,112	853,112	0.00%	2,482,976	34.36%
December 31, 2011	-	901,590	901,590	0.00%	2,694,757	33.46%
December 31, 2010	-	844,755	844,755	0.00%	2,498,560	33.81%
December 31, 2009	-	857,488	857,488	0.00%	2,468,019	34.74%
December 31, 2008	-	671,035	671,035	0.00%	2,457,408	27.31%
December 31, 2007	-	645,188	645,188	0.00%	2,270,503	28.42%
December 31, 2006	-	647,268	647,268	0.00%	2,166,292	29.88%
December 31, 2005	-	571,196	571,196	0.00%	1,960,407	29.14%
December 31, 2004	-	509,105	509,105	0.00%	1,894,047	26.88%
December 31, 2003	-	389,820	389,820	0.00%	1,629,259	23.93%
December 31, 2002	-	374,811	374,811	0.00%	1,600,004	23.43%
December 31, 2001	-	341,711	341,711	0.00%	1,475,552	23.16%
December 31, 2000	-	298,806	298,806	0.00%	1,210,673	24.68%

Schedule of Employer Contributions

Fiscal Year Ended	Annual Required Contribution *	Percentage Contributed *
June 30, 2014	\$ 106,395	51.45%
June 30, 2013	111,649	50.55%
June 30, 2012	99,920	64.10%
June 30, 2011	100,107	64.53%
June 30, 2010	77,710	81.19%
June 30, 2009	70,481	89.51%
June 30, 2008	69,933	95.47%
June 30, 2007	61,798	91.86%
June 30, 2006	63,482	58.88%
June 30, 2005	49,960	29.05%
June 30, 2004	46,944	32.19%
June 30, 2003	42,090	31.99%
June 30, 2002	35,151	35.73%

* Presented for all years for which data is available.

Duplin County, North Carolina
Law Enforcement Officers' Special Separation Allowance
Required Supplementary Information
Exhibit A-1

Notes to the Required Schedules

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

Valuation date	December 31, 2013
Actuarial cost method	Projected unit credit
Amortization method	Level dollar closed
Remaining amortization period	17 years
Asset valuation method	Market value
Actuarial assumptions:	
Investment rate of return *	5.00%
Projected salary increases *	4.25% - 7.85%
* Includes inflation at	3.00%
Cost of living adjustments	N/A

Duplin County, North Carolina
Other Post-employment Benefit
Required Supplementary Information
Exhibit A-2

Schedule of Funding Progress

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Liability (AAL) (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percent of Covered Payroll (b-a/c)
December 31, 2011	\$ -	\$ 15,824,727	\$ 15,824,727	0.00%	\$ 17,478,497	90.54%
December 31, 2009	-	15,354,246	15,354,246	0.00%	16,355,315	93.88%
December 31, 2007	-	17,818,843	17,818,843	0.00%	16,326,767	109.14%

Schedule of Employer Contributions

Fiscal Year Ended	Annual Required Contribution *	Percentage Contributed *
June 30, 2014	\$ 1,562,895	21.33%
June 30, 2013	1,628,644	11.80%
June 30, 2012	1,628,644	21.25%
June 30, 2011	2,069,253	8.27%
June 30, 2010	2,069,253	11.41%

* Presented for all years for which data is available.

Notes to the Required Schedules

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

Valuation date	December 31, 2011
Actuarial cost method	Projected unit credit
Amortization method	Level percent of pay open
Remaining amortization period	30 years
Asset valuation method	Market value
Actuarial assumptions:	
Investment rate of return *	4.00%
Annual medical cost trend increase *	9.50% - 5.00%
* Includes inflation at	3.00%
Cost of living adjustments	N/A

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Combining and Individual Fund Statements and Schedules

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General Fund

The General Fund accounts for resources traditionally associated with government that are not required legally or by sound financial management to be accounted for in other funds.

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Duplin County, North Carolina
 General Fund
 Combining Balance Sheet
 June 30, 2014
 Exhibit B-1

	General Fund	Capital Reserve Fund	Total
Assets			
Cash and cash equivalents	\$ 11,368,768	\$ 958,041	\$ 12,326,809
Receivables, net	11,677,525	-	11,677,525
Due from other funds	128,343	-	128,343
Due from component unit	600	-	600
Inventories	292,590	-	292,590
Total assets	\$ 23,467,826	\$ 958,041	\$ 24,425,867
Liabilities			
Accounts payable and accrued liabilities	\$ 588,010	\$ -	\$ 588,010
Due to other funds	-	-	-
Total liabilities	588,010	-	588,010
Deferred Inflows of Resources	8,432,319	-	8,432,319
Fund Balances			
Nonspendable - inventories	292,590	-	292,590
Restricted by state statute	4,002,234	-	4,002,234
Restricted for federally seized assets	193,895	-	193,895
Restricted for health	467,492	-	467,492
Restricted for grants/projects	130,727	-	130,727
Restricted for sheriff	94,478	-	94,478
Restricted for daycare	3,470	-	3,470
Restricted for economic development	604,366	-	604,366
Committed for capital improvements	-	958,041	958,041
Assigned for subsequent year's expenditures	2,404,214	-	2,404,214
Unassigned	6,254,031	-	6,254,031
Total fund balances	14,447,497	958,041	15,405,538
Total liabilities, deferred inflows of resources, and fund balances	\$ 23,467,826	\$ 958,041	\$ 24,425,867

Duplin County, North Carolina
 General Fund
 Combining Schedule of Revenues, Expenditures,
 and Changes in Fund Balances
 For the Year Ended June 30, 2014
 Exhibit B-2

	General Fund	Capital Reserve Fund	Total
Revenues			
Ad valorem taxes	\$ 29,603,813	\$ -	\$ 29,603,813
Local option sales taxes	6,334,468	-	6,334,468
Other taxes and licenses	93,773	-	93,773
Unrestricted intergovernmental	5,801,641	-	5,801,641
Restricted intergovernmental	4,825,497	-	4,825,497
Restricted grants	150,412	-	150,412
Permits and fees	484,499	-	484,499
Restricted revenue	76,967	-	76,967
Sales and services	7,200,636	-	7,200,636
Investment earnings	495	107	602
Contributions	65,472	-	65,472
Miscellaneous	148,280	-	148,280
Total revenues	54,785,953	107	54,786,060
Expenditures			
General government	5,623,892	-	5,623,892
Public safety	16,181,436	-	16,181,436
Economic and physical development	898,010	-	898,010
Human services	15,437,403	-	15,437,403
Cultural and recreational	1,032,756	-	1,032,756
Environmental protection	684,793	-	684,793
Education	10,994,566	-	10,994,566
Non-departmental	222,715	-	222,715
Total expenditures	51,075,571	-	51,075,571
Excess (deficiency) of revenues over expenditures	3,710,382	107	3,710,489
Other financing sources (uses)			
Transfers from other funds	-	20,688	20,688
Transfers to other funds	(2,104,690)	(111,932)	(2,216,622)
Proceeds from sale of capital assets	44,351	-	44,351
Total other financing sources (uses)	(2,060,339)	(91,244)	(2,151,583)
Extraordinary item	598,597	-	598,597
Net change in fund balance	2,248,640	(91,137)	2,157,503
Fund balances, beginning of year	12,155,162	1,049,178	13,204,340
Increase in inventory	43,695	-	43,695
Fund balances, end of year	\$ 14,447,497	\$ 958,041	\$ 15,405,538

Duplin County, North Carolina
General Fund

Schedule of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual
For the Year Ended June 30, 2014
Exhibit B-3

	Final Budget	Actual	Variance Positive (Negative)
Revenues			
Ad Valorem Taxes:			
Taxes		\$29,172,546	
Penalties and interest		431,267	
Total	\$29,154,840	29,603,813	\$ 448,973
Local Option Sales Taxes:			
Article 39 and 44		2,447,409	
Article 40 one-half of one percent		2,176,672	
Article 42 one-half of one percent		892,858	
Article 46 one-quarter of one percent		817,529	
Total	6,026,265	6,334,468	308,203
Other Taxes and Licenses:			
Deed stamp excise tax		75,366	
Privilege licenses		4,100	
Other taxes and licenses		14,307	
Total	96,500	93,773	(2,727)
Unrestricted Intergovernmental:			
Video programing distribution		23,983	
Registered motor vehicle fee refund		95,807	
Medicaid hold harmless distribution		440,146	
State grants		5,241,705	
Total	6,341,469	5,801,641	(539,828)
Restricted Intergovernmental:			
State grants		4,244,518	
Federal grants		314,992	
Court facility fees		119,857	
Grants-Other		44,036	
North Carolina's Eastern Region/Alliance		102,094	
Total	4,842,494	4,825,497	(16,997)
Restricted Grants:			
Vidant Duplin Foundation grant		20,000	
NC Foundation for Soil and Water Conservation grant		16,000	
Vidant - Diabetic Management grant		17,100	
Healthy Weight Clinic grant		9,600	
Interpreter grant		20,900	
State Employees' Credit Union Intern grant		1,250	
4-H EFNEP grant		3,400	
Duke Energy-Keen on Teen Vaccine grant		1,000	

Duplin County, North Carolina
General Fund

Schedule of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual
For the Year Ended June 30, 2014
Exhibit B-3

	Final Budget	Actual	Variance Positive (Negative)
CTG Project Robeson County		10,000	
Duke Energy-Low Income Energy grant		49,965	
Association of Rural/Small Libraries grant		697	
NC Community Foundation		500	
Total	135,712	150,412	14,700
Permits and Fees:			
Building permit fees		111,711	
Building inspection fees		146,950	
Fire inspection fees		26,200	
Marriage license fees		19,320	
Register of deeds fees		180,318	
Total	478,700	484,499	5,799
Restricted Revenue:			
Social services fraud collections		62,819	
ABC profit distribution (10%)		14,148	
Total	85,800	76,967	(8,833)
Sales and Services:			
Ambulance and rescue squad fees		2,242,122	
Health department fees		1,567,232	
Medicaid EMR incentives		63,750	
Nutrition fees		28,179	
Police protection/School resource officers		968,374	
Sheriff and jail fees		411,692	
Animal control fees		27,914	
Cabin Lake fees		53,964	
Library fees		12,071	
Event Center revenue		79,599	
Rental income		170,241	
Social services fees		34,375	
Aging department fees		27,716	
Other fees and services		1,513,407	
Total	7,211,864	7,200,636	(11,228)
Investment Earnings	1,200	495	(705)
Miscellaneous:			
Various contributions		42,821	
In-kind contributions		22,651	
ABC profit distribution (35%)		49,517	
Other revenues		98,763	
Total	105,919	213,752	107,833

Duplin County, North Carolina
General Fund

Schedule of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual
For the Year Ended June 30, 2014
Exhibit B-3

	Final Budget	Actual	Variance Positive (Negative)
Total revenues	54,480,763	54,785,953	305,190
Expenditures			
<u>General Government:</u>			
Governing Body:			
Salaries and employee benefits		77,814	
Other operating expenditures		131,250	
Capital outlay			
Total		209,064	
County Manager:			
Salaries and employee benefits		199,805	
Other operating expenditures		2,651	
Total		202,456	
Personnel:			
Salaries and employee benefits		202,153	
Other operating expenditures		17,822	
Total		219,975	
Finance:			
Salaries and employee benefits		415,112	
Other operating expenditures		25,605	
Capital outlay			
Total		440,717	
Information Technology:			
Salaries and employee benefits		335,253	
Other operating expenditures		30,495	
Total		365,748	
Elections:			
Salaries and employee benefits		191,467	
Other operating expenditures		84,940	
Total		276,407	
Tax Administration:			
Salaries and employee benefits		758,240	
Other operating expenditures		311,376	
Capital outlay			
Total		1,069,616	

Duplin County, North Carolina
General Fund

Schedule of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual
For the Year Ended June 30, 2014
Exhibit B-3

	Final Budget	Actual	Variance Positive (Negative)
Central Supply :			
Purchases		1,284,222	
Register of Deeds:			
Salaries and employee benefits		301,259	
Other operating expenditures		58,951	
Total		360,210	
Housekeeping:			
Salaries and employee benefits		196,827	
Other operating expenditures		9,977	
Capital outlay			
Total		206,804	
Building Maintenance:			
Salaries and employee benefits		380,343	
Other operating expenditures		113,109	
Capital outlay			
Total		493,452	
Garage:			
Salaries and employee benefits		190,060	
Other operating expenditures		39,257	
Total		229,317	
Attorney:			
Salaries and employee benefits		221,494	
Other operating expenditures		44,410	
Capital outlay			
Total		265,904	
Total general government	6,117,510	5,623,892	493,618
<u>Public Safety:</u>			
Sheriff:			
Salaries and employee benefits		3,001,934	
Other operating expenditures		659,509	
Capital outlay		149,476	
Total		3,810,919	

Duplin County, North Carolina
General Fund

Schedule of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual
For the Year Ended June 30, 2014
Exhibit B-3

	Final Budget	Actual	Variance Positive (Negative)
Court Facilities:			
Salaries and employee benefits		65,578	
Other operating expenditures		136,326	
Capital outlay		4,983	
Total		206,887	
Jury Commission:			
Other operating expenditures		2,351	
Adult Probation:			
Other operating expenditures		3,958	
Mental Health Transportation:			
Salaries and employee benefits		37,351	
Special Separation Allowance:			
Salaries and employee benefits		58,620	
Fingerprinting:			
Other operating expenditures		2,229	
Capital outlay		11,217	
Total		13,446	
Communications:			
Salaries and employee benefits		1,010,261	
Other operating expenditures		116,102	
Total		1,126,363	
Special Response Team:			
Other operating expenditures		12,000	
School Resource Officer:			
Salaries and employee benefits		806,518	
Other operating expenditures		88,762	
Total		895,280	
Federally Seized Assets - Treasury Department:			
Other operating expenditures		5,316	
Federally Seized Assets - Customs:			
Other operating expenditures		45,283	
Capital outlay		4,396	
Total		49,679	

Duplin County, North Carolina
General Fund

Schedule of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual
For the Year Ended June 30, 2014
Exhibit B-3

	Final Budget	Actual	Variance Positive (Negative)
Federally Seized Assets - IRS:			
Other operating expenditures		17,945	
Capital outlay		73,400	
Total		91,345	
Federally Seized Assets - Justice Department:			
Other operating expenditures		3,139	
Capital outlay		177,916	
Total		181,055	
Federally Seized Assets - ATF			
Other operating expenditures		-	
GIS-911 Functions:			
Salaries and employee benefits		7,842	
Addressing-911 Functions:			
Salaries and employee benefits		14,601	
Jail:			
Salaries and employee benefits		1,548,970	
Other operating expenditures		921,231	
Capital outlay		6,481	
Total		2,476,682	
Emergency Management:			
Salaries and employee benefits		136,407	
Other operating expenditures		42,329	
Capital outlay			
Total		178,736	
State Public Safety Grant-Mobile Generators:			
Capital outlay		91,500	
State Public Safety Grant 2010-SS-TO-007:			
Capital outlay		8,160	
Department of Justice 2012 Alien Grant:			
Salaries and employee benefits		-	
Other operating expenditures		9,252	
Total		9,252	
Department of Justice 2011 Alien Grant:			
Other operating expenditures		12,743	

Duplin County, North Carolina
General Fund

Schedule of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual
For the Year Ended June 30, 2014
Exhibit B-3

	Final Budget	Actual	Variance Positive (Negative)
Homeland Security Grant 2010:			
Capital outlay		117,777	
Emergency Medical Services:			
Salaries and employee benefits		3,971,483	
Other operating expenditures		521,734	
Capital outlay		167,751	
Total		4,660,968	
Fire Marshall:			
Salaries and employee benefits		62,622	
Operating expenditures		16,446	
Contracted services		1,373,537	
Capital outlay			
Total		1,452,605	
Faison Substation:			
Salaries and employee benefits		98,624	
Operating expenditures		13,105	
Total		111,729	
Building Inspections:			
Salaries and employee benefits		213,149	
Other operating expenditures		24,390	
Total		237,539	
Medical Examiner:			
Contracted services		22,150	
Animal Control:			
Salaries and employee benefits		132,884	
Other operating expenditures		67,055	
Capital outlay		1,670	
Total		201,609	
Courthouse Security Project:			
Operating expenditures		32,405	
Capital outlay		49,301	
Total		81,706	
Concealed Handgun:			
Operating expenditures		-	

Duplin County, North Carolina
General Fund

Schedule of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual
For the Year Ended June 30, 2014
Exhibit B-3

	Final Budget	Actual	Variance Positive (Negative)
State Public Safety Grant 2013 SS 00033:			
Operating expenditures		1,267	
Total public safety	16,866,590	16,181,436	685,154
<u>Economic and Physical Development:</u>			
Planning:			
Salaries and employee benefits		79,273	
Other operating expenditures		5,090	
Total		84,363	
Central Plant - Duplin Commons:			
Other operating expenditures		19,140	
Westpark Business Technology Center:			
Other operating expenditures		40,741	
Economic Development :			
Salaries and employee benefits		114,185	
Other operating expenditures		156,966	
Total		271,151	
N.C. Cooperative Extension Service:			
Salaries and employee benefits		339	
Other operating expenditures		302,866	
Total		303,205	
N.C. Cooperative Extension 4-H Prevention Program:			
Salaries and employee benefits		30,074	
Other operating expenditures		9,669	
Total		39,743	
State Employees' Credit Union Intern Grant:			
Salaries and employee benefits		2,100	
Other operating expenditures		-	
Total		2,100	
Industrial Park:			
Other operating expenditures		2,718	

Duplin County, North Carolina
General Fund

Schedule of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual
For the Year Ended June 30, 2014
Exhibit B-3

	Final Budget	Actual	Variance Positive (Negative)
JCPC- Duplin Parenting:			
Salaries and employee benefits		31,266	
Other operating expenditures		4,257	
Total		35,523	
JCPC - 4-H Outreach:			
Salaries and employee benefits		38,253	
Other operating expenditures		8,347	
Total		46,600	
Vidant 4-H EFNET Grant:			
Operating expenditures		27,613	
Livestock Facility:			
Operating expenditures		8,835	
Farm Services Agency:			
Other operating expenditures		10,278	
JCPC Juvenile Court Psychological Service:			
Operating expenditures		6,000	
Total economic and physical development	1,541,649	898,010	643,639
<u>Human Services:</u>			
Health:			
Salaries and employee benefits		4,118	
Other operating expenditures		85,313	
Capital outlay		36,876	
Total		126,307	
UHS - Healthy Weight Clinic Grant:			
Salaries and employee benefits		8,673	
Other operating expenditures		12,629	
Total		21,302	
Environmental Health:			
Salaries and employee benefits		333,710	
Other operating expenditures		32,616	
Total		366,326	
Food & Lodging			
Other operating expenditures		-	

Duplin County, North Carolina
 General Fund
 Schedule of Revenues, Expenditures, and Changes in Fund Balance
 Budget and Actual
 For the Year Ended June 30, 2014
 Exhibit B-3

	Final Budget	Actual	Variance Positive (Negative)
Communicable Disease:			
Salaries and employee benefits		138,208	
Other operating expenditures		37,852	
Capital outlay		765	
Total		176,825	
Immunization Action Plan:			
Salaries and employee benefits		82,796	
Other operating expenditures		80,561	
Capital outlay		765	
Total		164,122	
WIC - General Administration:			
Salaries and employee benefits		13,361	
WIC - Nutrition Education:			
Salaries and employee benefits		102,173	
WIC - Breastfeeding Promotion:			
Salaries and employee benefits		11,883	
WIC - Client Services:			
Salaries and employee benefits		322,068	
Other operating expenditures		60,500	
Capital outlay		3,579	
Total		386,147	
Dental Program:			
Salaries and employee benefits		74,999	
Other operating expenditures		127,632	
Total		202,631	
Bioterrorism:			
Salaries and employee benefits		4,523	
Other operating expenditures		30,191	
Total		34,714	
Tuberculosis:			
Salaries and employee benefits		26,712	
Other operating expenditures		14,551	
Capital outlay		340	
Total		41,603	

Duplin County, North Carolina
General Fund

Schedule of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual
For the Year Ended June 30, 2014
Exhibit B-3

	Final Budget	Actual	Variance Positive (Negative)
CDC Tuberculosis:			
Salaries and employee benefits		32,368	
March of Dimes - Centering Pregnancy:			
Other operating expenditures		887	
Primary Care:			
Salaries and employee benefits		506,608	
Other operating expenditures		110,855	
Capital outlay		2,719	
Total		620,182	
Community Health Promotion:			
Salaries and employee benefits		8,079	
Other operating expenditures		12,694	
Total		20,773	
Pregnancy Care Management:			
Salaries and employee benefits		96,648	
Other operating expenditures		9,626	
Capital outlay		1,366	
Total		107,640	
Pregnancy Care Management - Non Medicaid:			
Salaries and employee benefits		39,119	
Other operating expenditures		-	
Total		39,119	
Maternal Health:			
Salaries and employee benefits		218,881	
Other operating expenditures		91,827	
Capital outlay		1,699	
Total		312,407	
Family Planning:			
Salaries and employee benefits		211,846	
Other operating expenditures		109,207	
Capital outlay		1,189	
Total		322,242	

Duplin County, North Carolina
General Fund

Schedule of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual
For the Year Ended June 30, 2014
Exhibit B-3

	Final Budget	Actual	Variance Positive (Negative)
Child Health:			
Salaries and employee benefits		345,285	
Other operating expenditures		25,644	
Capital outlay		1,020	
Total		371,949	
Interpreter Grant:			
Salaries and employee benefits		20,198	
CC4C:			
Salaries and employee benefits		175,888	
Other operating expenditures		12,558	
Capital outlay		1,366	
Total		189,812	
Social Services Administration:			
Salaries and employee benefits		4,945,662	
Other operating expenditures		490,520	
Capital outlay		11,180	
Total		5,447,362	
Social Services Building Expense:			
Salaries and employee benefits		34,016	
Other operating expenditures		256,796	
Total		290,812	
Work First/TANF:			
Operating expenditures		829	
Assistance payments		975	
Total		1,804	
Title - IV D:			
Other operating expenditures		136,867	
Special Assistance for Adults:			
Assistance payments		540,120	
Foster Children:			
Assistance payments		243,459	
Medicaid Program:			
Assistance payments		348,600	

Duplin County, North Carolina
 General Fund
 Schedule of Revenues, Expenditures, and Changes in Fund Balance
 Budget and Actual
 For the Year Ended June 30, 2014
 Exhibit B-3

	Final Budget	Actual	Variance Positive (Negative)
Aid to the Blind Program:			
Assistance payments		5,686	
Adoption Assistance:			
Assistance payments		21,916	
Crisis Intervention Program:			
Assistance payments		236,046	
Progress Energy Assistance:			
Assistance payments		1,702	
Low Income Home Energy Assistance		304,630	
General Assistance:			
Assistance payments		20,157	
Daycare:			
Assistance payments		2,380,810	
Seniors' Health Insurance Information Program:			
Salaries and employee benefits		244	
Other operating expenditures		1,644	
Total		1,888	
Aging Program:			
Salaries and employee benefits		312,218	
Other operating expenditures		82,575	
Total		394,793	
Aging - Fan Program:			
Other operating expenditures		466	
Aging - In-Home Aid Services:			
Salaries and employee benefits		79,785	
Other operating expenditures		14,076	
Total		93,861	
Aging - Title III Transportation:			
Other operating expenditures		92,694	

Duplin County, North Carolina
General Fund

Schedule of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual
For the Year Ended June 30, 2014
Exhibit B-3

	Final Budget	Actual	Variance Positive (Negative)
Aging - Title III-F Health Promotion:			
Salaries and employee benefits		2,402	
Other operating expenditures		2,568	
Total		4,970	
UHS Diabetes Management Grant:			
Other operating expenditures		16,710	
Aging - Housing & Home Improvements:			
Other operating expenditures		5,014	
Senior Center Operations:			
Salaries and employee benefits		1,455	
Other operating expenditures		3,736	
Total		5,191	
Family Caregiver:			
Salaries and employee benefits		3,368	
Other operating expenditures		1,082	
Total		4,450	
Peer Breastfeeding:			
Salaries and employee benefits		19,173	
Nutrition - Home Bound Meals			
Salaries and employee benefits		34,100	
Other operating expenditures		83,595	
Total		117,695	
Nutrition :			
Salaries and employee benefits		71,750	
Other operating expenditures		157,593	
Capital outlay			
Total		229,343	
JCPC Restitution/Teen Court:			
Other operating expenditures		71,599	
JCPC - Administration:			
Other operating expenditures		1,006	
JCPC - Gang Awareness:			
Other operating expenditures		9,754	

Duplin County, North Carolina
General Fund

Schedule of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual
For the Year Ended June 30, 2014
Exhibit B-3

	Final Budget	Actual	Variance Positive (Negative)
Veteran's Service Officer:			
Salaries and employee benefits		118,908	
Other operating expenditures		6,014	
Total		124,922	
County Wellness Program:			
Salaries and employee benefits		211,628	
Other operating expenditures		112,511	
Total		324,139	
Cape Fear Obesity Clinic Grant:			
Salaries and employee benefits		10,097	
Other operating expenditures		3,738	
Total		13,835	
Vital Records:			
Salaries and employee benefits		6,373	
Other operating expenditures		39	
Total		6,412	
LICC Mini Grant		72	
Contributions:			
Mental Health - Eastpointe Human Services		224,474	
Duke Energy-Low Income Program:			
Assistance payments		-	
CTG Project Robeson County:			
Salaries and employee benefits		9,658	
Operating expenditures		342	
Total		10,000	
Total human services	17,085,874	15,437,403	1,648,471
Cultural and Recreational			
Museum:			
Salaries and employee benefits		22,938	
Other operating expenditures		35,199	
Total		58,137	

Duplin County, North Carolina
General Fund

Schedule of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual
For the Year Ended June 30, 2014
Exhibit B-3

	Final Budget	Actual	Variance Positive (Negative)
Library:			
Salaries and employee benefits		344,801	
Other operating expenditures		83,165	
Capital outlay		6,818	
Capital outlay-books		91,195	
Total		525,979	
Law library-Capital Outlay		4,983	
Library LSTA Grant:			
Operating expenditures		500	
Event Center:			
Salaries and employee benefits		87,032	
Other operating expenditures		210,747	
Total		297,779	
Parks and Recreation:			
Salaries and employee benefits		101,004	
Other operating expenditures		37,399	
Capital outlay		6,975	
Total		145,378	
Total cultural and recreational	1,201,301	1,032,756	168,545
Environmental Protection:			
Soil Conservation			
Salaries and employee benefits		287,289	
Operating expenditures		34,526	
Watershed maintenance		261,703	
Total		583,518	
North Carolina Foundation for Soil and Water Grant:			
Operating expenditures		203	
Contributions:			
Forestry service		101,072	
Total environmental protection	916,934	684,793	232,141

Duplin County, North Carolina
General Fund

Schedule of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual
For the Year Ended June 30, 2014
Exhibit B-3

	Final Budget	Actual	Variance Positive (Negative)
Education			
Public schools - current expenditures		9,000,000	
Public schools - capital outlay		195,446	
Community colleges - current expenditures		1,543,970	
Community colleges - capital outlay		255,150	
Total education	11,086,464	10,994,566	91,898
Non-Departmental			
Post-employment healthcare benefits		216,955	
Other expenditures		5,760	
Contingency		-	
Capital outlay		-	
Total non-departmental	374,650	222,715	151,935
Total expenditures	55,190,972	51,075,571	4,115,401
Revenues over (under) expenditures	(710,209)	3,710,382	4,420,591
Other financing sources (uses)			
Transfers from other funds	-	-	-
Transfers to other funds	(2,127,547)	(2,104,690)	22,857
Proceeds from sale of capital assets	35,134	44,351	9,217
Total other financing sources (uses)	(2,092,413)	(2,060,339)	32,074
Extraordinary Item - North Carolina Eastern Region Dissolution	580,700	598,597	17,897
Appropriated fund balance	2,221,922	-	(2,221,922)
Net change in fund balance	<u>\$ -</u>	2,248,640	<u>\$ 2,248,640</u>
Fund balance, beginning of year		12,155,162	
Increase in inventory		43,695	
Fund balance, end of year		<u>\$14,447,497</u>	

Duplin County, North Carolina
Capital Reserve Fund

Schedule of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual
From Inception and for the Year Ended June 30, 2014
Exhibit B-4

	Project Authorization	Actual		Total to Date	Variance Positive (Negative)
		Prior Years	Current Year		
Revenues					
Investment earnings	\$ 2	\$ 172,899	\$ 107	\$ 173,006	\$173,004
Expenditures					
Capital reserve	750,120	-	-	-	750,120
Revenues over (under) expenditures	(750,118)	172,899	107	173,006	923,124
Other financing sources (uses)					
Transfers from other funds	1,023,847	1,003,159	20,688	1,023,847	-
Transfers to other funds	(273,729)	(126,880)	(111,932)	(238,812)	34,917
Total other financing sources (uses)	750,118	876,279	(91,244)	785,035	34,917
Net change in fund balance	\$ -	\$1,049,178	(91,137)	\$ 958,041	\$958,041
Fund balance, beginning of year			1,049,178		
Fund balance, end of year			\$ 958,041		

Nonmajor Governmental Funds

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Duplin County, North Carolina
 Non-Major Governmental Funds
 Combining Balance Sheet
 June 30, 2014
 Exhibit C-1

	Special Revenue Funds	Capital Project Funds	Total
Assets			
Cash and cash equivalents	\$ 1,276,730	\$ 1,398,933	\$ 2,675,663
Restricted cash and cash equivalents	2,449,930	-	2,449,930
Receivables, net	780,293	635,865	1,416,158
Total assets	\$ 4,506,953	\$ 2,034,798	\$ 6,541,751
Liabilities			
Accounts payable and accrued liabilities	\$ 3,070	\$ 487,932	\$ 491,002
Due to other funds	758	-	758
Total liabilities	3,828	487,932	491,760
Deferred Inflows of Resources	748,526	-	748,526
Fund Balances			
Restricted by state statute	33,711	635,865	669,576
Restricted for schools	1,592,610	663,835	2,256,445
Restricted for E-911	263,851	-	263,851
Restricted for register of deeds	17,357	-	17,357
Restricted for tax revaluation	857,320	-	857,320
Committed for economic development	916,846	-	916,846
Committed for capital projects	-	247,166	247,166
Committed for various programs	77,559	-	77,559
Unassigned	(4,655)	-	(4,655)
Total fund balances	3,754,599	1,546,866	5,301,465
Total liabilities, deferred inflows of resources, and fund balances	\$ 4,506,953	\$ 2,034,798	\$ 6,541,751

Duplin County, North Carolina
 Non-Major Governmental Funds
 Combining Schedule of Revenues, Expenditures,
 and Changes in Fund Balances
 For the Year Ended June 30, 2014
 Exhibit C-2

	Special Revenue Funds	Capital Project Funds	Total
Revenues			
Ad valorem taxes	\$ 864,636	\$ -	\$ 864,636
Local option sales taxes	-	1,550,896	1,550,896
Investment earnings	24,567	114	24,681
Unrestricted intergovernmental	1,955	-	1,955
Restricted intergovernmental	1,065,195	-	1,065,195
Contributions	4,090	90,800	94,890
Miscellaneous revenues	73,377	-	73,377
Total revenues	2,033,820	1,641,810	3,675,630
Expenditures			
General government	61,206	-	61,206
Public safety	990,149	13,358	1,003,507
Economic and Physical Development	21,889	317,208	339,097
Human services	-	96,000	96,000
Education	1,014,676	1,325,381	2,340,057
Total expenditures	2,087,920	1,751,947	3,839,867
Revenues over (under) expenditures	(54,100)	(110,137)	(164,237)
Other financing sources (uses)			
Transfers from other funds	21,670	878,781	900,451
Transfers to other funds	(3,684)	(1,227,511)	(1,231,195)
Total other financing sources (uses)	17,986	(348,730)	(330,744)
Net change in fund balances	(36,114)	(458,867)	(494,981)
Fund balances, beginning of year	3,790,713	2,005,733	5,796,446
Fund balances, end of year	\$ 3,754,599	\$ 1,546,866	\$ 5,301,465

Special Revenue Funds

Special Revenue Funds are used to account for specific revenues that are legally restricted to expenditure for particular purposes.

Fire District Fund - This fund accounts for the ad valorem tax levies of the seven fire districts in Duplin County.

Revaluation Fund - This fund accounts for the accumulation of resources to be used for the octennial revaluation of real property.

Community Development Revolving Loan Fund - This fund accounts for developmental loans to local private businesses.

Emergency Telephone System Fund - This fund was established in accordance with North Carolina law to account for the accumulation of telephone surcharges to be used for emergency telephone systems.

Grant Project Funds - These funds account for sundry projects funded by federal grants, state grants, or a combination of both federal and state grants. Separate funds account for the revenues and expenditures associated with each grant's intended purpose.

School Planning Allocation Fund - This fund accounts for lottery revenues designated for public school capital expenditures.

Automation Enhancement and Preservation Fund - This fund accounts for funds to be used for computer and imaging technology in the register of deeds office.

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Duplin County, North Carolina
 Non-Major Governmental Funds
 Special Revenue Funds
 Combining Balance Sheet
 June 30, 2014
 Exhibit D-1

	Emergency Telephone System Fund	Automation Enhancement and Preservation Fund	Revaluation Fund	Community Development Revolving Loan Fund	School Planning Allocation Fund	Fire District Fund	County Trust Fund	Total
Assets								
Cash and cash equivalents	\$ 264,968	\$ 17,357	\$ -	\$ 916,846	\$ -	\$ -	\$ 77,559	\$1,276,730
Restricted cash and cash equivalents	-	-	857,320	-	1,592,610	-	-	2,449,930
Receivables, net	30,999	-	-	687,425	-	61,869	-	780,293
Total assets	\$ 295,967	\$ 17,357	\$ 857,320	\$ 1,604,271	\$ 1,592,610	\$ 61,869	\$ 77,559	\$ 4,506,953
Liabilities								
Accounts payable and accrued liabilities	\$ 359	\$ -	\$ -	\$ -	\$ -	\$ 2,711	\$ -	\$ 3,070
Due to other funds	758	-	-	-	-	-	-	758
Total liabilities	1,117	-	-	-	-	2,711	-	3,828
Deferred Inflows of Resources	-	-	-	687,425	-	61,101	-	748,526
Fund Balances								
Restricted by state statute	30,999	-	-	-	-	2,712	-	33,711
Restricted for schools	-	-	-	-	1,592,610	-	-	1,592,610
Restricted for E-911	263,851	-	-	-	-	-	-	263,851
Restricted for register of deeds	-	17,357	-	-	-	-	-	17,357
Restricted for tax revaluation and mapping	-	-	857,320	-	-	-	-	857,320
Committed for economic development	-	-	-	916,846	-	-	-	916,846
Committed for various programs	-	-	-	-	-	-	77,559	77,559
Unassigned	-	-	-	-	-	(4,655)	-	(4,655)
Total fund balances	294,850	17,357	857,320	916,846	1,592,610	(1,943)	77,559	3,754,599
Total liabilities, deferred inflows of resources, and fund balances	\$ 295,967	\$ 17,357	\$ 857,320	\$ 1,604,271	\$ 1,592,610	\$ 61,869	\$ 77,559	\$ 4,506,953

	Emergency Telephone System Fund	Automation Enhancement and Preservation Fund	Revaluation Fund	Community Development Revolving Loan Fund
Revenues				
Ad valorem taxes	\$ -	\$ -	\$ 117,900	\$ -
Investment earnings	21	1	87	17,523
Unrestricted intergovernmental	-	-	-	-
Restricted intergovernmental	371,989	-	-	-
Contributions	-	-	-	-
Miscellaneous revenues	3,160	-	-	45,848
Total revenues	375,170	1	117,987	63,371
Expenditures				
General government	-	12,319	22,925	-
Public safety	241,651	-	-	-
Economic and physical development	-	-	-	-
Education - capital outlay	-	-	-	-
Total expenditures	241,651	12,319	22,925	-
Revenues over (under) expenditures	133,519	(12,318)	95,062	63,371
Other financing sources (uses)				
Transfers from other funds	-	21,670	-	-
Transfers to other funds	-	-	-	-
Total other financing sources (uses)	-	21,670	-	-
Net change in fund balances	133,519	9,352	95,062	63,371
Fund balances, beginning of year	161,331	8,005	762,258	853,475
Fund balances, end of year	\$ 294,850	\$ 17,357	\$ 857,320	\$ 916,846

Duplin County, North Carolina
 Non-Major Governmental Funds
 Special Revenue Funds
 Combining Schedule of Revenues, Expenditures,
 and Changes in Fund Balances
 For the Year Ended June 30, 2014
 Exhibit D-2

School Planning Allocation Fund	Fire District Fund	Community Development Block Grant 12-C-2494	Community Development Block Grant 12-C-2414	Community Development Block Grant 11-C-2292	County Trust Fund	Total
\$ -	\$ 746,736	\$ -	\$ -	\$ -	\$ -	\$ 864,636
6,928	-	-	-	-	7	24,567
-	1,955	-	-	-	-	1,955
659,414	-	8,836	7,635	5,418	11,903	1,065,195
-	-	-	-	-	4,090	4,090
-	-	-	-	-	24,369	73,377
666,342	748,691	8,836	7,635	5,418	40,369	2,033,820
-	-	-	-	-	25,962	61,206
-	748,498	-	-	-	-	990,149
-	-	8,836	7,635	5,418	-	21,889
1,014,676	-	-	-	-	-	1,014,676
1,014,676	748,498	8,836	7,635	5,418	25,962	2,087,920
(348,334)	193	-	-	-	14,407	(54,100)
-	-	-	-	-	-	21,670
(3,684)	-	-	-	-	-	(3,684)
(3,684)	-	-	-	-	-	17,986
(352,018)	193	-	-	-	14,407	(36,114)
1,944,628	(2,136)	-	-	-	63,152	3,790,713
\$1,592,610	\$ (1,943)	\$ -	\$ -	\$ -	\$ 77,559	\$3,754,599

Duplin County, North Carolina
Emergency Telephone System Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balances
Budget and Actual
For the Year Ended June 30, 2014
Exhibit D-3

	Final Budget	Actual	Variance Positive (Negative)
Revenues			
Restricted intergovernmental:			
Emergency telephone fee	229,151	371,989	\$ 142,838
Investment earnings	-	21	21
Miscellaneous	3,160	3,160	-
Total revenues	232,311	375,170	142,859
Expenditures			
Public safety:			
Emergency telephone services:			
Operating expenditures	251,021	241,651	9,370
Revenues over (under) expenditures	(18,710)	133,519	152,229
Appropriated fund balance	18,710	-	(18,710)
Net change in fund balance	<u>\$ -</u>	133,519	<u>\$ 133,519</u>
Fund balance, beginning of year		161,331	
Fund balance, end of year		<u>\$ 294,850</u>	

Duplin County, North Carolina
Automation Enhancement and Preservation Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual
For the Year Ended June 30, 2014
Exhibit D-4

	Final Budget	Actual	Variance Positive (Negative)
Revenues			
Investment earnings	\$ -	\$ 1	\$ 1
Expenditures			
General government			
Operating expenditures	33,505	12,319	21,186
Revenues over (under) expenditures	(33,505)	(12,318)	21,187
Other financing sources			
Transfers from other funds	25,500	21,670	(3,830)
Appropriated fund balance	8,005	-	(8,005)
Net change in fund balance	<u>\$ -</u>	9,352	<u>\$ 9,352</u>
Fund balance, beginning of year		8,005	
Fund balance, end of year		<u>\$ 17,357</u>	

Duplin County, North Carolina
 Revaluation Fund
 Schedule of Revenues, Expenditures, and Changes in Fund Balance
 Budget and Actual
 For the Year Ended June 30, 2014
 Exhibit D-5

	Final Budget	Actual	Variance Positive (Negative)
Revenues			
Ad valorem taxes	\$ 117,900	\$ 117,900	\$ -
Investment earnings	-	87	87
Total revenues	117,900	117,987	87
Expenditures			
General Government:			
Operating expenditures	112,853	21,650	91,203
Capital outlay	19,088	1,275	17,813
Total expenditures	131,941	22,925	109,016
Revenues over (under) expenditures	(14,041)	95,062	109,103
Appropriated fund balance	14,041	-	(14,041)
Net change in fund balance	<u>\$ -</u>	95,062	<u>\$ 95,062</u>
Fund balance, beginning of year		762,258	
Fund balance, end of year		<u>\$ 857,320</u>	

Duplin County, North Carolina
 Community Development Revolving Loan Fund
 Schedule of Revenues, Expenditures, and Changes in Fund Balance
 Budget and Actual
 For the Year Ended June 30, 2014
 Exhibit D-6

	Final Budget	Actual	Variance Positive (Negative)
Revenues			
Investment earnings	\$ -	\$ 17,523	\$ 17,523
Loan payments	-	45,848	45,848
Total revenues	-	63,371	63,371
Expenditures			
Economic and physical development: Community development loans	-	-	-
Net change in fund balance	\$ -	63,371	\$ 63,371
Fund balance, beginning of year		853,475	
Fund balance, end of year		\$ 916,846	

Duplin County, North Carolina
School Planning Allocation Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual
For the Year Ended June 30, 2014
Exhibit D-7

	Final Budget	Actual	Variance Positive (Negative)
Revenues			
Restricted intergovernmental:			
Public School Building Capital Fund	\$ -	\$ 659,414	\$ 659,414
Investment earnings	-	6,928	6,928
Total revenues	-	666,342	666,342
Expenditures			
Education:			
Capital outlay:			
East Duplin High School - Renovations		1,014,676	
Total expenditures	1,023,672	1,014,676	8,996
Revenues over (under) expenditures	(1,023,672)	(348,334)	675,338
Other financing sources (uses):			
Transfers to other funds	(3,684)	(3,684)	-
Appropriated fund balance	1,027,356	-	(1,027,356)
Net change in fund balance	<u>\$ -</u>	<u>(352,018)</u>	<u>\$ (352,018)</u>
Fund balance, beginning of year		1,944,628	
Fund balance, end of year		<u>\$ 1,592,610</u>	

Duplin County, North Carolina
Fire District Fund

Schedule of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual
For the Year Ended June 30, 2014
Exhibit D-8

	Final Budget	Actual	Variance Positive (Negative)
Revenues			
Ad valorem taxes	\$ 770,720	\$ 746,736	\$ (23,984)
Unrestricted intergovernmental:			
Registered motor vehicle fee refund	1,955	1,955	-
Total revenues	772,675	748,691	(23,984)
Expenditures			
Public Safety:			
Commission to General Fund	20,950	19,925	1,025
Oak Wolfe Fire District	56,863	55,230	1,633
Glisson Fire District	111,323	105,529	5,794
Sarecta Fire District	94,516	91,790	2,726
East Duplin Fire District	85,281	83,767	1,514
Albertson Fire District	74,936	74,176	760
Stacy Britt Fire District	133,440	128,035	5,405
Franklin Fire District	21,130	19,651	1,479
Northeast Fire District	174,236	170,395	3,841
Total expenditures	772,675	748,498	24,177
Net change in fund balance	<u>\$ -</u>	193	<u>\$ 193</u>
Fund balance, beginning of year		(2,136)	
Fund balance, end of year		<u>\$ (1,943)</u>	

Duplin County, North Carolina
 Community Development Block Grant (12-C-2494)
 Schedule of Revenues, Expenditures, and Changes in Fund Balance
 Budget and Actual
 From Inception and for the Year Ended June 30, 2014
 Exhibit D-9

	Project Authorization	Actual		Variance Positive (Negative)	
		Prior Years	Current Year		Total to Date
Revenues					
Restricted intergovernmental:					
State grants	\$ 750,000	\$ -	\$ 8,836	\$ 8,836	\$(741,164)
Expenditures					
Economic and physical development:					
Community development block grant	750,000	-	8,836	8,836	741,164
Net change in fund balance	<u>\$ -</u>	<u>\$ -</u>	<u>-</u>	<u>\$ -</u>	<u>\$ -</u>
Fund balance, beginning of year				-	
Fund balance, end of year			\$ -		

Duplin County, North Carolina
 Community Development Block Grant (12-C-2414)
 Schedule of Revenues, Expenditures, and Changes in Fund Balance
 Budget and Actual
 From Inception and for the Year Ended June 30, 2014
 Exhibit D-10

	Project Authorization	Prior Years	Actual		Variance Positive (Negative)
			Current Year	Total to Date	
Revenues					
Restricted intergovernmental:					
State grants	\$ 225,000	\$ -	\$ 7,635	\$ 7,635	\$(217,365)
Expenditures					
Economic and physical development:					
Community development block grant	225,000	-	7,635	7,635	217,365
Net change in fund balance	<u>\$ -</u>	<u>\$ -</u>	<u>-</u>	<u>\$ -</u>	<u>\$ -</u>
Fund balance, beginning of year				-	
Fund balance, end of year			\$ -		

Duplin County, North Carolina
 Community Development Block Grant (11-C-2292)
 Schedule of Revenues, Expenditures, and Changes in Fund Balance
 Budget and Actual
 From Inception and for the Year Ended June 30, 2014
 Exhibit D-11

	Project Authorization	Actual		Variance Positive (Negative)	
		Prior Years	Current Year		Total to Date
Revenues					
Restricted intergovernmental:					
State grants	\$ 75,000	\$ 19,665	\$ 5,418	\$ 25,083	\$ (49,917)
Expenditures					
Economic and physical development:					
Community development block grant	75,000	19,665	5,418	25,083	49,917
Net change in fund balance	<u>\$ -</u>	<u>\$ -</u>	<u>-</u>	<u>\$ -</u>	<u>\$ -</u>
Fund balance, beginning of year				-	
Fund balance, end of year			\$ -		

Capital Project Funds

Capital Project Funds are used to account for financial resources to be used for the acquisition or construction of major capital facilities other than those financed by Proprietary Funds and Trust Funds.

Industrial Expansion Capital Project Fund - Accounts for industrial expansion projects. The projects will be financed by grants, loans, and transfers from other funds.

Capital Projects Fund - Accounts for the jail project, backup PSAP project, EMS vehicles project, livestock facility project, senior center project, event center project, and the Vidant hospital project.

Capital Project Fund - School Fund - Accounts for sales tax revenue that is restricted for school related capital projects.

Capital Project Fund - JSCC - Accounts for funds restricted for capital projects at James Sprunt Community College.

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Duplin County, North Carolina
 Non-Major Governmental Funds
 Capital Project Funds
 Combining Balance Sheet
 June 30, 2014
 Exhibit E-1

	Capital Project Fund - School Fund	Capital Project Fund - JSCC	Industrial Expansion Capital Project Fund	Capital Project Fund	Total
Assets					
Cash and cash equivalents	\$ 1,151,767	\$211,177	\$ 35,989	\$ -	\$1,398,933
Receivables, net	635,865	-	-	-	635,865
Total assets	\$ 1,787,632	\$211,177	\$ 35,989	\$ -	\$2,034,798
Liabilities					
Accounts payable	\$ 487,932	\$ -	\$ -	\$ -	\$ 487,932
Fund Balances					
Restricted by state statute	635,865	-	-	-	635,865
Restricted for schools	663,835	-	-	-	663,835
Committed for capital projects	-	211,177	35,989	-	247,166
Total fund balances	1,299,700	211,177	35,989	-	1,546,866
Total liabilities and fund balances	\$ 1,787,632	\$211,177	\$ 35,989	\$ -	\$2,034,798

Duplin County, North Carolina
 Non-Major Governmental Funds
 Capital Project Funds
 Combining Schedule of Revenues, Expenditures,
 and Changes in Fund Balances
 For the Year Ended June 30, 2014

Exhibit E-2

	Capital Project Fund - School Fund	Capital Project Fund - JSCC	Industrial Expansion Capital Project Fund	Capital Project Fund	Total
Revenues					
Local option sales taxes	\$ 1,550,896	\$ -	\$ -	\$ -	\$ 1,550,896
Restricted intergovernmental	-	-	-	-	-
Investment earnings	82	22	10	-	114
Contributions	-	-	90,800	-	90,800
Total revenues	1,550,978	22	90,810	-	1,641,810
Expenditures					
Public safety	-	-	-	13,358	13,358
Economic and physical development	-	-	213,063	104,145	317,208
Human services	-	-	-	96,000	96,000
Education	1,325,381	-	-	-	1,325,381
Total expenditures	1,325,381	-	213,063	213,503	1,751,947
Revenues over (under) expenditures	225,597	22	(122,253)	(213,503)	(110,137)
Other financing sources (uses)					
Transfers from other funds	766,848	-	-	111,933	878,781
Transfers to other funds	(1,227,511)	-	-	-	(1,227,511)
Total other financing sources (uses)	(460,663)	-	-	111,933	(348,730)
Net change in fund balances	(235,066)	22	(122,253)	(101,570)	(458,867)
Fund balances, beginning of year	1,534,766	211,155	158,242	101,570	2,005,733
Fund balances, end of year	\$ 1,299,700	\$ 211,177	\$ 35,989	\$ -	\$ 1,546,866

Duplin County, North Carolina
 Capital Project Fund - School Fund
 Schedule of Revenues, Expenditures, and Changes in Fund Balance
 Budget and Actual
 For the Year Ended June 30, 2014
 Exhibit E-3

	Final Budget	Actual	Variance Positive (Negative)
Revenues			
Local Option Sales Taxes:			
Article 40 one-half of one percent	\$ 652,580	\$ 772,581	\$ 120,001
Article 42 one-half of one percent	692,050	778,315	86,265
Total	1,344,630	1,550,896	206,266
Investment earnings	-	82	82
Total revenues	1,344,630	1,550,978	
Expenditures			
Education:			
Capital outlay - Improvements to sites	568,767	555,102	13,665
Capital outlay - Equipment and furniture	612,464	601,027	11,437
Capital outlay - Vehicles	208,854	169,252	39,602
Total expenditures	1,390,085	1,325,381	64,704
Revenues over (under) expenditures	(45,455)	225,597	271,052
Other financing sources (uses)			
Transfers from other funds	658,875	766,848	107,973
Transfers to other funds	(1,227,511)	(1,227,511)	-
Total other financing sources (uses)	(568,636)	(460,663)	107,973
Appropriated fund balance	614,091	-	(614,091)
Net change in fund balance	<u>\$ -</u>	(235,066)	<u>\$ (235,066)</u>
Fund balance, beginning of year		1,534,766	
Fund balance, end of year		\$ 1,299,700	

Duplin County, North Carolina
 Capital Project Fund - JSCC
 Schedule of Revenues, Expenditures, and Changes in Fund Balance
 Budget and Actual
 For the Year Ended June 30, 2014
 Exhibit E-4

	Final Budget	Actual	Variance Positive (Negative)
Revenues			
Investment earnings	\$ -	\$ 22	\$ 22
Expenditures			
Education:			
Capital outlay	-	-	-
Net change in fund balance	<u>\$ -</u>	22	<u>\$ 22</u>
Fund balance, beginning of year		211,155	
Fund balance, end of year		<u>\$ 211,177</u>	

Duplin County, North Carolina
Industrial Expansion Capital Project Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual
From Inception and for the Year Ended June 30, 2014
Exhibit E-5

	Project Authorization	Actual Prior Years	Actual		Variance Positive (Negative)
			Current Year	Total to Date	
Revenues					
Local option sales taxes	\$ 57,458	\$ 57,458	\$ -	\$ 57,458	\$ -
Restricted intergovernmental:					
State grants	1,363,359	1,363,359	-	1,363,359	-
Other grants	20,000	20,000	-	20,000	-
Total	1,383,359	1,383,359	-	1,383,359	-
Investment earnings	739	1,582	10	1,592	853
Contributions	2,885,582	2,794,782	90,800	2,885,582	-
Total revenues	4,327,138	4,237,181	90,810	4,327,991	853
Expenditures					
Economic and physical development:					
Project Pipeline	4,367,596	4,177,339	190,257	4,367,596	-
Economic Development Reserve	74,542	16,600	22,806	39,406	35,136
Total expenditures	4,442,138	4,193,939	213,063	4,407,002	35,136
Revenues over (under) expenditures	(115,000)	43,242	(122,253)	(79,011)	35,989
Other financing sources (uses)					
Transfers from other funds	115,000	115,000	-	115,000	-
Transfers to other funds	-	-	-	-	-
Total other financing sources	115,000	115,000	-	115,000	-
Net change in fund balance	\$ -	\$ 158,242	(122,253)	\$ 35,989	\$ 35,989
Fund balance, beginning of year			158,242		
Fund balance, end of year			\$ 35,989		

Duplin County, North Carolina
Capital Project Fund

Schedule of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual
From Inception and for the Year Ended June 30, 2014
Exhibit E-6

	Project Authorization	Prior Years	Actual		Variance Positive (Negative)
			Current Year	Total to Date	
Revenues					
Local option sales taxes	\$ 12,222	\$ 12,222	\$ -	\$ 12,222	\$ -
Restricted intergovernmental:					
State grants	359,200	200,000	-	200,000	(159,200)
Federal grants	181,000	86,000	-	86,000	(95,000)
Other grants	296,000	296,000	-	296,000	-
Total	836,200	582,000	-	582,000	(254,200)
Investment earnings	28	28	-	28	-
Contributions	103,964	103,964	-	103,964	-
Total revenues	952,414	698,214	-	698,214	(254,200)
Expenditures					
Public safety:					
Courthouse roof project	48,275	-	13,358	13,358	34,917
Economic and physical development:					
Livestock facility	632,378	624,023	8,355	632,378	-
Farmland preservation	254,200	-	-	-	254,200
Duplin Commons - event center	95,790	-	95,790	95,790	-
Total	982,368	624,023	104,145	728,168	254,200
Human services:					
Duplin General Hospital	96,000	-	96,000	96,000	-
Total expenditures	1,126,643	624,023	213,503	837,526	289,117
Revenues over (under) expenditures	(174,229)	74,191	(213,503)	(139,312)	34,917
Other financing sources (uses)					
Transfers from other funds	174,229	27,379	111,933	139,312	(34,917)
Transfers to other funds	-	-	-	-	-
Total other financing sources (uses)	174,229	27,379	111,933	139,312	(34,917)
Net change in fund balance	\$ -	\$ 101,570	(101,570)	\$ -	\$ -
Fund balance, beginning of year			101,570		
Fund balance, end of year			\$ -		

Enterprise Funds

Enterprise Funds are used to account for operations that are financed and operated in a manner similar to private business enterprises - where the intent of the governing body is that the costs of providing goods and services to the general public on a continuing basis be financed or recovered primarily through user charges; or where the governing body has decided that periodic determination of net income is appropriate for accountability purposes.

Airport Commission Fund - Operate and maintain public airport facility and provide hangar rental and fueling services for the flying public.

Solid Waste Fund - To collect, recycle, and dispose of solid waste.

Transportation Development Plan Fund - To transport citizens for human service and community service needs.

Water Funds - These funds are used to account for the County's water operations.

Duplin County, North Carolina
 Non-Major Proprietary Funds - Enterprise Funds
 Combining Statement of Fund Net Position
 June 30, 2014
 Exhibit F-1

	Albertson Water Fund	County Water Fund	Solid Waste Fund	Transportation Development Plan Fund	Total
Assets					
Current assets:					
Cash and cash equivalents	\$ 1,173,065	\$ 313,671	\$ 1,366,691	\$ 204,294	\$ 3,057,721
Receivables, net	38,770	2,585	807,059	92,410	940,824
Due from other funds	6,634	319,998	-	-	326,632
Inventories	-	23,435	-	-	23,435
Restricted cash and cash equivalents	42,025	2,975	200	-	45,200
Total current assets	1,260,494	662,664	2,173,950	296,704	4,393,812
Noncurrent assets:					
Restricted cash and cash equivalents	-	-	1,069,861	-	1,069,861
Capital assets:					
Land and construction in progress	50,650	10,000	216,348	-	276,998
Other capital assets, net of depreciation	3,472,291	3,863,482	2,879,613	303,061	10,518,447
Total capital assets	3,522,941	3,873,482	3,095,961	303,061	10,795,445
Total noncurrent assets	3,522,941	3,873,482	4,165,822	303,061	11,865,306
Total assets	4,783,435	4,536,146	6,339,772	599,765	16,259,118
Liabilities					
Current liabilities:					
Accounts payable and accrued liabilities	1,682	1,205	71,160	-	74,047
Due to other funds	15,605	-	-	-	15,605
Customer deposits	42,025	2,975	200	-	45,200
Deferred revenue	-	-	2,903	-	2,903
Current portion of notes payable	18,406	-	-	-	18,406
Total current liabilities	77,718	4,180	74,263	-	156,161

Duplin County, North Carolina
 Non-Major Proprietary Funds - Enterprise Funds
 Combining Statement of Fund Net Position
 June 30, 2014
 Exhibit F-1

	Albertson Water Fund	County Water Fund	Solid Waste Fund	Transportation Development Plan Fund	Total
Long-term liabilities:					
Compensated absences	-	38,450	59,845	27,124	125,419
Other post-employment benefit	-	219,323	400,858	162,327	782,508
Notes payable	147,244	-	-	-	147,244
Total long-term liabilities	147,244	257,773	460,703	189,451	1,055,171
Total liabilities	224,962	261,953	534,966	189,451	1,211,332
Net Position					
Net investment in capital assets	3,357,291	3,873,482	3,095,961	303,061	10,629,795
Restricted	-	-	-	-	-
Unrestricted	1,201,182	400,711	2,708,845	107,253	4,417,991
Total net position	\$ 4,558,473	\$ 4,274,193	\$ 5,804,806	\$ 410,314	\$ 15,047,786

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Duplin County, North Carolina
 Non-Major Proprietary Funds - Enterprise Funds
 Combining Statement of Revenues, Expenses, and
 Changes in Fund Net Position
 For the Year Ended June 30, 2014
 Exhibit F-2

	Albertson Water Fund	County Water Fund	Solid Waste Fund	Transportation Development Plan Fund	Total
Operating revenues					
Water sales	\$ 354,318	\$ 44,058	\$ -	\$ -	\$ 398,376
Administration fees	-	771,027	-	-	771,027
Miscellaneous	-	51,729	-	-	51,729
Charges for services/sale of goods	-	-	2,740,153	625,597	3,365,750
Total operating revenues	354,318	866,814	2,740,153	625,597	4,586,882
Operating expenses					
Operating expenses	235,231	221,176	2,971,828	1,073,121	4,501,356
Operating income (loss)	119,087	645,638	(231,675)	(447,524)	85,526
Non-operating revenues (expenses)					
Investment earnings	117	1,571	1,911	17	3,616
State grants	-	-	10,867	550,562	561,429
Disposal tax revenues	-	-	124,675	-	124,675
Interest expense	(5,194)	-	-	-	(5,194)
Gain (loss) on disposal of capital assets	-	672	11,279	19,923	31,874
Contributions	-	-	-	24,883	24,883
Miscellaneous	4,888	3,678	569	75	9,210
Total non-operating revenue (expense)	(189)	5,921	149,301	595,460	750,493
Income (loss) before contributions and transfers	118,898	651,559	(82,374)	147,936	836,019
Capital contributions	78,510	-	-	-	78,510
Change in net position	197,408	651,559	(82,374)	147,936	914,529
Net position, beginning of year	4,361,065	3,622,634	5,887,180	262,378	14,133,257
Net position, end of year	\$ 4,558,473	\$ 4,274,193	\$ 5,804,806	\$ 410,314	\$ 15,047,786

Duplin County, North Carolina
 Non-Major Proprietary Funds - Enterprise Funds
 Combining Statement of Cash Flows
 For the Year Ended June 30, 2014
 Exhibit F-3

	Albertson Water Fund	County Water Fund	Solid Waste Fund	Transportation Development Plan Fund	Total
Cash flows from operating activities					
Cash received from customers	\$ 355,934	\$ 866,889	\$ 2,727,354	\$ 553,594	\$ 4,503,771
Cash paid for goods and services	(165,985)	(314,909)	(1,673,301)	(453,771)	(2,607,966)
Cash paid to employees for services	-	(523,784)	(1,074,693)	(425,505)	(2,023,982)
Customer deposits received, net	1,035	(150)	200	-	1,085
Net cash (used) provided by operating activities	190,984	28,046	(20,440)	(325,682)	(127,092)
Cash flows from non-capital financing activities					
Miscellaneous	4,888	3,678	136,111	575,520	720,197
Cash flows from capital and related financing activities					
Capital contributions	78,510	-	-	-	78,510
Proceeds from sale of capital assets	-	672	11,279	19,923	31,874
Advances from (to) other funds	393	(8,290)	(295)	(4)	(8,196)
Acquisition and construction of capital assets	(75,282)	(22,539)	(12,001)	(191,514)	(301,336)
Principal paid on bond maturities and notes payable	(18,405)	-	-	-	(18,405)
Interest paid on bond maturities and notes payable	(5,282)	-	-	-	(5,282)
Net cash provided (used) by capital and related financing activities	(20,066)	(30,157)	(1,017)	(171,595)	(222,835)
Cash flows from investing activities					
Interest on investments	117	1,571	1,911	17	3,616
Net increase (decrease) in cash and cash equivalents	175,923	3,138	116,565	78,260	373,886
Cash and cash equivalents, beginning of year	1,039,167	313,508	2,320,187	126,034	3,798,896
Cash and cash equivalents, end of year	\$ 1,215,090	\$ 316,646	\$ 2,436,752	\$ 204,294	\$ 4,172,782

Duplin County, North Carolina
 Non-Major Proprietary Funds - Enterprise Funds
 Combining Statement of Cash Flows
 For the Year Ended June 30, 2014
 Exhibit F-3

	Albertson Water Fund	County Water Fund	Solid Waste Fund	Transportation Development Plan Fund	Total
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:					
Operating income (loss)	\$ 119,087	\$ 645,638	\$ (231,675)	\$ (447,524)	\$ 85,526
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:					
Depreciation	68,356	(705,765)	29,952	117,732	(489,725)
Changes in assets and liabilities:					
(Increase) decrease in accounts receivable	1,616	75	(15,702)	(72,003)	(86,014)
(Increase) decrease in inventory	-	(1,875)	-	-	(1,875)
Increase (decrease) in accounts payable	890	(271)	(11,239)	(1,311)	(11,931)
Increase (decrease) in deferred revenue	-	-	2,903	-	2,903
Increase (decrease) in customer deposits	1,035	(150)	200	-	1,085
Increase (decrease) in OPEB obligation	-	86,728	201,232	77,272	365,232
Increase (decrease) in compensated absences	-	3,666	3,889	152	7,707
Total adjustments	71,897	(617,592)	211,235	121,842	(212,618)
Net cash provided (used) by operating activities	\$ 190,984	\$ 28,046	\$ (20,440)	\$ (325,682)	\$ (127,092)

Duplin County, North Carolina
Albertson Water Fund

Schedule of Revenues and Expenditures - Budget and Actual (Non-GAAP)
For the Year Ended June 30, 2014
Exhibit F-4

	Final Budget	Actual	Variance Positive (Negative)
Operating Revenues			
Water sales	\$ 165,947	\$ 311,399	\$ 145,452
Sales to districts	27,000	32,684	5,684
Water taps	10,000	10,235	235
Total operating revenues	202,947	354,318	151,371
Non-operating revenues			
Investments earnings	-	117	117
Miscellaneous	4,736	4,888	152
Total non-operating revenues	4,736	5,005	269
Total revenues	207,683	359,323	151,640
Expenditures			
Operating expenditures:			
Administration fee		78,329	
Repairs and maintenance		13,727	
Other operating expenditures		74,819	
Total	186,248	166,875	19,373
Debt service:			
Principal retirements		18,406	
Interest and fees		5,282	
Total	23,689	23,688	1
Total expenditures	209,937	190,563	19,374
Revenues over (under) expenditures	(2,254)	168,760	171,014
Other financing sources			
Transfers from other funds	4,308	10,942	6,634
Appropriated fund balance	(2,054)	-	2,054
Revenues, other financing sources, and appropriated fund balance over expenditures	\$ -	\$ 179,702	\$ 179,702

Duplin County, North Carolina
 Albertson Water Fund

Schedule of Revenues and Expenditures - Budget and Actual (Non-GAAP)
 For the Year Ended June 30, 2014
 Exhibit F-4

	Final Budget	Actual	Variance Positive (Negative)
Reconciliation from budgetary basis (modified accrual) to full accrual:			
Revenues, other financing sources, and appropriated fund balance over expenditures		\$ 179,702	
Reconciling items:			
Debt principal retirement		18,406	
Depreciation		(68,356)	
Decrease in accrued interest payable		88	
From Albertson Water District NC Rural 2008 Project:			
Capital contributions		78,510	
Transfers between Albertson Water Fund and Project Fund		(10,942)	
Total reconciling items		17,706	
Change in net position		\$ 197,408	

Duplin County, North Carolina
Water Fund - District B

Schedule of Revenues and Expenditures - Budget and Actual (Non-GAAP)
For the Year Ended June 30, 2014
Exhibit F-5

	Final Budget	Actual	Variance Positive (Negative)
Operating revenues			
Water sales	\$ 345,981	\$ 451,032	\$ 105,051
Sales to districts	66,000	54,559	(11,441)
Water taps	13,000	22,365	9,365
Total operating revenues	424,981	527,956	102,975
Non-operating revenues			
Investment earnings	-	122	122
Miscellaneous	-	11	11
Total non-operating revenues	-	133	133
Total revenues	424,981	528,089	103,108
Expenditures			
Operating expenditures:			
Administration expenditures		131,962	
Repairs and maintenance		46,198	
Other operating expenditures		86,474	
Total operating expenditures	287,475	264,634	22,841
Debt service:			
Principal retirements		75,000	
Interest and fees		66,280	
Total debt service	141,338	141,280	58
Total expenditures	428,813	405,914	22,899
Revenues over (under) expenditures	(3,832)	122,175	126,007
Appropriated fund balance	3,832	-	(3,832)
Revenues and appropriated fund balance over expenditures	\$ -	\$ 122,175	\$ 122,175
Reconciliation from budgetary basis (modified accrual) to full accrual:			
Revenues and appropriated fund balance over expenditures		\$ 122,175	
Reconciling items:			
Depreciation		(220,146)	
Amortization of deferred loss on refunding		(1,549)	
Amortization of premium on refunding bonds		1,844	
Decrease in accrued interest payable		188	
Debt principal retirement		75,000	
Total reconciling items		(144,663)	
Change in net position		\$ (22,488)	

Duplin County, North Carolina
Water Fund - District D

Schedule of Revenues and Expenditures - Budget and Actual (Non-GAAP)
For the Year Ended June 30, 2014
Exhibit F-6

	Final Budget	Actual	Variance Positive (Negative)
Operating revenues			
Water sales	\$ 427,853	\$ 430,535	\$ 2,682
Sales to districts	43,000	46,343	3,343
Water taps	24,000	22,211	(1,789)
Administration fees	855	1,139	284
Total operating revenues	495,708	500,228	4,520
Non-operating revenues			
Investment earnings	-	15	15
Miscellaneous	-	1,409	1,409
Total non-operating revenues	-	1,424	1,424
Total revenues	495,708	501,652	5,944
Expenditures			
Operating expenditures:			
Administration expenditures		124,124	
Repairs and maintenance		13,109	
Operating expenditures		83,782	
Total	222,043	221,015	1,028
Debt service:			
Principal retirements		133,170	
Interest and fees		140,463	
Total	273,665	273,633	32
Total expenditures	495,708	494,648	1,060
Revenues over (under) expenditures	\$ -	\$ 7,004	\$ 7,004
Reconciliation from budgetary basis (modified accrual) to full accrual:			
Revenues over (under) expenditures		\$ 7,004	
Reconciling items:			
Amortization of deferred loss on refunding		(2,333)	
Amortization of premium on refunding bonds		4,413	
Depreciation		(232,846)	
Decrease in accrued interest payable		275	
Debt principal retirements		133,170	
Total reconciling items		(97,321)	
Change in net position		\$ (90,317)	

Duplin County, North Carolina
Water Fund - District E

Schedule of Revenues and Expenditures - Budget and Actual (Non-GAAP)
For the Year Ended June 30, 2014
Exhibit F-7

	Final Budget	Actual	Variance Positive (Negative)
Operating revenues			
Water sales	\$ 461,568	\$ 571,415	\$ 109,847
Sales to districts	45,000	40,621	(4,379)
Water taps	25,694	36,575	10,881
Administration fees	-	448	448
Total operating revenues	532,262	649,059	116,797
Non-operating revenues			
Investment earnings	-	141	141
Miscellaneous	-	1,115	1,115
Total non-operating revenues	-	1,256	1,256
Total revenues	532,262	650,315	118,053
Expenditures			
Operating expenditures:			
Administration expenditures		141,893	
Repairs and maintenance		40,358	
Other operating expenditures		97,337	
Total operating expenditures	294,918	279,588	15,330
Debt service:			
Principal retirement		105,000	
Interest and fees		136,366	
Total debt service	241,401	241,366	35
Total expenditures	536,319	520,954	15,365
Revenue over (under) expenditures	(4,057)	129,361	133,418
Other financing uses			
Transfers to other funds	(39,616)	-	39,616
Appropriated fund balance	43,673	-	(43,673)
Revenue and appropriated fund balance over expenditures and other financing uses	\$ -	\$ 129,361	\$ 129,361

Duplin County, North Carolina
 Water Fund - District E

Schedule of Revenues and Expenditures - Budget and Actual (Non-GAAP)
 For the Year Ended June 30, 2014
 Exhibit F-7

	Final Budget	Actual	Variance Positive (Negative)
Reconciliation from budgetary basis (modified accrual) to full accrual basis:			
Revenue and appropriated fund balance over expenditures and other financing uses		\$ 129,361	
Reconciling items:			
Depreciation		(194,901)	
Amortization of deferred loss on refunding		(2,379)	
Amortization of premium on refunding bonds		4,560	
Increase in accrued interest payable		(176)	
Principal debt retirement		105,000	
From Water District E 2009 DWSRF Project:			
Capital contribution		717,133	
From Water District G and E I40-373 Sewer Project:			
Investment earnings		24	
Capital contribution		273,031	
Total reconciling items		902,292	
Change in net position		\$ 1,031,653	

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Duplin County, North Carolina
Water Fund - District F

Schedule of Revenues and Expenditures - Budget and Actual (Non-GAAP)
For the Year Ended June 30, 2014
Exhibit F-8

	Final Budget	Actual	Variance Positive (Negative)
Operating Revenues			
Water sales	\$ 629,792	\$ 771,419	\$ 141,627
Sales to districts	78,800	84,020	5,220
Water taps	27,000	27,794	794
Total operating revenues	735,592	883,233	147,641
Non-operating revenues			
Investments earnings	-	111	111
Miscellaneous	-	39	39
Total non-operating revenues	-	150	150
Total revenues	735,592	883,383	147,791
Expenditures			
Operating expenditures:			
Administration expenditures		165,797	
Repairs and maintenance		46,165	
Other operating expenditures		187,390	
Total operating expenditures	413,725	399,352	14,373
Debt service:			
Principal retirements		162,010	
Interest and fees		164,768	
Total debt service	326,826	326,778	48
Total expenditures	740,551	726,130	14,421
Revenues over (under) expenditures	(4,959)	157,253	162,212
Fund balance appropriated	4,959	-	(4,959)
Revenues and appropriated fund balance over expenditures	\$ -	\$ 157,253	\$ 157,253
Reconciliation from budgetary basis (modified accrual) to full accrual basis:			
Revenues and appropriated fund balance over expenditures		\$ 157,253	
Reconciling items:			
Depreciation		(146,548)	
Amortization of deferred loss on refunding		(2,730)	
Amortization of premium on refunding bonds		4,982	
Decrease in accrued interest payable		467	
Debt principal retirement		162,010	
From Water District F 2009 DWSRF Project:			
Capital contributions		782,066	
Total reconciling items		800,247	
Change in net position		\$ 957,500	

Duplin County, North Carolina
Water Fund - District G

Schedule of Revenues and Expenditures - Budget and Actual (Non-GAAP)
For the Year Ended June 30, 2014
Exhibit F-9

	Final Budget	Actual	Variance Positive (Negative)
Operating revenues			
Water sales	\$ 352,009	\$ 409,157	\$ 57,148
Sales to districts	52,000	59,344	7,344
Water taps	26,000	24,536	(1,464)
Total operating revenues	430,009	493,037	63,028
Non-operating revenues			
Investment earnings	-	88	88
Miscellaneous	-	1,357	1,357
Total non-operating revenues	-	1,445	1,445
Total revenues	430,009	494,482	64,473
Expenditures			
Operating expenditures:			
Administration expenditures		120,442	
Repairs and maintenance		19,688	
Other operating expenditures		83,902	
Total operating expenditures	242,791	224,032	18,759
Debt Service:			
Principal retirements		85,000	
Interest and fees		105,795	
Total debt service	190,824	190,795	29
Total expenditures	433,615	414,827	18,788
Revenues over (under) expenditures	(3,606)	79,655	83,261
Other financing uses			
Transfers to other funds	(74,166)	-	74,166
Appropriated fund balance	77,772	-	(77,772)
Revenues and appropriated fund balance over expenditures and other financing uses	\$ -	\$ 79,655	\$ 79,655

Duplin County, North Carolina
Water Fund - District G

Schedule of Revenues and Expenditures - Budget and Actual (Non-GAAP)
For the Year Ended June 30, 2014
Exhibit F-9

	Final Budget	Actual	Variance Positive (Negative)
Reconciliation from budgetary basis (modified accrual) to full accrual basis:			
Revenues and appropriated fund balance over expenditures and other financing uses		\$ 79,655	
Reconciling items			
Depreciation		(97,301)	
Amortization of deferred loss on refunding		(1,934)	
Amortization of premium on refunding bonds		3,294	
Increase in accrued interest payable		(810)	
Debt principal payment		85,000	
From Water District G 2009 DWSRF Project:			
Capital contribution		811,181	
From Water District G and E I40-373 Sewer Project:			
Investment earnings		57	
Capital contribution		637,065	
Total reconciling items		1,436,552	
Change in net position		\$ 1,516,207	

Duplin County, North Carolina
County Water Fund

Schedule of Revenues and Expenditures - Budget and Actual (Non-GAAP)
For the Year Ended June 30, 2014
Exhibit F-10

	Final Budget	Actual	Variance Positive (Negative)
Operating revenues			
Water sales	\$ 26,500	\$ 27,900	\$ 1,400
Sales to districts	11,000	15,918	4,918
Water taps	1,200	240	(960)
Administration fees	825,237	771,027	(54,210)
Other operating revenues	58,000	51,729	(6,271)
Total operating revenues	921,937	866,814	(55,123)
Non-operating revenues			
Investment earnings	-	1,571	1,571
Miscellaneous	-	3,678	3,678
Total operating revenues	-	5,249	5,249
Total revenues	921,937	872,063	(49,874)
Expenditures			
Administration expenditures:			
Salaries and employee benefits		614,178	
Other administration expenditures		135,520	
Capital outlay		22,540	
Operating expenditures:			
Administration expenditures		8,481	
Repairs		4,218	
Other operating expenditures		74,148	
Total expenditures	922,162	859,085	63,077
Revenues over (under) expenditures	(225)	12,978	13,203
Other financing sources			
Proceeds from sale of capital assets	225	672	447
Revenues and other financing sources over expenditures	\$ -	\$ 13,650	\$ 13,650
Reconciliation from budgetary basis (modified accrual) to full accrual:			
Revenues and other financing sources over expenditures		\$ 13,650	
Reconciling items:			
Capital outlay		22,540	
Depreciation		705,763	
Decrease in compensated absences		(3,666)	
Increase in OPEB obligation		(86,728)	
Total reconciling items		637,909	
Change in net position		\$ 651,559	

Duplin County, North Carolina
Water Debt Service 2012 Limited Obligation Bond Fund
Schedule of Revenues and Expenditures - Budget and Actual (Non-GAAP)
For the Year Ended June 30, 2014
Exhibit F-11

	Final Budget	Actual	Variance Positive (Negative)
Non-operating revenues			
Investments earnings	\$ 608,333	\$ 608,136	\$ (197)
Expenditures			
Debt Service:			
Principal retirements		505,000	
Interest and fees		608,131	
Total expenditures	1,113,333	1,113,131	202
Revenues over (under) expenditures	(505,000)	(504,995)	5
Other financing sources			
Principal received from water districts' GO Bonds	505,000	505,000	-
Revenues and other financing sources over expenditures	\$ -	\$ 5	\$ 5
Reconciliation from budgetary basis (modified accrual) to full accrual basis:			
Revenues and other financing sources over expenditures		\$ 5	
Reconciling items			
Principal received from water districts		(505,000)	
Debt principal payment		505,000	
Amortization of bond premium paid to water districts		(19,092)	
Amortization of limited obligation bond premium		19,092	
Decrease in accrued interest receivable		(1,263)	
Decrease in accrued interest payable		1,263	
Total reconciling items		-	
Change in net position		\$ 5	

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Duplin County, North Carolina
Transportation Development Plan Fund
Schedule of Revenues and Expenditures - Budget and Actual (Non-GAAP)
For the Year Ended June 30, 2014
Exhibit F-12

	Final Budget	Actual	Variance Positive (Negative)
Operating revenues			
Charges for services	\$ 498,389	\$ 625,597	\$ 127,208
Non-operating revenues			
Investments earnings	-	17	17
State grants	594,128	550,562	(43,566)
Contributions	50,000	24,883	(25,117)
Miscellaneous	-	75	75
Total non-operating revenues	644,128	575,537	(68,591)
Total revenues	1,142,517	1,201,134	58,617
Expenditures			
Salaries and employee benefits		425,505	
Operating expenditures		223,100	
Capital outlay		191,513	
DOT Rural General Public Grant		89,221	
Workfirst transportation assistance		20,810	
Elderly/Disabled transportation assistance		69,566	
NCDOT 5310 grant expenditures		49,765	
Total expenditures	1,172,206	1,069,480	102,726
Revenues over (under) expenditures	(29,689)	131,654	161,343
Other financing sources			
Proceeds from sale of capital assets	19,923	19,923	-
Appropriated fund balance	9,766	-	(9,766)
Revenues, other financing sources and appropriated fund balance over expenditures	\$ -	\$ 151,577	\$ 151,577
Reconciliation from budgetary basis (modified accrual) to full accrual:			
Revenues, other financing sources and appropriated fund balance over expenditures		\$ 151,577	
Reconciling items:			
Depreciation		(117,730)	
Increase in compensated absences		(152)	
Increase in OPEB obligation		(77,272)	
Capital outlay		191,513	
Total reconciling items		(3,641)	
Change in net position		\$ 147,936	

Duplin County, North Carolina
 Airport Commission Fund

Schedule of Revenues and Expenditures - Budget and Actual (Non-GAAP)
 For the Year Ended June 30, 2014

Exhibit F-13

	Final Budget	Actual	Variance Positive (Negative)
Operating revenues			
Sales and rentals	\$ 561,151	\$ 498,854	\$ (62,297)
Non-operating revenues			
Investments earnings	500	18	(482)
Rental income	6,343	6,565	222
Miscellaneous	1,000	578	(422)
Total non-operating revenues	7,843	7,161	(682)
Total revenues	568,994	506,015	(62,979)
Expenditures			
Operating expenditures:			
Salaries and employee benefits		182,733	
Purchases		301,972	
Other operating expenditures		108,042	
Capital outlay		65,400	
Total operating expenditures	745,727	658,147	87,580
Debt service:			
Principal retirements		42,528	
Interest and fees		9,072	
Total debt service	51,600	51,600	-
Total expenditures	797,327	709,747	87,580
Revenues over (under) expenditures	(228,333)	(203,732)	24,601
Other financing sources (uses)			
Proceeds from sale of capital assets			
Transfers from other funds	219,978	219,978	-
Transfers to other funds	(114,830)	(59,200)	55,630
Total other financing sources (uses)	105,148	160,778	55,630
Appropriated fund balance	123,185	-	(123,185)
Revenues, other financing sources, and appropriated fund balance under expenditures and other financing uses	\$ -	\$ (42,954)	\$ (42,954)

Duplin County, North Carolina
 Airport Commission Fund

Schedule of Revenues and Expenditures - Budget and Actual (Non-GAAP)
 For the Year Ended June 30, 2014
 Exhibit F-13

	Final Budget	Actual	Variance Positive (Negative)
Reconciliation from budgetary basis (modified accrual to full accrual):			
Revenues, other financing sources, and appropriated fund balance under expenditures and other financing uses		\$ (42,954)	
Reconciling items:			
Depreciation		(1,176,318)	
Capital outlay		86,662	
Debt principal retirements		42,528	
Decrease in accrued interest payable		812	
Increase in compensated absences		(1,367)	
Increase in OPEB obligation		(38,824)	
Debt forgiveness		236,037	
From Airport Commission Capital Project Fund:			
Capital contribution		103,164	
Transfers to Airport Commission Capital Project Fund		59,200	
Total reconciling items		(688,106)	
Change in net position		\$ (731,060)	

Duplin County, North Carolina
Solid Waste Fund

Schedule of Revenues and Expenditures - Budget and Actual (Non-GAAP)
For the Year Ended June 30, 2014
Exhibit F-14

	Final Budget	Actual	Variance Positive (Negative)
Operating revenues			
Disposal fees	\$ 1,486,800	\$ 1,495,646	\$ 8,846
User fees	1,122,500	1,051,963	(70,537)
Landfill fees	118,500	116,943	(1,557)
Sale of recyclables	86,000	78,504	(7,496)
Total operating revenues	2,813,800	2,743,056	(70,744)
Non-operating revenues			
Investments earnings	2,434	1,911	(523)
State grants	14,000	10,867	(3,133)
Disposal tax revenues	95,000	124,675	29,675
Miscellaneous	-	569	569
Total non-operating revenues	111,434	138,022	26,588
Total revenues	2,925,234	2,881,078	(44,156)
Expenditures			
Collections:			
Salaries and employee benefits		670,747	
Operating expenditures		557,753	
Disposals:			
Salaries and employee benefits		196,770	
Operating expenditures		909,436	
Capital outlay		12,000	
Recycling:			
Salaries and employee benefits		198,713	
Operating expenditures		62,662	
Tire collection:			
Salaries and employee benefits		4,836	
Operating expenditures		77,343	
White goods:			
Salaries and employee benefits		3,627	
Operating expenditures		54,868	
Total expenditures	3,174,273	2,748,755	425,518
Revenues under expenditures	(249,039)	132,323	381,362
Other financing sources			
Proceeds from sale of capital assets	-	11,279	11,279
Appropriated fund balance	249,039	-	(249,039)
Revenues, other financing sources, and appropriated fund balance under expenditures	\$ -	\$ 143,602	\$ 143,602

Duplin County, North Carolina
Solid Waste Fund

Schedule of Revenues and Expenditures - Budget and Actual (Non-GAAP)
For the Year Ended June 30, 2014
Exhibit F-14

	Final Budget	Actual	Variance Positive (Negative)
Reconciliation from budgetary basis (modified accrual) to full accrual:			
Revenues, other financing sources, and appropriated fund balance under expenditures		\$ 143,602	
Reconciling items:			
Deferred revenue		(2,903)	
Depreciation		(29,952)	
Increase in compensated absences		(3,889)	
Increase in OPEB obligation		(201,232)	
Capital outlay		12,000	
Total reconciling items		(225,976)	
Change in net position		\$ (82,374)	

Duplin County, North Carolina
 Airport Commission Capital Project Fund
 Schedule of Revenues and Expenditures - Budget and Actual (Non-GAAP)
 From Inception and for the Year Ended June 30, 2014
 Exhibit F-15

	Project Authorization	Prior Years	Actual		Variance Positive (Negative)
			Current Year	Total to Date	
Revenues					
State grants	\$ 1,394,402	\$ 1,174,186	\$103,134	\$1,277,320	\$(117,082)
Local option sales taxes	26,009	26,009	30	26,039	30
Investment earnings	2,214	2,225	-	2,225	11
Total revenues	1,422,625	1,202,420	103,164	1,305,584	(117,041)
Expenditures					
Terminal project	1,650,729	1,427,145	137,202	1,564,347	86,382
Precision Approach Path Indicator Light project	110,447	-	2,882	2,882	107,565
Total expenditures	1,761,176	1,427,145	140,084	1,567,229	193,947
Revenues over (under) expenditures	(338,551)	(224,725)	(36,920)	(261,645)	76,906
Other financing sources					
Transfers from other funds	338,551	223,758	59,200	282,958	(55,593)
Revenues and other financing sources over (under) expenditures	\$ -	\$ (967)	\$ 22,280	\$ 21,313	\$ 21,313

Duplin County, North Carolina
 Water District G Clean Water (GHSRGW99063) Project Fund
 Schedule of Revenue and Expenditures - Budget and Actual (Non-GAAP)
 From Inception and for the Year Ended June 30, 2014
 Exhibit F-16

	Project Authorization	Actual		Variance Positive (Negative)	
		Prior Years	Current Year		Total to Date
Revenues					
State grants	\$ 3,200,000	\$ 3,179,577	\$ -	\$ 3,179,577	\$ (20,423)
Local option sales taxes	50,168	51,383	-	51,383	1,215
Total revenues	3,250,168	3,230,960	-	3,230,960	(19,208)
Expenditures					
Project expenditures	3,250,168	3,031,949	-	3,031,949	218,219
Revenues over (under) expenditures	\$ -	\$ 199,011	\$ -	\$ 199,011	\$ 199,011

Duplin County, North Carolina
Water District G 2009 DWSRF Project Fund
Schedule of Revenues and Expenditures - Budget and Actual (Non-GAAP)
From Inception and for the Year Ended June 30, 2014
Exhibit F-17

	Project Authorization	Actual			Variance Positive (Negative)
		Prior Years	Current Year	Total to Date	
Revenues					
Federal and state grant	\$ 802,214	\$ -	\$ -	\$ -	\$ (802,214)
Local option sales tax	21,051	-	21,051	21,051	-
Total revenues	823,265	-	21,051	21,051	(802,214)
Expenditures					
Project expenditures	1,033,819	567	810,614	811,181	222,638
Revenues over (under) expenditures	(210,554)	(567)	(789,563)	(790,130)	(579,576)
Other financing sources					
Loan proceeds - Drinking Water					
State Revolving Funds	200,554	-	790,130	790,130	589,576
Transfer from Water District G	10,000	-	-	-	(10,000)
Total other financing sources	210,554	-	790,130	790,130	579,576
Revenues and other financing sources over (under) expenditures	\$ -	\$ (567)	\$ 567	\$ -	\$ -

Duplin County, North Carolina
 Albertson Water District NC Rural 2008 Project Fund
 Schedule of Revenues and Expenditures - Budget and Actual (Non-GAAP)
 From Inception and for the Year Ended June 30, 2014
 Exhibit F-18

	Project Authorization	Prior Years	Actual		Variance Positive (Negative)
			Current Year	Total to Date	
Revenues					
State grant	\$ 486,865	\$ 411,584	\$ 75,281	\$ 486,865	\$ -
Local option sales taxes	17,577	14,348	3,229	17,577	-
Total revenues	504,442	425,932	78,510	504,442	-
Expenditures					
Project expenditures	986,866	911,585	75,281	986,866	-
Revenues over (under) expenditures	(482,424)	(485,653)	3,229	(482,424)	-
Other financing sources					
Transfer from (to) Albertson Water Fund	482,424	493,366	(10,942)	482,424	-
Revenues and other financing sources over expenditures	\$ -	\$ 7,713	\$ (7,713)	\$ -	\$ -

Duplin County, North Carolina
Water District E 2009 DWSRF Project Fund
Schedule of Revenues and Expenditures - Budget and Actual (Non-GAAP)
From Inception and for the Year Ended June 30, 2014
Exhibit F-19

	Project Authorization	Actual		Total to Date	Variance Positive (Negative)
		Prior Years	Current Year		
Revenues					
Federal and state grant	\$ 726,125	\$ -	\$ -	\$ -	\$ (726,125)
Local option sales taxes	16,101	-	16,307	16,307	206
Total revenues	742,226	-	16,307	16,307	(725,919)
Expenditures					
Project expenditures	933,757	15,148	701,985	717,133	216,624
Revenues over (under) expenditures	(191,531)	(15,148)	(685,678)	(700,826)	(509,295)
Other financing sources					
Loan proceeds - Drinking Water State Revolving Funds	181,531	-	700,826	700,826	519,295
Transfer from Water District E	10,000	-	-	-	(10,000)
Total other financing sources	191,531	-	700,826	700,826	509,295
Revenues and other financing sources over expenditures	\$ -	\$ (15,148)	\$ 15,148	\$ -	\$ -

Duplin County, North Carolina
Water District G and E I-40-373 Sewer Project Fund
Schedule of Revenues and Expenditures - Budget and Actual (Non-GAAP)
From Inception and for the Year Ended June 30, 2014
Exhibit F-20

	Project Authorization	Prior Years	Actual		Variance Positive (Negative)
			Current Year	Total to Date	
Revenues					
USDA grant	\$ 936,000	\$ -	\$ 885,051	\$ 885,051	\$(50,949)
Rural Center grant	500,000	-	-	-	(500,000)
Local option sales taxes	27,500	-	25,041	25,041	(2,459)
Investment earnings	-	16	81	97	97
Total revenues	1,463,500	16	910,173	910,189	(553,311)
Expenditures					
Project Expenditures:					
District G		147,916	1,004,050	1,151,966	
District E		63,392	430,307	493,699	
Total		211,308	1,434,357	1,645,665	
Debt service					
Principal retirements-District G		-	452,200	452,200	
Principal retirements-District E		-	193,800	193,800	
Interest and fees-District G		-	4,840	4,840	
Interest and fees-District E		-	2,075	2,075	
Total		-	652,915	652,915	
Total expenditures	2,855,500	211,308	2,087,272	2,298,580	556,920
Revenues over (under) expenditures	(1,392,000)	(211,292)	(1,177,099)	(1,388,391)	3,609
Other financing sources					
Loan proceeds from interim financing	646,000	646,000	-	646,000	-
Loan proceeds from USDA	646,000	-	646,000	646,000	-
Transfer from Water Fund - District E	30,000	30,000	-	30,000	-
Transfer from Water Fund - District G	70,000	70,000	-	70,000	-
Total other financing sources	1,392,000	746,000	646,000	1,392,000	-
Revenues and other financing sources over expenditures	\$ -	\$534,708	\$ (531,099)	\$ 3,609	\$ 3,609

Duplin County, North Carolina
 Water District F 2009 DWSRF Project Fund
 Schedule of Revenues and Expenditures - Budget and Actual (Non-GAAP)
 From Inception and for the Year Ended June 30, 2014
 Exhibit F-21

	Project Authorization	Actual			Variance Positive (Negative)
		Prior Years	Current Year	Total to Date	
Expenditures					
Project Expenditures	\$ 2,488,000	\$1,062,026	\$ 782,066	\$ 1,844,092	\$643,908
Revenues over (under) expenditures	(2,488,000)	(1,062,026)	(782,066)	(1,844,092)	643,908
Other financing sources					
Loan proceeds - Drinking Water					
State Revolving Funds	2,463,000	1,037,026	782,066	1,819,092	(643,908)
Transfer from Water District F	25,000	25,000	-	25,000	-
Total other financing sources	2,488,000	1,062,026	782,066	1,844,092	(643,908)
Revenues and other financing sources over expenditures	\$ -	\$ -	\$ -	\$ -	\$ -

Debt Service Fund

The Debt Service Fund is used to account for the accumulation of resources for the payment of general long-term debt principal, interest, and related costs.

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Duplin County, North Carolina
Debt Service Fund

Schedule of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual
For the Year Ended June 30, 2014
Exhibit G-1

	Final Budget	Actual	Variance Positive (Negative)
Revenues			
Investment earnings	\$ -	\$ 46	\$ 46
Expenditures			
Debt service:			
Principal retirement		1,382,410	
Interest and fees		524,290	
Total expenditures	1,906,701	1,906,700	1
Revenues over (under) expenditures	(1,906,701)	(1,906,654)	
Other financing sources (uses)			
Transfers from other funds	1,958,301	1,958,300	(1)
Transfers to other funds	(51,600)	(51,600)	-
Total other financing sources (uses)	1,906,701	1,906,700	(1)
Net change in fund balance	<u>\$ -</u>	46	<u>\$ 46</u>
Fund balance, beginning of year		448,749	
Fund balance, end of year		<u>\$ 448,795</u>	

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Trust and Agency Funds

Trust Funds are used to account for assets held by the County in a trustee capacity. Agency Funds are used to accounts for assets held by the County as an agent for individuals, private organizations, other governments, and/or other funds.

County Trust Fund - Accounts for the monies of various programs.

County Agency Fund - Accounts for the monies held in trust by the County for various departments.

Board of Education Fines and Forfeitures Fund: Accounts for various legal fines and forfeitures required to be remitted to the Board of Education.

Social Services Fund - Accounts for monies held by the Department of Social Services for the benefit of certain individuals.

Motor Vehicle Tax Fund - Accounts for the proceeds of the motor vehicle taxes collected by the County on behalf of municipalities within the County.

Motor Vehicle Tax 3% Fund - Accounts for the 3% fee collected on behalf of the North Carolina Department of Motor Vehicles.

Register of Deeds Trust Fund - Accounts for the \$5 fee collected by the register of deeds for registering a deed of trust or mortgage.

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Duplin County, North Carolina
County Trust Fund

Schedule of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual
For the Year Ended June 30, 2014
Exhibit H-1

	Final Budget	Actual	Variance Positive (Negative)
Revenues			
Restricted Intergovernmental:			
Unauthorized substance tax	\$ -	\$ 11,903	\$ 11,903
Investment earnings	-	7	7
Miscellaneous revenue:			
Fees and commissions	23,067	24,369	1,302
Donations	3,215	4,090	875
Total	26,282	28,459	2,177
Total revenues	26,282	40,369	14,087
Expenditures			
General Government:			
Sheriff/Jail		1,606	
TB lung disease		400	
General aging trust		648	
Senior games		181	
Senior citizens trips		22,602	
Library programs		525	
Total expenditures	89,434	25,962	63,472
Revenues over (under) expenditures	(63,152)	14,407	77,559
Appropriated fund balance	63,152	-	(63,152)
Net change in fund balance	<u>\$ -</u>	14,407	<u>\$ 14,407</u>
Fund balance, beginning of year		63,152	
Fund balance, end of year		<u>\$ 77,559</u>	

Duplin County, North Carolina
Agency Funds
Combining Statement of Fiduciary Net Position
June 30, 2014
Exhibit H-2

	Motor Vehicle Tax Fund	County Agency Fund	Motor Vehicle 3% Fund	Social Services Fund	Register of Deeds Trust Fund	Board of Education Fines and Forfeitures Fund	Total
Assets							
Cash and cash equivalents	\$ -	\$ 98,237	\$ -	\$ 47,334	\$ 10,095	\$ 9,780	\$ 165,446
Miscellaneous receivables	26,601	105	-	-	-	-	26,706
Total assets	\$26,601	\$ 98,342	\$ -	\$ 47,334	\$ 10,095	\$ 9,780	\$ 192,152
Liabilities							
Miscellaneous liabilities	\$ 26,601	\$ 91,751	\$ -	\$ 47,334	\$ 10,091	\$ 9,780	\$ 185,557
Due to other funds	-	6,591	-	-	4	-	6,595
Total liabilities	\$26,601	\$ 98,342	\$ -	\$ 47,334	\$ 10,095	\$ 9,780	\$ 192,152

Duplin County, North Carolina
Agency Funds

Combining Statement of Changes in Assets and Liabilities
For the Year Ended June 30, 2014
Exhibit H-3

	Balance July 1, 2013	Additions	Deductions	Balance June 30, 2014
<u>Motor Vehicle Tax Fund</u>				
Assets				
Cash and cash equivalents	20,185		20,185	-
Miscellaneous receivables	2,818	23,783		26,601
Due from other agency funds	-			-
Due from other governmental funds	-			-
Total assets	23,003	23,783	20,185	26,601
Liabilities				
Miscellaneous liabilities	22,362	4,239		26,601
Due to other agency funds	300		300	-
Due to other governmental funds	341		341	-
Total liabilities	23,003	4,239	641	26,601
<u>County Agency Fund</u>				
Assets				
Cash and cash equivalents	100,422		2,185	98,237
Miscellaneous receivables	-	105		105
Due from other agency funds	-			-
Due from other governmental funds	-			-
Total assets	100,422	105	2,185	98,342
Liabilities				
Miscellaneous liabilities	97,544		5,793	91,751
Due to other agency funds	-			-
Due to other governmental funds	2,878	3,713		6,591
Total liabilities	100,422	3,713	5,793	98,342
<u>Motor Vehicle 3% Fund:</u>				
Assets				
Cash and cash equivalents	-			-
Miscellaneous receivables	-			-
Due from other agency funds	300		300	-
Due from other governmental funds	2,075		2,075	-
Total assets	2,375	-	2,375	-
Liabilities				
Miscellaneous liabilities	2,375		2,375	-
Due to other agency funds	-			-
Due to other governmental funds	-			-
Total liabilities	2,375	-	2,375	-

Duplin County, North Carolina
Agency Funds
Combining Statement of Changes in Assets and Liabilities
For the Year Ended June 30, 2014
Exhibit H-3

	Balance July 1, 2013	Additions	Deductions	Balance June 30, 2014
<u>Social Services Fund</u>				
Assets				
Cash and cash equivalents	37,274	10,060		47,334
Miscellaneous receivables	-			-
Due from other agency funds	-			-
Due from other governmental funds	-			-
Total assets	37,274	10,060	-	47,334
Liabilities				
Miscellaneous liabilities	37,274	10,060		47,334
Due to other agency funds	-			-
Due to other governmental funds	-			-
Total liabilities	37,274	10,060	-	47,334
<u>Register of Deeds Trust Fund:</u>				
Assets				
Cash and cash equivalents	7,307	2,788		10,095
Miscellaneous receivables	-			-
Due from other agency funds	-			-
Due from other governmental funds	-			-
Total assets	7,307	2,788	-	10,095
Liabilities				
Miscellaneous liabilities	7,307	2,788		10,091
Due to other agency funds	-			-
Due to other governmental funds	-			4
Total liabilities	7,307	2,788	-	10,095
<u>Board of Education Fines and Forfeitures Fund</u>				
Assets				
Cash and cash equivalents	7,508	2,272		9,780
Miscellaneous receivables	29		29	-
Due from other agency funds	-			-
Due from other governmental funds	-			-
Total assets	7,537	2,272	29	9,780
Liabilities				
Miscellaneous liabilities	7,518	2,262		9,780
Due to other agency funds	-			-
Due to other governmental funds	19		19	-
Total liabilities	7,537	2,262	19	9,780

Duplin County, North Carolina
Agency Funds

Combining Statement of Changes in Assets and Liabilities
For the Year Ended June 30, 2014
Exhibit H-3

	Balance July 1, 2013	Additions	Deductions	Balance June 30, 2014
Totals - All Agency Funds:				
Assets				
Cash and cash equivalents	172,696	15,120	22,370	165,446
Miscellaneous receivables	2,847	23,888	29	26,706
Due from other agency funds	300	-	300	-
Due from other governmental funds	2,075	-	2,075	-
Total assets	177,918	39,008	24,774	192,152
Liabilities				
Miscellaneous liabilities	174,380	19,349	8,168	185,557
Due to other agency funds	300	-	300	-
Due to other governmental funds	3,238	3,713	360	6,595
Total liabilities	177,918	23,062	8,828	192,152

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Internal Service Fund

The Internal Service Fund is used to account for the financing of goods and services provided by one department or agency to other departments or agencies of the County on a cost reimbursement basis.

Hospital Insurance Fund - Accounts for payment of health insurance premiums from County and employee contributions and pays the costs of the plan. All contributions to the fund remain in the fund for the plan to use in subsequent years.

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Duplin County, North Carolina
Hospital Insurance Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual
For the Year Ended June 30, 2014
Exhibit I-1

	Final Budget	Actual	Variance Positive (Negative)
Revenues			
Operating revenues:			
Charges for services	\$ 4,010,000	\$ 4,180,942	\$ 170,942
Non-operating revenues:			
Investment earnings	-	253	253
Total revenues	4,010,000	4,181,195	171,195
Expenditures			
Operating expenditures	4,525,000	4,484,363	40,637
Revenues over (under) expenditures	(515,000)	(303,168)	211,832
Other financing sources			
Transfer from other funds	400,000	400,000	-
Appropriated fund balance	115,000	-	(115,000)
Net change in fund balance	<u>\$ -</u>	96,832	<u>\$ 96,832</u>
Fund balance, beginning of year		2,628,305	
Fund balance, end of year		<u>\$ 2,725,137</u>	

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Component Unit

This section provides supplementary information regarding the County's discretely presented component unit that does not issue separate financial statements.

Duplin County Tourism Development Authority - This discretely presented governmental fund type component unit accounts for tourism development activities within the County.

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Duplin County, North Carolina
 Duplin County Tourism Development Authority
 Supplemental Statement of Net Position
 June 30, 2014
 Exhibit J-1

Assets

Current assets:	
Cash and cash equivalents	\$ 334,342
Accounts receivable	20,016
Total current assets	354,358
Total assets	\$ 354,358

Liabilities

Current liabilities:	
Due to primary government	\$ 600
Total current liabilities	600
Long-term liabilities:	
Compensated absences	5,995
Total liabilities	6,595

Net Position

Restricted:	
Stabilization by state statute	20,016
Unrestricted	327,747
Total net position	\$ 347,763

Note: This is a discretely presented component unit which does not prepare separate financial statements.

Duplin County, North Carolina
 Duplin County Tourism Development Authority
 Supplemental Statement of Activities
 For the Year Ended June 30, 2014
 Exhibit J-2

Functions/Programs	Expenses	Net (Expense) Revenue and Changes in Net Position
		Governmental Activities
Governmental Activities:		
Economic and physical development	\$ 192,771	\$ (192,771)
 General Revenues:		
Occupancy taxes		\$ 221,380
Investment earnings		33
Total general revenues		221,413
Change in net position		28,642
Net position, beginning of year		319,121
Net position, ending of year		\$ 347,763

Note: This is a discretely presented component unit which does not prepare separate financial statements.

Duplin County, North Carolina
 Duplin County Tourism Development Authority
 Supplemental Balance Sheet
 June 30, 2014
 Exhibit J-3

Assets	
Cash and cash equivalents	\$ 334,342
Accounts receivable	20,016
<hr/>	
Total assets	\$ 354,358
<hr/>	
Liabilities	
Accounts payable and accrued liabilities	\$ -
Due to primary government	600
<hr/>	
Total liabilities	600
<hr/>	
Fund Balances	
Restricted:	
Stabilization by state statute	20,016
Unassigned	333,742
<hr/>	
Total fund balances	353,758
<hr/>	
Total liabilities and fund balances	\$ 354,358
<hr/>	

Amounts reported for governmental activities in the Statement of Net Position are different because:

Total fund balances - General Fund	\$ 353,758
------------------------------------	------------

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.

Compensated absences	(5,995)
----------------------	---------

Net position of governmental activities	\$ 347,763
-----------------------------------------	------------

Note: This is a discretely presented component unit which does not prepare separate financial statements.

Duplin County, North Carolina
 Duplin County Tourism Development Authority
 Supplemental Schedule of Revenues, Expenditures,
 and Changes in Fund Balance
 For the Year Ended June 30, 2014
 Exhibit J-4

Revenues

Occupancy taxes	\$ 221,380
Investment earnings	33
Total revenues	221,413

Expenditures

Salaries and employee benefits	90,310
Advertising	54,977
Promotion and entertainment	8,819
Travel, training, and meals	10,818
Other operating expenditures	25,076
Total expenditures	190,000

Net change in fund balance	31,413
----------------------------	--------

Fund balance, beginning of year	322,345
---------------------------------	---------

Fund balance, end of year	\$ 353,758
---------------------------	------------

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

Net changes in fund balance - General Fund	\$ 31,413
--------------------------------------------	-----------

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	(2,771)
----------------------	---------

Total changes in governmental activities	\$ 28,642
------------------------------------------	-----------

Note: This is a discretely presented component unit which does not prepare separate financial statements.

Duplin County, North Carolina
 Duplin County Tourism Development Authority
 Supplemental Schedule of Revenues, Expenditures,
 and Changes in Fund Balance
 Budget and Actual
 For the Year Ended June 30, 2014
 Exhibit J-5

	Original Budget	Final Budget	Actual	Variance with Final Positive (Negative)
Revenues				
Occupancy taxes	\$ 193,973	\$ 195,973	\$ 221,380	\$ 25,407
Investment earnings	-	-	33	33
Total revenues	193,973	195,973	221,413	25,440
Expenditures				
Salaries and employee benefits			90,310	
Advertising			54,977	
Promotion and entertainment			8,819	
Travel, training, and meals			10,818	
Other operating expenditures			25,076	
Total expenditures	193,973	205,863	190,000	15,863
Revenues over (under) expenditures	-	(9,890)	31,413	41,303
Fund balance appropriated	-	9,890	-	(9,890)
Net change in fund balance	<u>\$ -</u>	<u>\$ -</u>	31,413	<u>\$ 31,413</u>
Fund balance, beginning of year			322,345	
Fund balance, end of year			<u>\$ 353,758</u>	

Note: This is a discretely presented component unit which does not prepare separate financial statements.

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Other Schedules

This section provides additional information on ad valorem taxes and general obligation debt.

- Schedule of Ad Valorem Taxes Receivable
- Analysis of Current Tax Levy - County-wide Levy
- Analysis of Current Tax Levy - Secondary Market Disclosures
- Computation of Legal Debt Margin

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Duplin County, North Carolina
 General Fund
 Schedule of Ad Valorem Taxes Receivable
 June 30, 2014
 Exhibit K-1

Fiscal Year	Uncollected Balance June 30, 2013	Additions	Collections and Credits	Uncollected Balance June 30, 2014
2013-2014	\$ -	\$ 29,583,582	\$ (28,461,798)	\$ 1,121,784
2012-2013	1,443,964	-	(898,910)	545,054
2011-2012	519,716	-	(213,976)	305,740
2010-2011	296,523	-	(83,560)	212,963
2009-2010	206,163	-	(49,011)	157,152
2008-2009	165,950	-	(29,352)	136,598
2007-2008	149,810	-	(22,762)	127,048
2006-2007	134,254	-	(15,734)	118,520
2005-2006	97,875	-	(14,925)	82,950
2004-2005	105,221	-	(12,298)	92,923
2003-2004	107,008	-	(107,008)	-
Totals	\$ 3,226,484	\$ 29,583,582	\$ (29,909,334)	2,900,732

Prior year property taxes being collected through garnishments	41,854
Prior year vehicle taxes being collected through garnishments	3,058
Discoveries due to business personal property tax audits	30,485

Less allowance for uncollectible accounts	(928,153)
-------------------------------------------	-----------

Ad valorem taxes receivable, net	\$ 2,047,976
-----------------------------------------	---------------------

Reconcilement with revenues:

Ad valorem taxes	\$ 29,603,813
Reconciling items:	
Interest and penalties collected	(431,267)
Fines and forfeitures	46,733
Prior years taxes turned over to collections	44,912
Discounts allowed	274,948
Property taxes allocated to the Revaluation Fund	117,900
Taxes written off	31,393
Prior years releases	220,902
Total collections and credits	\$ 29,909,334

Duplin County, North Carolina
 Analysis of Current Tax Levy
 County-wide Levy
 For the Year Ended June 30, 2014
 Exhibit K-2

	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	\$ 4,067,203,194	0.72	\$ 29,283,863	\$ 25,645,636	\$ 3,638,227
Penalties			42,949	42,949	-
Total	4,067,203,194		29,326,812	25,688,585	3,638,227
Discoveries:					
Current year taxes	22,172,917		159,645	150,345	9,300
Prior year's taxes	-		97,125	97,125	-
Total	22,172,917		256,770	247,470	9,300
Total property valuation	\$ 4,089,376,111				
Net levy			29,583,582	25,936,055	3,647,527
Uncollected taxes at June 30, 2014			(1,121,784)	(928,983)	(192,801)
Current year's taxes collected			\$ 28,461,798	\$ 25,007,072	\$ 3,454,726
Current levy collection percentage			96.21%	96.42%	94.71%

Duplin County, North Carolina
 Analysis of Current Tax Levy
 Secondary Market Disclosures
 For the Year Ended June 30, 2014
 Exhibit K-3

Assessed Valuation:	
Assessment ratio*	100.00%
Real property	\$ 3,517,298,204
Personal property	451,627,352
Public service companies**	120,450,555
Total assessed valuation	4,089,376,111
Tax rate per \$100	0.72
Tax levy (including discoveries, releases, and abatements)	29,443,508
Penalties	42,949
Prior year's taxes	97,125
Net levy	\$ 29,583,582

In addition to the County-wide rate, the following table lists the levies by the County on behalf of fire protection districts for the fiscal year ended June 30, 2014:

Fire Protection District	Levy
Oak Wolfe	\$ 52,150
Glisson	105,717
Sarecta	91,605
East Duplin	78,406
Albertson	67,951
Stacy Britt	121,114
Franklin	18,847
Northeast	171,740
Total	\$ 707,530

* Percentage of appraised value has been established by statute.

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

Duplin County, North Carolina
 Computation of Legal Debt Margin
 June 30, 2014
 Exhibit K-4

Assessed value of taxable property	\$ 4,089,376,111
Debt limit per G.S. 159-55	8.00%
Total	327,150,089
Gross debt:	
Limited obligation bonds	15,410,000
Certificates of participation	1,290,000
Notes payable	11,530,441
Total gross debt	28,230,441
Less: Debt incurred for water activities	
Limited obligation bonds	(15,410,000)
Notes payable	(1,359,427)
Total debt incurred for water activities	(16,769,427)
Total amount of debt applicable to debt limit (net debt)	11,461,014
Legal debt margin	\$ 315,689,075

Statistical Section (Unaudited)

Financial Trends - These schedules contain trend information to help the reader understand how the County's financial performance has changed over the past ten years.

- Table 1 - Net Position by Component
- Table 2 - Changes in Net Position
- Table 3 - Fund Balances - Governmental Funds
- Table 4 - Changes in Fund Balances - Governmental Funds

Revenue Capacity - These schedules contain information to help the reader assess the County's most significant revenue source.

- Table 5 - Assessed Value and Actual Value of Taxable Property
- Table 6 - Property Tax Rates - Direct and Overlapping Governments
- Table 7 - Principal Taxpayers
- Table 8 - Property Tax Levies and Collections

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

- Tables 9 - Ratios of Outstanding Debt by Type
- Table 10 - Ratio of General Bonded Debt Outstanding and Legal Debt Margin Information

Demographic and Economic Statistics - These schedules offer demographic and economic indicators to help the reader understand the environment within which the County's financial activities take place.

- Table 11 - Demographic and Economic Statistics
- Table 12 - Principal Employers

Operating Information - These schedules contain service and infrastructure data to help the reader understand how the information in the County's financial report relates to the services the County provides and the activities it performs.

- Table 13 - Full-time County Government Employees by Function/Program
- Table 14 - Operating Indicators by Function/Program
- Table 15 - Capital Asset Statistics by Function/Program

<i>June 30,</i>	2005	2006	2007
Governmental Activities:			
Net investment in capital assets	\$ 12,120,029	\$ 9,887,425	\$ 11,117,491
Restricted	-	-	-
Unrestricted	12,698,404	17,196,345	18,582,516
Total governmental activities	24,818,433	27,083,770	29,700,007
Business-type Activities:			
Net investment in capital assets	31,796,979	33,544,842	35,859,819
Restricted	-	-	-
Unrestricted	6,618,298	7,002,057	5,768,638
Total business-type activities	38,415,277	40,546,899	41,628,457
Primary Government:			
Net investment in capital assets	43,917,008	43,432,267	46,977,310
Restricted	-	-	-
Unrestricted	19,316,702	24,198,402	24,351,154
Total primary government	\$ 63,233,710	\$ 67,630,669	\$ 71,328,464

Source: Annual audited financial statements of the County.

Duplin County, North Carolina
 Net Position by Component
 Last Ten Years
 (accrual basis of accounting)

Table 1

2008	2009	2010	2011	2012	2013	2014
\$ 10,921,097	\$ 11,791,248	\$ 10,708,021	\$ 12,393,238	\$ 11,798,823	\$ 9,963,445	\$ 10,917,432
-	-	-	8,197,122	9,542,550	8,512,963	9,561,211
21,701,648	19,993,963	15,312,312	9,018,185	5,559,432	11,414,280	12,424,277
<u>32,622,745</u>	<u>31,785,211</u>	<u>26,020,333</u>	<u>29,608,545</u>	<u>26,900,805</u>	<u>29,890,688</u>	<u>32,902,920</u>
36,923,637	36,458,722	36,770,577	36,018,493	35,552,070	36,267,466	39,830,796
263,339	1,301,841	1,347,008	1,265,805	1,069,259	1,556,484	223,933
5,904,102	5,474,348	6,150,645	6,476,995	6,911,589	7,590,329	8,935,579
<u>43,091,078</u>	<u>43,234,911</u>	<u>44,268,230</u>	<u>43,761,293</u>	<u>43,532,918</u>	<u>45,414,279</u>	<u>48,990,308</u>
47,844,734	48,249,970	47,478,598	48,411,731	47,350,893	46,230,911	50,748,228
263,339	1,301,841	1,347,008	9,462,927	10,611,809	10,069,447	9,785,144
27,605,750	25,468,311	21,462,957	15,495,180	12,471,021	19,004,609	21,359,856
<u>\$ 75,713,823</u>	<u>\$ 75,020,122</u>	<u>\$ 70,288,563</u>	<u>\$ 73,369,838</u>	<u>\$ 70,433,723</u>	<u>\$ 75,304,967</u>	<u>\$ 81,893,228</u>

<i>Year Ended June 30,</i>	2005	2006	2007
Expenses:			
Governmental Activities:			
General Government	\$ 3,408,422	\$ 4,957,760	\$ 5,284,371
Public Safety	9,258,280	10,704,587	11,326,523
Economic & Physical Development	535,554	4,605,631	3,244,815
Human Services	16,080,784	17,472,094	17,211,698
Environmental Protection	364,022	610,237	641,673
Cultural and Recreational	770,823	834,201	1,047,148
Education	8,867,213	9,067,213	10,722,305
Non-departmental	164,484	189,646	209,765
Interest on long-term debt	649,962	551,124	989,242
Total governmental activities	40,099,544	48,992,493	50,677,540
Business-type Activities:			
Airport	776,865	1,047,008	914,221
Water and Sewer	3,593,935	3,764,562	4,072,863
Transportation	842,757	898,399	1,022,674
Solid Waste	2,741,377	2,865,587	4,667,880
Total business-type activities	7,954,934	8,575,556	10,677,638
Total primary government expenses	48,054,478	57,568,049	61,355,178
Program Revenues:			
Governmental Activities:			
Charges for Services:			
General Government	1,511,860	1,538,250	1,585,145
Public Safety	1,338,557	2,335,191	2,465,555
Economic & Physical Development	18,290	23,184	35,249
Human Services	1,021,385	985,442	839,577
Environmental Protection	44,280	41,490	-
Cultural and Recreational	40,138	65,634	94,404
Education	-	-	-
Non-departmental	-	-	-
Operating Grants & Contributions	11,468,956	10,453,997	9,985,782
Capital Grants & Contributions	127,598	1,643,594	745,179
Total governmental activities	\$ 15,571,064	\$ 17,086,782	\$ 15,750,891
Business-type Activities:			
Charges for Services:			
Airport	\$ 349,116	\$ 655,504	\$ 498,594
Water and Sewer	3,096,353	3,622,143	3,286,828
Transportation	448,118	520,524	510,498
Solid Waste	2,667,110	2,663,826	2,843,338
Operating Grants & Contributions	-	-	-
Capital Grants & Contributions	-	-	-
Total business-type activities	6,560,697	7,461,997	7,139,258
Total primary government	22,131,761	24,548,779	22,890,149

Duplin County, North Carolina
Changes in Net Position
Last Ten Years
(accrual basis of accounting)

Table 2

2008	2009	2010	2011	2012	2013	2014
\$ 6,120,389	\$ 6,130,831	\$ 7,207,316	\$ 7,367,762	\$ 6,613,472	\$ 6,215,976	\$ 5,884,447
13,207,438	14,625,588	14,561,356	14,687,927	18,267,162	18,488,567	17,821,492
2,882,505	2,358,124	2,494,733	2,613,007	5,088,488	3,107,600	1,363,220
17,298,237	17,332,594	16,732,852	15,960,082	17,806,856	17,199,716	16,015,053
478,370	513,483	723,221	536,068	728,522	792,256	704,203
1,017,310	872,582	827,686	688,051	864,163	1,239,294	1,204,921
10,957,705	12,304,442	15,585,786	11,580,259	11,933,998	13,238,503	13,334,623
257,326	255,663	310,502	1,239,610	273,150	281,301	287,491
954,607	895,065	826,828	784,577	660,077	527,820	431,245
53,173,887	55,288,372	59,270,280	55,457,343	62,235,888	61,091,033	57,046,695
1,078,481	985,170	1,087,058	1,102,790	1,214,843	1,138,106	1,796,254
4,083,009	4,082,107	4,255,842	4,196,653	4,095,462	4,568,959	3,347,524
1,026,490	1,037,242	1,056,522	1,180,039	1,073,935	993,244	1,073,121
3,256,153	3,111,559	3,054,194	3,109,941	3,299,368	3,274,051	2,971,828
9,444,133	9,216,078	9,453,616	9,589,423	9,683,608	9,974,360	9,188,727
62,618,020	64,504,450	68,723,896	65,046,766	71,919,496	71,065,393	66,235,422
2,143,126	1,653,004	1,587,363	4,247,238	2,669,151	2,431,141	1,636,600
2,578,622	2,351,226	3,033,182	3,608,791	3,037,248	9,156,791	2,907,354
18,420	37,231	25,041	75,360	241,156	82,813	68,137
896,186	665,457	817,614	3,554,262	3,251,599	3,368,702	4,412,664
44,820	44,640	-	69,975	45,705	44,857	2,198
124,027	279,504	287,214	73,267	253,422	275,133	149,585
-	-	-	-	-	-	-
-	-	-	-	-	25,069	-
11,246,185	11,576,726	12,394,237	11,192,637	9,940,908	10,831,435	10,586,282
227,218	371,005	1,990,921	2,054,956	4,308,980	2,217,868	920,045
\$ 17,278,604	\$ 16,978,793	\$ 20,135,572	\$ 24,876,486	\$ 23,748,169	\$ 28,433,809	\$ 20,682,865
\$ 533,460	\$ 387,988	\$ 677,984	\$ 507,905	\$ 626,515	\$ 536,690	\$ 498,854
3,813,219	3,829,327	4,259,400	4,049,271	3,900,461	4,449,982	4,274,645
504,707	508,027	497,901	502,920	497,992	570,637	625,597
3,018,759	2,871,138	2,815,088	2,836,284	2,963,339	2,753,962	2,740,153
-	-	-	-	-	500,262	586,312
-	1,297,484	1,767,017	871,813	1,080,859	2,298,916	3,402,150
7,870,145	8,893,964	10,017,390	8,768,193	9,069,166	11,110,449	12,127,711
25,148,749	25,872,757	30,152,962	33,644,679	32,817,335	39,544,258	32,810,576

(continued)

<i>Year Ended June 30,</i>	2005	2006	2007
(Continued)			
Net (Expense)/Revenue			
Governmental Activities	(24,528,480)	(31,905,711)	(34,926,649)
Business-type Activities	(1,394,237)	(1,113,559)	(3,538,380)
Total primary government net (expense)/revenue	(25,922,717)	(33,019,270)	(38,465,029)
General Revenues and Other Changes in Net Position			
Governmental Activities:			
Property Taxes	21,604,888	22,807,668	24,028,771
Local Option Sales Taxes	8,483,261	9,040,136	11,340,617
Other Taxes and Licenses	485,295	638,797	606,706
Investment earnings	613,248	1,106,775	1,269,148
Miscellaneous	728,473	829,265	605,379
Extraordinary items	-	-	-
Transfers	(388,713)	(251,594)	(307,736)
Total governmental activities	31,526,452	34,171,047	37,542,885
Business-type Activities:			
Investment earnings	135,431	281,194	335,857
Capital Contributions	5,855,260	2,514,684	3,825,994
Miscellaneous	8,035	207,090	150,351
Transfers	388,713	251,594	307,736
Total business-type activities	6,387,439	3,254,562	4,619,938
Total primary government	37,913,891	37,425,609	42,162,823
Change in Net Position			
Governmental Activities	6,997,972	2,265,336	2,616,236
Business-type Activities	4,993,202	2,141,003	1,081,558
Total primary government	\$ 11,991,174	\$ 4,406,339	\$ 3,697,794

Source: Annual audited financial statements of the County.

Duplin County, North Carolina
 Changes in Net Position
 Last Ten Years
 (accrual basis of accounting)
 Table 2

2008	2009	2010	2011	2012	2013	2014
(35,895,283)	(38,309,579)	(39,134,708)	(30,580,857)	(38,487,719)	(32,657,224)	(36,363,830)
(1,573,988)	(322,114)	563,774	(821,230)	(614,442)	1,136,089	2,938,984
(37,469,271)	(38,631,693)	(38,570,934)	(31,402,087)	(39,102,161)	(31,521,135)	(33,424,846)
25,630,819	26,771,560	26,925,485	26,669,740	27,863,938	28,484,431	30,238,201
11,142,288	9,273,969	6,282,993	7,116,858	7,285,383	7,774,019	7,885,364
623,379	670,514	367,282	639,270	341,863	107,583	655,664
1,124,025	531,081	140,621	72,342	50,115	48,818	25,582
581,982	575,500	63,080	(49,445)	438,680	126,967	192,631
-	-	-	-	-	-	598,597
(284,472)	(350,579)	(409,632)	(279,697)	(200,000)	(127,584)	(219,978)
38,818,021	37,472,045	33,369,829	34,169,068	35,779,979	36,414,234	39,376,061
262,505	115,269	31,053	14,522	8,911	603,100	4,197
2,418,568	-	-	-	-	-	236,037
71,064	91	28,864	20,074	177,156	86,164	176,833
284,472	350,579	409,632	279,697	200,000	127,584	219,978
3,036,609	465,939	469,549	314,293	386,067	816,848	637,045
41,854,630	37,937,984	33,839,378	34,483,361	36,166,046	37,231,082	40,013,106
2,922,738	(837,534)	(5,764,879)	3,588,211	(2,707,740)	3,757,010	3,012,231
1,462,621	143,825	1,033,323	(506,937)	(228,375)	1,952,937	3,576,029
\$ 4,385,359	\$ (693,709)	\$ (4,731,556)	\$ 3,081,274	\$ (2,936,115)	\$ 5,709,947	\$ 6,588,260

<i>June 30,</i>	2005	2006	2007
General Fund:			
Reserved	\$ 3,564,696	\$ 3,665,729	\$ 3,709,873
Unreserved	12,356,290	13,196,262	11,856,227
Nonspendable	-	-	-
Restricted	-	-	-
Committed	-	-	-
Assigned	-	-	-
Unassigned	-	-	-
Total fund balances	15,920,986	16,861,991	15,566,100
All Other Governmental Funds:			
Reserved	602,847	1,097,063	842,911
Unreserved	8,771,075	7,810,748	10,092,967
Nonspendable	-	-	-
Restricted	-	-	-
Committed	-	-	-
Assigned	-	-	-
Unassigned	-	-	-
Total fund balances	9,373,922	8,907,811	10,935,878
Total Governmental Funds:			
Reserved	4,167,543	4,762,792	4,552,784
Unreserved	21,127,365	21,007,010	21,949,194
Nonspendable	-	-	-
Restricted	-	-	-
Committed	-	-	-
Assigned	-	-	-
Unassigned	-	-	-
Total fund balances	\$ 25,294,908	\$ 25,769,802	\$ 26,501,978

Source: Annual audited financial statements of the County.

Note: The County implemented GASB Statement No. 54 during the year ended June 30, 2011.

Duplin County, North Carolina
Fund Balances - Governmental Funds
Last Ten Years
(modified accrual basis of accounting)

Table 3

2008	2009	2010	2011	2012	2013	2014
\$ 3,372,280	\$ 2,867,035	\$ 3,202,779	\$ -	\$ -	\$ -	-
11,607,071	11,149,753	9,147,734	-	-	-	-
-	-	-	256,409	301,552	248,895	292,590
-	-	-	3,420,640	3,934,839	3,668,612	5,496,662
-	-	-	1,420,897	1,157,686	1,049,178	958,041
-	-	-	4,340,052	3,088,498	1,970,089	2,404,214
-	-	-	3,465,614	3,720,583	6,267,563	6,254,031
<u>14,979,351</u>	<u>14,016,788</u>	<u>12,350,513</u>	<u>12,903,612</u>	<u>12,203,158</u>	<u>13,204,337</u>	<u>15,405,538</u>
702,352	605,276	846,328	-	-	-	-
10,812,608	9,866,438	9,113,651	-	-	-	-
-	-	-	-	-	-	-
-	-	-	4,218,038	5,607,256	4,844,351	4,064,549
-	-	-	3,074,777	1,553,354	1,139,665	1,690,366
-	-	-	1,133,302	870,818	263,849	-
-	-	-	(1,628)	(3,111)	(2,669)	(4,655)
<u>11,514,960</u>	<u>10,471,714</u>	<u>9,959,979</u>	<u>8,424,489</u>	<u>8,028,317</u>	<u>6,245,196</u>	<u>5,750,260</u>
4,074,632	3,472,311	4,049,107	-	-	-	-
22,419,679	21,016,191	18,261,385	-	-	-	-
-	-	-	256,409	301,552	248,895	292,590
-	-	-	7,638,678	9,542,095	8,512,963	9,561,211
-	-	-	4,495,674	2,711,040	2,188,843	2,648,407
-	-	-	5,473,354	3,959,316	2,233,938	2,404,214
-	-	-	3,463,986	3,717,472	6,264,894	6,249,376
<u>\$ 26,494,311</u>	<u>\$ 24,488,502</u>	<u>\$ 22,310,492</u>	<u>\$ 21,328,101</u>	<u>\$ 20,231,475</u>	<u>\$ 19,449,533</u>	<u>\$ 21,155,798</u>

<i>Year Ended June 30,</i>	2005	2006	2007
Revenues:			
Ad Valorem Taxes	\$ 21,511,409	\$ 22,456,961	\$ 24,114,423
Local Option Sales Taxes	8,483,261	9,040,136	11,340,617
Other Taxes and Licenses	485,296	606,527	606,706
Unrestricted Intergovernmental	34,440	32,270	37,450
Restricted Intergovernmental	10,699,027	11,363,865	9,631,966
Restricted Revenue	-	-	-
Permits and Fees	729,281	964,977	945,726
Sales and Services	4,229,234	4,757,941	4,916,257
Investment Earnings	613,248	1,106,774	1,269,148
Miscellaneous	728,473	779,266	668,367
Total revenues	47,513,669	51,108,717	53,530,660
Expenditures:			
General Government	4,388,975	4,910,763	5,293,335
Public Safety	9,389,772	10,739,613	12,129,924
Economic & Physical Development	11,447,214	4,827,240	1,458,128
Human Services	16,107,947	16,495,464	17,152,931
Cultural and Recreational	839,853	825,500	823,227
Environmental Protection	371,293	530,480	632,736
Capital Projects	629,302	321,752	1,702,951
Non-Departmental	164,484	189,646	209,765
Education	8,867,213	9,067,213	10,722,305
Debt Service:			
Principal Retirement	1,431,644	1,872,555	1,934,163
Interest and Fees	617,835	618,954	1,025,471
Total expenditures	54,255,532	50,399,180	53,084,936
Revenues over (under) expenditures	(6,741,863)	709,537	445,724
Other Financing Sources (Uses):			
Proceeds from the sale of assets	-	-	-
Proceeds from the issuance of debt	1,500,000	-	619,965
Capital Contributions	-	-	-
Transfers from other funds	3,321,025	3,260,671	4,133,142
Transfers to other funds	(3,709,738)	(3,512,265)	(4,440,879)
Total other financing sources (uses)	1,111,287	(251,594)	312,228
Extraordinary Items	-	-	-
Net Change in Fund Balances	\$ (5,630,576)	\$ 457,943	\$ 757,952
Debt service as a percentage of noncapital expenditures	5.01%	5.08%	5.76%

Source: Annual audited financial statements of the County.

Duplin County, North Carolina
 Changes in Fund Balances - Governmental Funds
 Last Ten Years
 (modified accrual basis of accounting)

Table 4

2008	2009	2010	2011	2012	2013	2014
\$ 24,667,222	\$ 25,487,215	\$ 26,095,978	\$ 26,391,065	\$ 28,095,424	\$ 28,346,279	\$ 30,468,449
11,142,288	9,273,969	7,733,398	7,116,858	7,285,383	7,774,019	7,885,364
623,379	671,008	619,734	639,270	145,704	97,104	93,773
34,860	34,720	49,420	40,320	47,439	73,019	5,803,596
10,591,612	10,785,191	11,551,993	11,465,028	13,117,770	11,852,896	5,890,692
-	-	-	-	-	195,724	227,379
836,316	665,357	633,671	637,857	557,317	566,950	484,499
5,536,981	5,724,280	6,070,328	7,106,383	7,491,979	7,641,452	7,200,636
1,124,025	521,735	139,089	71,566	50,115	47,849	25,329
447,608	302,329	201,486	570,214	1,815,320	1,121,074	382,019
55,004,291	53,465,804	53,095,097	54,038,561	58,606,451	57,716,366	58,461,736
6,037,685	5,832,069	6,813,324	7,191,915	5,877,641	5,426,249	5,685,098
13,097,186	13,606,623	14,113,545	14,126,640	16,454,417	15,743,723	17,184,943
2,006,142	1,917,473	1,822,711	1,796,732	2,258,125	950,949	1,237,107
17,171,101	16,542,424	15,835,849	15,890,421	15,785,872	15,182,432	15,533,403
861,214	804,946	746,683	639,411	739,981	1,147,418	1,032,756
465,397	490,848	688,093	525,607	659,560	663,609	684,793
774,436	400,068	350,399	671,627	3,333,076	3,278,940	-
235,405	255,663	310,503	302,078	198,766	198,446	222,715
10,957,705	12,304,442	10,790,002	11,580,259	11,198,335	12,335,205	13,334,623
2,235,326	2,366,847	2,231,976	1,974,780	1,922,382	1,956,821	1,382,410
990,836	863,468	863,060	784,577	697,461	609,929	524,290
54,832,433	55,384,871	54,566,145	55,484,047	59,125,616	57,493,721	56,822,138
171,858	(1,919,067)	(1,471,048)	(1,445,486)	(519,165)	222,645	1,639,598
-	42,615	51,577	26,689	77,396	72,300	44,351
-	-	-	-	-	-	-
-	-	-	1,460,672	-	-	-
4,833,727	3,615,102	4,260,101	3,290,436	3,187,616	2,931,158	2,879,439
(5,019,307)	(4,065,681)	(5,101,968)	(4,233,907)	(3,887,616)	(3,658,742)	(3,499,417)
(185,580)	(407,964)	(790,290)	543,890	(622,604)	(655,284)	(575,627)
-	-	-	-	-	-	598,597
\$ (13,722)	\$ (2,327,031)	\$ (2,261,338)	\$ (901,596)	\$ (1,141,769)	\$ (432,639)	\$ 1,662,568
5.97%	5.93%	5.81%	5.02%	4.54%	4.56%	3.41%

Duplin County, North Carolina
 Assessed Value and Actual Value of Taxable Property
 Last Ten Years
 Table 5

<i>Year Ended June 30,</i>	Real Property	Personal Property	Public Service Companies	Total	Total Direct Tax Rate
2005	2,255,274,167	353,759,198	80,022,635	2,689,056,000	0.770
2006	2,417,596,225	313,281,735	74,235,157	2,805,113,117	0.770
2007	2,534,952,317	328,489,204	77,838,715	2,941,280,236	0.805
2008	2,629,849,815	347,211,192	86,418,360	3,063,479,367	0.790
2009	2,693,709,443	374,694,962	93,270,659	3,161,675,064	0.790
2010	3,215,847,559	398,132,051	113,709,230	3,727,688,840	0.690
2011	3,189,344,488	399,644,269	155,891,098	3,744,879,855	0.690
2012	3,300,755,828	379,385,704	117,945,792	3,798,087,324	0.710
2013	3,342,205,527	429,472,306	149,137,943	3,920,815,776	0.710
2014	3,517,298,204	451,627,352	120,450,555	4,089,376,111	0.720

Source: Duplin County Tax Office

Notes: Property in Duplin County is reassessed every eight years. The most recent revaluation was performed as of January 1, 2009 and went into effect during the year ended June 30, 2010. The County assesses property at approximately 100 percent of actual value.

Duplin County, North Carolina
Property Tax Rates
Direct and Overlapping Governments
Last Ten Years

Table 6

<i>Year Ending June 30,</i>	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Duplin County	0.7450	0.7700	0.7700	0.8050	0.7900	0.7900	0.6900	0.6900	0.7100	0.7100	0.7300
Municipality Rates:											
Beulaville	0.4900	0.4900	0.4900	0.4900	0.5100	0.5100	0.4400	0.4400	0.4400	0.4400	0.4400
Calypso	0.4700	0.4700	0.4700	0.4700	0.4700	0.4700	0.4700	0.4700	0.4700	0.4700	0.4700
Faison	0.5300	0.5300	0.5300	0.5300	0.5300	0.5300	0.5300	0.5300	0.5300	0.5300	0.5300
Greenevers	0.2500	0.2500	0.2500	0.2500	0.2500	0.2500	0.2500	0.3000	0.3000	0.3000	0.3000
Kenansville	0.4700	0.4950	0.4950	0.4950	0.4950	0.4950	0.3950	0.3950	0.3900	0.4200	0.4500
Magnolia	0.6000	0.6200	0.6200	0.6500	0.6500	0.6500	0.6500	0.6500	0.6500	0.6600	0.6600
Rose Hill	0.6650	0.6650	0.6650	0.6650	0.6650	0.6650	0.6400	0.6400	0.6400	0.6400	0.6900
Teachey	0.4500	0.4500	0.4500	0.4500	0.4500	0.4500	0.4500	0.4500	0.4500	0.4500	0.4500
Wallace	0.6600	0.6600	0.6600	0.6600	0.6600	0.6600	0.5600	0.5600	0.5600	0.5600	0.5600
Warsaw	0.5650	0.5900	0.5900	0.5900	0.5900	0.5900	0.5500	0.5500	0.5500	0.5500	0.5500
Fire Protection Districts:											
Oak Wolfe	0.0500	0.0500	0.0500	0.0500	0.0500	0.0500	0.0500	0.0500	0.0500	0.0500	0.0500
Glisson	0.0650	0.0650	0.0650	0.0650	0.0650	0.0650	0.0650	0.0650	0.0650	0.0650	0.0650
Sarecta	0.0550	0.0550	0.0550	0.0550	0.0550	0.0550	0.0550	0.0550	0.0550	0.0550	0.0550
East Duplin	0.0525	0.0525	0.0525	0.0525	0.0525	0.0525	0.0525	0.0458	0.0458	0.0458	0.0458
Albertson	0.0500	0.0500	0.0750	0.0750	0.0750	0.0750	0.0750	0.0750	0.0750	0.0750	0.0750
Stacy Britt	0.0600	0.0600	0.0600	0.0600	0.0650	0.0650	0.0650	0.0630	0.0630	0.0630	0.0630
Franklin	0.0600	0.0600	0.0700	0.0700	0.0800	0.0800	0.0800	0.0800	0.0800	0.0750	0.0750
Northeast	N/A	N/A	N/A	0.0400	0.0400	0.0400	0.0400	0.0400	0.0400	0.0400	0.0400

Source: Duplin County Tax Office

Note: Tax rates are based on \$100 per assessed valuation for Duplin County and all overlapping governments.

Duplin County, North Carolina
Principal Taxpayers
Current Year and Nine Years Ago
Table 7

Taxpayer	Type of Business	Year Ended June 30, 2014			Year Ended June 30, 2004		
		Assessed Value	Rank	Percentage of Total Taxable Assessed Value	Assessed Value	Rank	Percentage of Total Taxable Assessed Value
Butterball LLC	Poultry Processing	\$ 123,362,471	1	3.15%	N/A	N/A	N/A
Murphy-Brown LLC	Livestock	92,985,304	2	2.37%	N/A	N/A	N/A
Duplin Land Development	Real Estate	80,602,004	3	2.06%	32,017,580	6	1.21%
House of Raeford	Livestock	53,713,113	4	1.37%	N/A	N/A	N/A
Guilford Mills	Textiles	49,296,127	5	1.26%	51,278,361	2	1.93%
Nash Johnson & Sons	Livestock	44,183,511	6	1.13%	23,207,346	7	0.88%
Duke Progress Energy	Utility	38,466,497	7	0.98%	21,896,159	8	0.83%
Coastal Carolina Green Power	Utility	33,827,805	8	0.86%	N/A	N/A	N/A
Murphy Family Ventures	Livestock	34,410,937	9	0.88%	N/A	N/A	N/A
Four County EMC	Utility	27,265,973	10	0.70%	18,121,531	9	0.68%
Carolina Turkeys	Poultry Processing	N/A	N/A	N/A	84,786,235	1	3.20%
Murphy Farms, Inc.	Feed	N/A	N/A	N/A	45,872,972	3	1.73%
Murfam Inc.	Livestock	N/A	N/A	N/A	33,022,300	4	1.25%
Carroll's Food	Livestock	N/A	N/A	N/A	32,229,907	5	1.22%
Fleming Quinn Wholesale Winthrop	Distribution	N/A	N/A	N/A	17,692,705	10	0.67%
		<u>\$ 578,113,742</u>		<u>14.74%</u>	<u>\$ 360,125,096</u>		<u>13.60%</u>

Source: Duplin County Tax Office

Duplin County, North Carolina
Property Tax Levies and Collections
Last Ten Years
Table 8

Year Ended June 30,	Tax Levy	Collected within the Year of Levy		Collections in Subsequent Years	Total Collections to Date	
		Amount	Percentage of Levy		Amount	Percentage of Levy
2005	\$ 20,768,950	\$ 19,437,182	93.59%	\$ 1,238,845	\$ 20,676,027	99.55%
2006	21,718,183	20,447,899	94.15%	1,187,334	21,635,233	99.62%
2007	23,752,080	22,383,189	94.24%	1,250,371	23,633,560	99.50%
2008	24,233,502	22,867,344	94.36%	1,239,110	24,106,454	99.48%
2009	25,128,446	23,741,088	94.48%	1,250,760	24,991,848	99.46%
2010	25,836,831	24,353,960	94.26%	1,325,719	25,679,679	99.39%
2011	25,952,188	24,537,688	94.55%	1,201,537	25,739,225	99.18%
2012	27,109,094	25,724,577	94.89%	1,078,777	26,803,354	98.87%
2013	28,023,946	26,579,982	94.85%	898,910	27,478,892	98.06%
2014	29,583,582	28,461,798	96.21%	-	28,461,798	96.21%

Source: Duplin County Tax Office

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

Table 9

<i>June 30,</i>	Governmental Activities			Business-type Activities				Total Primary Government
	Certificates of Participation	General Obligation Bonds	Notes Payable	General Obligation Water Bonds	Notes Payable	Capital Leases	Limited Obligation Bonds	
2005	12,333,297	3,920,000	13,076,636	18,808,800	1,470,621	141,458	-	49,750,812
2006	11,390,467	3,390,000	12,609,081	18,535,800	1,367,528	112,529	-	47,405,405
2007	10,452,637	2,870,000	12,684,882	18,250,100	1,263,750	81,780	-	45,603,149
2008	9,249,807	2,360,000	12,094,556	17,949,400	1,157,060	49,131	-	42,859,954
2009	8,016,977	1,865,000	11,455,539	17,635,200	1,050,143	14,465	-	40,037,324
2010	6,754,147	1,380,000	10,903,563	17,306,000	1,406,457	-	-	37,750,167
2011	5,451,317	910,000	10,633,783	16,958,500	1,294,521	-	-	35,248,121
2012	4,083,487	450,000	10,470,245	16,593,300	1,181,224	-	-	32,778,256
2013	2,655,657	-	10,323,424	15,915,000	1,711,577	-	15,915,000	46,520,658
2014	1,357,827	-	10,171,014	-	1,359,427	-	15,843,587	28,731,855

<i>June 30,</i>	Total Debt as a Percentage of Personal Income	Per Capita
2005	3.81%	931
2006	3.51%	867
2007	3.10%	820
2008	2.73%	754
2009	2.52%	697
2010	2.22%	643
2011	2.06%	591
2012	1.77%	546
2013	N/A	N/A
2014	N/A	N/A

Notes: Details regarding the County's outstanding debt can be found in the notes to the financial statements. Percentage of personal income and per capita numbers are based on the figures in Table 11.

N/A - Not available

Duplin County, North Carolina
Ratio of General Bonded Debt Outstanding
and Legal Debt Margin Information
Last Ten Years

Table 10

<i>June 30,</i>	2005	2006	2007	2008	2009
General Bonded Debt Outstanding:					
General Obligation Bonds	\$ 22,728,800	\$ 21,925,800	\$ 21,120,100	\$ 20,309,400	\$ 19,500,200
Percentage of Estimated Actual Property Value	0.85%	0.78%	0.72%	0.66%	0.62%
Per Capita	\$ 425.27	\$ 400.81	\$ 55,610	\$ 357.50	\$ 339.52
Assessed Value of Taxable Property	\$ 2,689,056,000	\$ 2,805,113,117	\$ 2,941,280,236	\$ 3,063,479,367	\$ 3,161,675,064
	X 8%	X 8%	X 8%	X 8%	X 8%
Debt Limit - 8 Percent of Assessed Value (Statutory Limitation G.S. 159-55)	215,124,480	224,409,049	235,302,419	245,078,349	252,934,005
Gross Debt:					
General Obligation Bonds	22,728,800	21,925,800	21,120,100	20,309,400	19,500,200
Limited Obligation Bonds	-	-	-	-	-
Certificates of Participation	11,655,000	10,780,000	9,910,000	8,775,000	8,016,977
Notes Payable	14,547,257	13,976,609	13,948,632	13,251,616	12,505,682
Capital Leases	141,458	112,529	81,780	49,131	14,465
Total gross debt	49,072,515	46,794,938	45,060,512	42,385,147	40,037,324
Less: Debt Incurred for Water Activities	20,420,879	20,015,857	19,595,630	19,155,591	18,699,808
Total Debt Applicable to Debt Limit (Net Debt)	28,651,636	26,779,081	25,464,882	23,229,556	21,337,516
Legal Debt Margin	\$ 186,472,844	\$ 197,629,968	\$ 209,837,537	\$ 221,848,793	\$ 231,596,489
Total Debt Applicable to the Limit as a Percentage of the Debt Limit	13.32%	11.93%	10.82%	9.48%	8.44%

Duplin County, North Carolina
Ratio of General Bonded Debt Outstanding
and Legal Debt Margin Information
Last Ten Years

Table 10

<i>June 30,</i>	2010	2011	2012	2013	2014
General Bonded Debt Outstanding:					
General Obligation Bonds	\$ 18,686,000	\$ 17,868,500	\$ 17,043,300	\$ 15,915,000	\$ -
Percentage of Estimated Actual Property Value	0.50%	0.48%	0.45%	0.41%	0.00%
Per Capita	\$ 318.46	\$ 299.83	\$ 283.90	N/A	N/A
Assessed Value of Taxable Property	\$ 3,727,688,840	\$ 3,744,879,855	\$ 3,798,087,324	\$ 3,920,815,776	4,089,376,111
	X 8%	X 8%	X 8%	X 8%	X 8%
Debt Limit - 8 Percent of Assessed Value (Statutory Limitation G.S. 159-55)					
	298,215,107	299,590,388	303,846,986	313,665,262	327,150,089
Gross Debt:					
General Obligation Bonds	18,686,000	17,868,500	17,043,300	15,915,000	-
Limited Obligation Bonds	-	-	-	15,915,000	15,410,000
Certificates of Participation	6,415,000	5,180,000	3,880,000	2,520,000	1,290,000
Notes Payable	12,310,020	11,928,304	11,651,467	12,035,001	11,530,441
Capital Leases	-	-	-	-	-
Total gross debt	37,411,020	34,976,804	32,574,767	46,385,001	28,230,441
Less: Debt Incurred for Water Activities	18,712,457	18,253,021	17,774,523	33,541,577	16,769,427
Total Debt Applicable to Debt Limit (Net Debt)	18,698,563	16,723,783	14,800,244	12,843,424	11,461,014
Legal Debt Margin	\$ 279,516,544	\$ 282,866,605	\$ 289,046,742	\$ 300,821,838	\$ 315,689,075
Total Debt Applicable to the Limit as a Percentage of the Debt Limit	6.27%	5.58%	4.87%	4.09%	3.50%

Duplin County, North Carolina
Demographic and Economic Statistics
Last Ten Years
Table 11

<i>Year Ended June 30,</i>	(1) Population	(1) Personal Income	(1) Per Capita Personal Income	(3) School Enrollment	(3) High School Graduates	(2) Unemployment Rate
2004	52,732	\$ 1,245,254,000	23,615	8,680	428	6.0%
2005	53,445	1,306,060,000	24,437	8,759	449	5.9%
2006	54,704	1,350,591,000	24,689	8,896	467	5.2%
2007	55,610	1,473,384,000	26,495	8,833	463	4.6%
2008	56,810	1,568,481,000	27,609	8,865	431	5.5%
2009	57,434	1,590,950,000	27,700	8,815	468	9.3%
2010	58,676	1,703,301,000	29,029	8,837	450	9.4%
2011	59,596	1,709,665,000	28,688	8,945	422	9.7%
2012	60,033	1,849,253,000	30,804	9,158	533	9.9%
2013	N/A	N/A	N/A	9,315	456	9.4%

Sources:

- (1) U.S. Department of Commerce, Bureau of Economic Analysis
- (2) North Carolina Employment Security Commission
- (3) Duplin County Board of Education

N/A - Not available

Duplin County, North Carolina
Principal Employers
Current Year and Nine Years Ago
Table 12

2014				2004			
Employer	Approximate Employees	Rank	Percentage of Total Employment	Employer	Approximate Employees	Rank	Percentage of Total Employment
Butterball LLC	1,000	1	4.26%	Butterball LLC	1,000	1	4.31%
Smithfield Foods, Inc.	1,000	2	4.26%	Murphy-Brown LLC	1,000	2	4.31%
Duplin County Schools	1,000	3	4.26%	Duplin County Schools	1,000	3	4.31%
House of Raeford Inc.	1,000	4	4.26%	House of Raeford Inc.	750	4	3.23%
Murphy Family Ventures LLC	750	5	3.19%	Guilford Mills Inc.	750	5	3.23%
Duplin County Government	500	6	2.13%	Deans Specialty Foods Group	750	6	3.23%
Guilford Mills Inc.	500	7	2.13%	Duplin County Government	500	7	2.15%
East Carolina Health Inc.	400	8	1.70%	Duplin General Hospital Inc	400	8	1.72%
Burch Equipment LLC	400	9	1.70%	Circle S Foods Inc.	400	9	1.72%
Bay Valley Foods LLC	400	10	1.70%	Johnson Breeders Inc.	400	10	1.72%
	6,950		29.59%		6,950		29.92%
Balance of employment	16,541		70.41%		16,278		70.08%
Total employment	23,491		100.00%		23,228		100.00%

Source: North Carolina Employment Security Commission and NC Commerce

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Duplin County, North Carolina
 Full-time County Government Employees by Function/Program
 Last Ten Years

Table 13
 Page 1 of 3

Function/Program	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
General Government:											
Governing Board	6	6	6	6	6	6	6	6	6	6	6
Attorney	0	0	2	2	2	2	2	2	2	3	3
Finance	8	7	7	7	7	7	7	7	7	7	7
Tax Administration	16	16	16	16	16	16	16	16	15	15	16
Elections	3	3	3	3	3	3	4	4	4	4	3
Register of Deeds	8	8	7	7	7	7	6	6	6	6	6
County Manager	3	3	3	3	3	3	3	3	3	3	3
Personnel	1	1	1	2	2	2	2	2	2	3	3
Information Technology	5	5	5	5	5	5	5	7	7	7	6
Garage	2	3	3	3	3	3	3	3	3	3	3
Building Maintenance	5	6	8	8	8	8	8	9	9	9	9
Housekeeping	6	6	6	8	6	8	8	8	8	7	8
Public Safety:											
Sheriff	42	43	47	48	50	50	51	51	49	49	51
Court Facilities	2	2	2	2	2	2	2	2	2	2	2
Communications	14	16	17	21	21	22	22	22	23	22	23
Faison Substation	0	0	3	3	3	3	3	3	3	2	2
School Resource Officers	9	9	9	9	9	9	9	9	9	9	16
Department of Justice Alien Grant	0	0	0	1	0	0	0	0	0	0	0
Calypso Substation	0	0	0	0	1	1	1	0	0	0	0
Federally Seized Assets	0	0	0	0	0	2	0	0	0	0	0
Jail	21	24	24	25	26	26	27	28	28	32	32
JSCC-School Resource Officer	0	0	0	0	0	2	1	1	0	0	0
Emergency Management	2	2	2	3	2	3	2	2	2	2	2
Fire Marshal	2	2	2	2	2	2	2	2	2	1	1
Building Inspections	4	4	4	3	4	4	4	3	4	4	4
Emergency Medical Services	54	55	68	73	74	73	69	70	74	74	74
E-911	1	1	1	1	1	0	0	0	0	0	0
E-911 Grant	0	5	0	0	0	0	0	0	0	0	0
Governer's Highway Commission Grant	6	0	0	0	0	0	0	0	0	0	0
Animal Services	3	2	3	3	3	3	3	3	3	3	3
Economic and Physical Development:											
Planning	3	3	2	1	1	1	1	1	1	1	1
Economic Development	2	2	2	2	3	2	2	2	2	2	2
Westpark Business Tech	1	0	0	0	0	0	0	0	0	0	0
NC Arts Grant-Se Agri Tour	1	1	1	1	1	1	1	1	1	1	1
Tourism Development	2	1	2	2	2	2	2	2	2	2	2
Duplin Commons Project	1	0	0	0	0	0	0	0	0	0	0
JCPC-Duplin Parenting	1	1	1	1	1	1	1	1	1	1	1
JCPC-4-H Outreach	1	1	1	1	1	1	1	1	1	1	1

Duplin County, North Carolina
Full-time County Government Employees by Function/Program
Last Ten Years

Table 13
Page 2 of 3

Function/Program	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Environmental Protection:											
Soil Conservation	5	6	6	6	6	6	6	6	6	6	6
Human Services:											
Health	37	33	34	32	36	35	35	34	32	32	34
Environmental Health	7	7	5	7	7	7	7	7	6	6	6
Keen on Teen Vaccine	1	1	0	0	0	0	0	0	0	0	0
Healthy Beginnings	0	0	0	0	0	0	0	0	1	1	1
Smart Start Child Care	1	1	1	1	1	1	1	1	0	0	0
Adolescent Pregnancy Prevention	0	1	0	0	0	0	0	0	0	0	0
Dental Program	4	4	2	0	2	0	2	3	4	4	5
Bioterrorism	1	0	1	0	1	0	0	0	0	0	0
Access East Grant	1	2	0	0	0	0	0	0	0	0	0
County Wellness	0	0	0	0	0	0	1	0	1	2	0
Health and Wellness Grant	0	0	2	1	2	2	2	2	2	0	2
Cap Fear Chronic Disease Grant	0	0	0	0	0	0	1	1	0	0	0
Community Health	0	0	0	0	0	1	1	1	1	0	0
Pregnancy Care Management	0	0	0	0	0	0	0	0	0	1	1
Maternal Care Coordination	0	0	0	0	0	0	0	0	1	0	0
Maternal Health	1	1	1	1	1	1	1	1	1	1	1
Family Planning	1	1	1	1	1	1	1	1	0	0	0
WIC	0	0	0	0	0	0	0	10	10	10	10
Child Health	2	2	2	2	2	2	2	2	2	2	2
Interpreter Grant	0	0	1	1	1	1	1	1	0	0	0
Social Services Administration	113	114	112	115	115	115	115	115	110	110	110
Social Services Security	0	0	0	0	0	2	1	1	0	0	0
Medicaid Transportation	0	0	0	1	0	0	0	0	0	0	0
Title IV-D Child Support	2	2	1	1	2	2	2	2	2	2	0
Social Services Building	2	2	2	2	2	2	2	1	1	1	1
County Aging	8	8	7	7	8	8	8	8	8	8	8
Aging In Home Aid Services	3	3	3	3	3	3	3	3	3	6	6
Adult Day Care/Adult Day Health	3	0	0	0	0	0	0	0	0	0	0
Senoir Center	1	1	1	1	1	1	1	1	0	0	0
Family Caregiver	0	0	1	1	1	1	1	1	1	1	1
Veteran's Service Officer	1	1	1	1	1	1	1	1	1	2	3
JCPC-Restitution/Teen Court	1	1	0	0	0	0	0	0	0	0	0
Nutrition Homebound Meals	1	1	1	1	1	1	1	1	1	1	1
Nutrition	4	6	6	6	6	6	5	5	5	5	5
Cultural and Recreational:											
Library	11	11	11	11	11	11	11	11	11	11	13
Parks and Recreation	4	4	4	4	4	4	3	3	3	2	3
Events Center	0	3	2	0	2	0	0	3	3	3	3
Museum	1	1	1	1	1	1	1	1	1	0	1

Duplin County, North Carolina
 Full-time County Government Employees by Function/Program
 Last Ten Years

Table 13
 Page 3 of 3

Function/Program	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Water:											
Albertson Water	0	1	0	0	0	0	0	0	0	0	0
County Water	13	12	12	13	13	13	13	13	13	13	13
Transportation	11	9	12	10	14	14	14	23	20	15	19
Airport	3	3	3	3	2	3	3	3	3	3	3
Solid Waste:											
Solid Waste Collections	23	22	23	19	26	26	26	27	27	27	29
Solid Waste Disposal	3	3	3	3	3	3	3	3	4	4	5
Solid Waste Recycling	3	3	3	3	3	3	2	2	2	2	3
Totals	504	504	520	527	551	554	548	571	562	559	586

Function Program	2004	2005	2006	2007
Airport:				
Gallons-Aviation Gas Sold (yearly)	N/A	24,260.06	36,740.23	28,731.67
Gallons-Jet Fuel Sold (yearly)	N/A	100,216.78	128,449.81	80,128.76
EMS:				
Transports	3065	3665	4077	4480
Environmental Health:				
Well Permits Issued	N/A	N/A	N/A	N/A
Food & Lodging Inspections	N/A	N/A	N/A	N/A
On Site Evaluations	N/A	N/A	N/A	N/A
Other Permits/Inspections	N/A	N/A	N/A	N/A
Inspections:				
Building Inspections	2853	3700	4432	6599
Mobile/Modular Homes	357	451	412	484
New Dwellings (Residential)	52	120	94	127
Multi-Family Dwellings	0	0	1	3
Commercial	1	7	55	23
Other Inspections	1444	2491	1924	2733
Health Department:				
Primary Care Physicals	N/A	N/A	N/A	N/A
Primary Care Treatments	N/A	N/A	N/A	N/A
Family Planning Physicals	N/A	N/A	N/A	N/A
Maternal Health Patients	N/A	N/A	N/A	N/A
Maternal Health Patients (non-english speaking)	N/A	N/A	N/A	N/A
Maternal Health Visits	N/A	N/A	N/A	N/A
Child Health Physicals	N/A	N/A	N/A	N/A
Medications Dispensed	N/A	N/A	N/A	N/A
Immunizations Provided	N/A	N/A	N/A	N/A
Dental Services Provided	N/A	N/A	N/A	N/A
WIC number seen	N/A	N/A	N/A	N/A
TB Cases/Suspects	N/A	N/A	N/A	N/A
TB Skin Test	N/A	N/A	N/A	N/A
STD/CD	N/A	N/A	N/A	N/A
HIV/AIDS	N/A	N/A	N/A	N/A

Duplin County, North Carolina
 Operating Indicators by Function/Program
 Last Ten Fiscal Years
 Table 14

2008	2009	2010	2011	2012	2013	2014
21,456.23	9,235.79	28,183.24	27,568.94	39,071.59	26,674.61	21,962.31
105,303.58	89,930.33	97,545.11	73,272.04	67,319.76	63,208.59	63,134.42
4724	4800	5274	5510	5702	6097	9056
N/A	65	27	31	N/A	44	83
N/A	348	218	202	N/A	146	731
N/A	222	109	70	N/A	117	316
N/A	506	246	203	N/A	407	423
2529	4818	4311	6618	7589	7019	6511
155	341	279	231	303	269	232
36	69	67	59	42	64	43
0	1	0	0	15	27	24
19	30	32	33	N/A	N/A	N/A
1099	2240	2306	2203	2565	2526	N/A
N/A	207	122	71	N/A	95	474
N/A	2445	1335	1021	N/A	1279	5212
N/A	510	325	184	N/A	255	686
N/A	1017	656	382	N/A	679	313
N/A	795	513	281	N/A	479	219
N/A	1273	875	486	N/A	700	1733
N/A	399	451	293	N/A	408	1035
N/A	2175	1340	1046	N/A	1262	2999
N/A	2204	2986	1310	N/A	1965	3117
N/A	N/A	N/A	339	N/A	599	1258
N/A	N/A	N/A	927	N/A	3913	20346
N/A	25	12	15	N/A	6	7
N/A	624	412	324	N/A	267	342
N/A	166	88	76	N/A	107	661
N/A	19	14	2	N/A	10	N/A

(continued)

Function Program	2004	2005	2006	2007
(Continued)				
Register of Deeds:				
Marriage License Issued	359	341	326	376
Death Certificates Issued	2254	2441	2527	2654
Birth Certificates Issued	1490	1567	1483	1549
Sheriff:				
Number of Vehicles	72	75	80	72
Number of Officers/Jailers	69	69	69	71
Civil papers processed	N/A	N/A	N/A	6880
Social Services:				
Child Support Collections	\$4,952,025	\$5,123,464	\$5,362,413	\$5,524,976
Solid Waste:				
MSW	N/A	21,156.66	16,569.64	18,892.43
C & D	N/A	4,504.46	4,696.93	3,093.92
Tires	N/A	587.47	690.71	782.54
Oil	N/A	12,267.00	9,983.00	12,760.00
Mixed Recycle	N/A	128.49	82.50	121.01
Glass	N/A	135.05	127.74	127.11
Cardboard	N/A	1,057.17	1,236.17	1,368.90
Plastics	N/A	54.07	77.30	66.23
Mixed Paper	N/A	245.71	249.83	264.97
Cans	N/A	32.37	34.14	33.31
Water:				
Residential Customers	5,529	5,542	5,568	5,933
Commerical Customers	85	90	90	97
Production	421,892,000	396,745,000	429,766,000	379,098,000
Residential Consumption	116,118,000	296,028,000	318,599,000	284,956,000
Commerical Consumption	54,712,000	96,552,000	100,827,000	99,726,000

Sources: Various County Departments

N/A - Not Available

Duplin County, North Carolina
 Operating Indicators by Function/Program
 Last Ten Fiscal Years
 Table 14

2008	2009	2010	2011	2012	2013	2014
343	310	331	356	298	336	322
2936	2379	2418	2404	2560	2306	2349
2208	1823	2245	1980	2304	2183	2220
65	72	71	76	73	73	83
78	82	80	80	75	83	92
6621	6394	6497	6525	6332	6137	6220
\$5,774,649	\$5,954,184	\$6,078,335	\$6,122,099	\$6,005,674	\$5,913,960	\$ 5,310,732
17,317.30	20,740.14	21,401.27	22,234.40	22,828.02	21,256.50	20,774.99
2,770.54	2,684.83	2,355.02	1,751.70	2,087.54	1,787.94	1,927.24
780.65	816.07	766.17	738.58	595.00	579.23	613.27
6,866.00	11,143.00	6,582.00	9,088.00	10,489.00	8,531.00	16,913.00
75.99	99.14	114.14	112.82	107.68	112.47	115.50
119.89	133.32	144.61	137.50	161.14	140.98	150.40
749.71	655.02	468.35	441.72	474.23	254.26	227.94
62.93	72.37	165.53	87.89	73.04	60.95	55.52
207.14	220.29	222.88	202.70	184.85	174.97	173.11
27.65	34.22	35.96	34.48	29.06	26.14	25.50
6,051	6,167	6,279	6,363	6,460	6,541	6,667
104	103	100	110	115	115	115
438,808,000	518,408,000	520,255,000	526,945,000	541,992,000	551,092,000	555,715,000
331,190,000	343,252,000	339,377,000	341,565,000	334,186,000	333,657,000	342,482,000
150,314,000	139,930,000	150,791,000	141,698,000	160,345,000	162,608,000	162,068,000

Function/Program	2004	2005	2006	2007
General Government:				
Number of Buildings	9	9	9	9
Value of Buildings/contents	\$ 2,992,015	\$ 2,992,015	\$ 4,731,062	\$ 4,893,242
Public Safety:				
Number of patrol vehicles	70	74	79	69
Volunteer Fire Depts	20	24	24	24
Number of EMS stations	6	6	8	8
Number of ambulances	13	13	13	14
Number of jail beds	98	98	98	98
Cultural & Recreational:				
Number of Parks	1	1	1	1
Number of libraries	6	6	6	6
Enterprise Funds:				
Solid Waste convenience sites	15	15	15	15
Number of Water Tanks	8	8	9	9
Number of Water pumping sites	12	12	13	13
Number of Transportation vehicles	24	24	19	16

Duplin County, North Carolina
 Capital Asset Statistics by Function/Program
 Last Ten Fiscal Years
 Table 15

2008	2009	2010	2011	2012	2013	2014
9	9	9	9	9	9	9
\$ 4,971,045	\$ 5,021,833	\$ 5,024,773	\$ 4,489,371	\$ 4,440,551	\$ 4,444,953	\$ 4,444,953
61	69	68	73	69	69	74
24	24	24	24	24	24	24
8	8	8	8	8	8	8
15	13	13	13	13	13	14
98	98	98	98	98	98	98
1	1	1	1	1	1	1
6	6	6	6	6	6	6
15	15	15	15	15	15	15
12	12	12	12	12	12	12
15	15	15	15	15	15	15
14	15	14	15	14	14	14

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Compliance Section

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INDEPENDENT AUDITOR'S 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
Duplin County, North Carolina

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of Duplin County, North Carolina (the "County"), as of and for the year ended June 30, 2014, and the related notes to the financial statements, which collectively comprise the County's basic financial statements and have issued our report thereon dated January 2, 2015. The financial statements of Duplin County Tourism Development Authority were not audited in accordance with *Governmental Auditing Standards*.

Internal Control over Financial Reporting

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

Compliance and Other Matters

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

Purpose of this Report

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

Carly Riggs & Ingram, L.L.C.

La Grange, North Carolina
January 2, 2015



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**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM
AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY OMB CIRCULAR A-133 AND THE
STATE SINGLE AUDIT IMPLEMENTATION ACT**

To the Board of County Commissioners
Duplin County, North Carolina

Report on Compliance for Each Major Federal Program

We have audited Duplin County, North Carolina's (the "County") compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* and the *Audit Manual for Governmental Auditors in North Carolina*, issued by the Local Government Commission, that could have a direct and material effect on each of the County's major federal programs for the year ended June 30, 2014. The County's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

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

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the County'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; OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*; and the *State Single Audit Implementation Act*. Those standards, OMB Circular A-133, and the State Single Audit Implementation Act require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the County's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

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

Opinion on Each Major Federal Program

In our opinion, Duplin County, North Carolina, 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, 2014.

Other Matters

The results of our auditing procedures disclosed an instance of noncompliance, which is required to be reported in accordance with OMB Circular A-133 and which is described in the accompanying schedule of findings and questioned costs as item 2014-1. Our opinion on each major federal program is not modified with respect to this matter.

Duplin County, North Carolina's response to the noncompliance finding identified in our audit is 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 compliance and, accordingly, we express no opinion on the response.

Report on Internal Control over Compliance

Management of Duplin County, North Carolina, 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's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the County's internal control over compliance.

Our consideration of internal control over compliance was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as discussed below, we identified certain deficiencies in internal control over compliance that we consider to be material weaknesses.

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 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. We consider the deficiency in internal control over compliance described in the accompanying schedule of findings and questioned costs as item 2014-1 to be a material weakness.

Duplin County, North Carolina's response to the internal control over compliance findings identified in our audit is 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 compliance and, accordingly, we express no opinion on the response.

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 OMB Circular A-133. Accordingly, this report is not suitable for any other purpose.

Carly Riggs & Ingram, L.L.C.

La Grange, North Carolina
January 2, 2015



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**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR STATE PROGRAM
AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY OMB CIRCULAR A-133 AND THE
STATE SINGLE AUDIT IMPLEMENTATION ACT**

To the Board of County Commissioners
Duplin County, North Carolina

Report on Compliance for Each Major State Program

We have audited Duplin County, North Carolina's (the "County") compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* and the *Audit Manual for Governmental Auditors in North Carolina*, issued by the Local Government Commission, that could have a direct and material effect on each of the County's major state programs for the year ended June 30, 2014. The County's major state programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

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

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the County's major state programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*; and the *State Single Audit Implementation Act*. Those standards, OMB Circular A-133, and the *State Single Audit Implementation Act* require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major state program occurred. An audit includes examining, on a test basis, evidence about the County's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

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

Opinion on Each Major State Program

In our opinion, Duplin County, North Carolina, complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major state programs for the year ended June 30, 2014.

Other Matters

The results of our auditing procedures disclosed an instance of noncompliance, which is required to be reported in accordance with OMB Circular A-133 and which is described in the accompanying schedule of findings and questioned costs as item 2014-2. Our opinion on each major state program is not modified with respect to this matter.

Duplin County, North Carolina's response to the noncompliance finding identified in our audit is 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 compliance and, accordingly, we express no opinion on the response.

Report on Internal Control over Compliance

Management of Duplin County, North Carolina, 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's internal control over compliance with the types of requirements that could have a direct and material effect on each major state program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major state program and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the County's internal control over compliance.

Our consideration of internal control over compliance was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as discussed below, we identified certain deficiencies in internal control over compliance that we consider to be material weaknesses.

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 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. We consider the deficiency in internal control over compliance described in the accompanying schedule of findings and questioned costs as item 2014-2 to be a material weakness.

Duplin County, North Carolina's response to the internal control over compliance findings identified in our audit is 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 compliance and, accordingly, we express no opinion on the response.

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 OMB Circular A-133. Accordingly, this report is not suitable for any other purpose.

Cary Riggs & Ingram, L.L.C.

La Grange, North Carolina
January 2, 2015

Duplin County, North Carolina
 Schedule of Findings and Questioned Costs
 For the Year Ended June 30, 2014

Section I - Summary of Auditor's Results

Financial Statements:

Type of auditor's report issued: Unmodified

Internal control over financial reporting:

- Material weaknesses identified? Yes X No

- Significant deficiencies identified that are not considered to be material weaknesses? Yes X None reported

Noncompliance material to financial statements noted? Yes X No

Federal Awards:

Internal control over financial reporting:

- Material weaknesses identified? X Yes No

- Significant deficiencies identified that are not considered to be material weaknesses? Yes X None reported

Noncompliance material to federal awards noted? Yes X No

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

Any audit findings disclosed that are required to be reported in accordance with Section 510(a) of Circular A-133? X Yes No

Identification of major federal programs:

CDFA Number	Name of Federal Program or Cluster	
10.557	Special Supplemental Nutrition Program for Women, Infants, and Children	
93.778	Medical Assistance	
93.575 93.596 93.558 93.667	Subsidized Child Care Cluster	
66.468		
		Drinking Water State Revolving Funds

Duplin County, North Carolina
 Schedule of Findings and Questioned Costs
 For the Year Ended June 30, 2014

Section I - Summary of Auditor's Results (continued)

Dollar threshold used to distinguish between Type A and Type B Programs: \$ 1,858,357

Auditee qualified as a low risk auditee? Yes X No

State Awards:

Internal control over financial reporting:

- Material weaknesses identified? X Yes No

- Significant deficiencies identified that are not considered to be material weaknesses? Yes X None reported

Noncompliance material to state awards noted? Yes X No

Type of auditor's report issued on compliance for major state programs: Unmodified

Any audit findings disclosed that are required to be reported in accordance with the State Single Audit Implementation Act? X Yes No

Identification of major state programs:

Program Name

State/County Special Assistance for Adults
 Public School Building Capital Fund

Section II - Financial Statement Findings

None reported.

Duplin County, North Carolina
Schedule of Findings and Questioned Costs
For the Year Ended June 30, 2014

Section III - Federal Award Findings and Questioned Costs

U.S. Department of Health and Human Services
Passed through the North Carolina Department of Health and Human Services
Program Name: Subsidized Child Care Cluster
CFDA Numbers: 93.575, 93.596, 93.558, 93.667

Finding: 2014-1

Material Weakness
Immaterial to Noncompliance
Eligibility

Criteria: When caseworkers are notified of a parents change in employment or income level they are required to complete an action notice detailing the change in the parent fee. This action notice is then sent to the child care provider, the parent, and entered in the State of North Carolina's subsidized child care system.

Condition: The caseworker properly documented and completed the action notice, sent the action notice to the child care provider and parent, but failed to enter the action notice into the State of North Carolina's subsidized child care system.

Questioned costs: \$(132)

Context: Twenty five files were examined and one resulted in incorrect benefit payments being issued.

Effect: The parent paid a higher fee and the North Carolina Department of Health and Human Services underpaid the parent's allowable benefit.

Cause: Human error in not entering the action notice into the State of North Carolina's subsidized child care system.

Recommendation: Consider implementing review procedures to verify that action notices have been entered in the State of North Carolina's system when the notices are being mailed to the child care providers.

Views of responsible official and planned corrective action: The County agrees with this finding. See corrective action plan for details on correcting the condition described above.

Duplin County, North Carolina
Schedule of Findings and Questioned Costs
For the Year Ended June 30, 2014

Section IV - State Award Findings and Questioned Costs

North Carolina Department of Health and Human Services
Division of Social Services
Program Name: State/County Special Assistance for Adults

Finding: 2014-2

Material Weakness
Immaterial to Noncompliance
Eligibility

Criteria: All applicants are required to have a current FL-2 that is signed and dated by a physician, physician assistant, or nurse practitioner, indicating the need for residential facility level care.

Condition: Two case files did not contain current FL-2 forms that were signed and dated by a physician, physician assistant, or nurse practitioner.

Questioned Costs: \$3,186

Context: Thirty seven total case files were examined and two files contained invalid FL-2 forms.

Effect: Benefit payments were issued to two individuals during a time which the individuals did not have current signed FL-2 forms.

Cause: Internal control failures allowed the condition to occur and go undetected.

Recommendation: A timely review of all case files should be performed to ensure all documents are present.

Views of responsible officials and planned corrective action: The County agrees with this finding. See corrective action plan for details on correcting the condition described above.

Section II - Financial Statement Findings

None reported.

Section III - Federal Award Findings and Questioned Costs

Finding: 2014-1

Name of responsible official: Priscilla Bryant, Income Maintenance Administrator II

Corrective action: Going forward the County will implement additional review procedures to ensure that all action notices are entered into the State's system prior to the action notices being sent to the child care providers.

Proposed completion date: The condition described in this finding was corrected on June 25, 2014. Additional review procedures will be implemented as soon as possible.

Section IV - State Award Findings and Questioned Costs

Finding: 2014-2

Name of responsible officials: Priscilla Bryant, Income Maintenance Administrator II and Barbara Harris, Income Maintenance Supervisor II

Corrective action: Timely review of case files will be performed going forward.

Proposed completion date: As of June 27, 2014 the two case files with invalid FL-2 forms had been corrected. Timely review of case files will begin as soon as possible.

Duplin County, North Carolina
Summary Schedule of Prior Year Audit Findings
For the Year Ended June 30, 2014

Section II - Financial Statement Findings

None reported.

Section III - Federal Award Findings and Questioned Costs

Finding: 2013-1 - Corrected

Section IV - State Award Findings and Questioned Costs

None reported.

Duplin County, North Carolina
 Schedule of Expenditures of Federal and State Awards
 For the Year Ended June 30, 2014
 Page 1 of 8

Grantor/Passthrough Grantor/Program Title	Federal CFDA Number	State/ Passthrough Grantor's Number	Federal (Direct & Passthrough) Expenditures	State Expenditures	Local Expenditures
Federal Awards:					
<u>U.S. Department of Agriculture:</u>					
Food and Nutrition Service					
Passed through NC Department of Health and Human Services Division of Social Services:					
Administration:					
State Administrative Matching Grants for the Supplemental Nutrition Assistance Program	10.561		\$ 595,523	-	\$ 595,523
Passed through the NC Department of Health and Human Services Division of Public Health:					
Administration:					
Special Supplemental Nutrition Program for Women, Infants, and Children	10.557		531,092	-	-
Direct Benefit Payments:					
Special Supplemental Nutrition Program for Women, Infants, and Children	10.557		1,555,200		
Total U.S. Department of Agriculture			2,681,815	-	595,523
<u>U.S. Institute of Museum and Library Services:</u>					
Passed through the NC Department of Cultural Resources:					
LSTA Planning Grant	45.310		3,346	-	-

Duplin County, North Carolina
 Schedule of Expenditures of Federal and State Awards
 For the Year Ended June 30, 2014

Grantor/Passthrough Grantor/Program Title	Federal CFDA Number	State/ Passthrough Grantor's Number	Federal (Direct & Passthrough) Expenditures	State Expenditures	Local Expenditures
<u>U.S. Environmental Protection Agency:</u>					
Passed through the NC Department of Environment and Natural Resources:					
Drinking Water State Revolving Funds	66.468		2,246,592	651,187	-
<u>U.S. Department of Housing and Urban Development:</u>					
Passed through NC Department of Commerce:					
Community Development Block Grant	14.228	11-C-2292	5,418	-	-
Community Development Block Grant	14.228	12-C-2414	7,635	-	-
Community Development Block Grant	14.228	12-C-2494	8,836	-	-
Total U.S. Department of Housing and Urban Development			21,889	-	-
<u>U.S. Department of Homeland Security:</u>					
Passed through NC Department of Public Safety:					
Homeland Security Grant Program	97.067	2012-SS-00100-S01-1	210,712	-	-
Homeland Security Grant Program	97.067	2010-SS-T0-0075-1305	8,160	-	-
Emergency Management Performance Grants	97.042	2013-37061	35,179	-	-
Total U.S. Department of Homeland Security			254,051	-	-
<u>U.S. Department of Transportation:</u>					
Passed through the NC Department of Transportation:					
Formula Grants For Rural Areas	20.509		289,933	27,738	-
Capital Assistance Program for Elderly Persons with Disabilities	20.513		21,362	-	-
Airport Improvement Program	20.106		90,032	-	-
Total U.S. Department of Transportation			401,327	27,738	-

Duplin County, North Carolina
 Schedule of Expenditures of Federal and State Awards
 For the Year Ended June 30, 2014
 Page 3 of 8

Grantor/Passthrough Grantor/Program Title	Federal CFDA Number	State/ Passthrough Grantor's Number	Federal (Direct & Passthrough) Expenditures	State Expenditures	Local Expenditures
U.S. Department of Health and Human Services:					
Passed through the NC Department of Health and Human Services					
Division of Aging and Adult Services:					
Passed through the Eastern Carolina Council:					
<u>Aging Cluster:</u>					
Special Programs for the Aging - Title III B Grants for Supportive Services and Senior Centers	93.044		82,538	4,856	9,710
Special Programs for the Aging - Title III C Nutrition Services	93.045		251,643	14,803	29,604
Nutrition Services Incentive Program	93.053		42,564	-	-
HCCBG - State	N/A		-	87,681	9,742
Total Aging Cluster			376,745	107,340	49,056
Social Service Block Grant (SSBG) - In Home Services	93.667		7,932	227	906
Passed through the NC Department of Health and Human Services					
Division of Public Health:					
Office of Population Affairs:					
Family Planning Services Title X	93.217		39,958	-	-
Passed through the NC Department of Health and Human Services					
Division of Social Services:					
Administration for Children and Families:					
Family Preservation	93.556		2,636	-	-
Temporary Assistance for Needy Families (TANF)/Work First	93.558		898,248	-	224,751
Temporary Assistance for Needy Families	93.558		7,349	-	-
TANF/Work First - Direct Benefit Payments	93.558		379,240	-	275
AFDC Payments - Direct Benefit Payments	93.560		(429)	(118)	(118)
Child Support Enforcement	93.563		488,223	-	251,509

Duplin County, North Carolina
 Schedule of Expenditures of Federal and State Awards
 For the Year Ended June 30, 2014
 Page 4 of 8

Grantor/Passthrough Grantor/Program Title	Federal CFDA Number	State/ Passthrough Grantor's Number	Federal (Direct & Passthrough) Expenditures	State Expenditures	Local Expenditures
<u>U.S. Department of Health and Human Services (continued):</u>					
Low Income Home Energy Assistance:					
Crisis Intervention	93.568		235,728	-	-
Administration	93.568		47,467	-	-
Energy Assistance Payments	93.568		304,430	-	-
Energy Assistance Payments - Direct Benefit Payments	93.568		(56)	-	-
Permanency Planning - Families for Kids	93.645		27,802	-	9,267
Social Service Block Grant	93.667		-	500	-
<u>Foster Care and Adoption Cluster:</u>					
Title IV-E CPS	93.658		67,596	69,989	35,691
Title IV-E Foster Care	93.658		63,180	-	63,180
Title IV-E Adoption	93.659		2,791	-	2,791
Foster Care	N/A		37,375	14,997	-
IV-E Adoption	N/A		28	-	-
Special Children Adoption - Direct Benefit Payments	93.558		48,000	-	-
Adoption Assistance - Direct Benefit Payments	93.658		62,836	21,985	22,012
Foster Care - Direct Benefit Payments	93.659		169,775	45,028	45,028
Total Foster Care and Adoption Cluster			451,581	151,999	168,702
Adult Protective Services	93.667		20,307	-	6,769
Social Services Block Grant (SSBG)	93.667		196,995	23,519	73,504

Duplin County, North Carolina
 Schedule of Expenditures of Federal and State Awards
 For the Year Ended June 30, 2014
 Page 5 of 8

Grantor/Passthrough Grantor/Program Title	Federal CFDA Number	State/ Passthrough Grantor's Number	Federal (Direct & Passthrough) Expenditures	State Expenditures	Local Expenditures
<u>U.S. Department of Health and Human Services (continued):</u>					
<u>Subsidized Child Care Cluster:</u>					
Division of Social Services:					
Child Care Development Fund - Administration	93.596		105,244	-	-
Division of Child Development:					
Child Care and Development Fund - Discretionary	93.575		802,997	-	-
Child Care and Development Fund - Mandatory	93.596		547,951	-	-
Child Care and Development Fund - Match	93.596		117,265	935	-
Total Child Care Cluster			1,573,457	935	-
Temporary Assistance for Needy Families	93.558		454,581	-	-
Foster Care Title IV-E	93.658		23,100	12,056	-
Smart Start	N/A		-	(300)	-
State Appropriations	N/A		-	339,937	-
TANF-MOE	N/A		-	80,604	-
Total Subsidized Child Care Cluster			2,051,138	433,232	-
Passed through the NC Department of Health and Human Services					
Division of Medical Assistance:					
Medical Assistance Program - Direct Benefit Payments	93.778		48,139,668	26,751,415	(2,535)
State Children's Insurance Program - Direct Benefit Payments	93.767		1,263,390	398,595	-
Passed through the NC Department of Health and Human Services					
Division of Social Services:					
Medical Assistance Program Administration	93.778		1,149,146	21,207	955,999
State Children's Insurance Program - NC Health Choice	93.767		52,401	2,080	13,848

Duplin County, North Carolina
 Schedule of Expenditures of Federal and State Awards
 For the Year Ended June 30, 2014
 Page 6 of 8

Grantor/Passthrough Grantor/Program Title	Federal CFDA Number	State/ Passthrough Grantor's Number	Federal (Direct & Passthrough) Expenditures	State Expenditures	Local Expenditures
<u>U.S. Department of Health and Human Services (continued):</u>					
Centers for Disease Control and Prevention:					
Passed through the NC Department of Health and Human Services					
Division of Public Health:					
Public Health Emergency Preparedness	93.069		36,648	-	-
Project Grants and Cooperative Agreements for Tuberculosis Control Programs	93.116		32,202	-	-
Immunization Grants	93.268		17,314	-	-
Statewide Health Promotion Program	93.991		10,783	-	-
Health Resources and Services Administration:					
Passed through the NC Department of Health and Human Services					
Division of Public Health:					
Maternal and Child Health Services Block Grant	93.994		99,354	76,087	-
Total U.S. Department of Health and Human Services			56,336,200	27,966,083	1,751,933

State Awards:

<u>NC Department of Health and Human Services:</u>					
Division of Social Services:					
County Funded Programs			-	-	288,476
Energy Assistance Private GRA			-	1,702	-
Non-Allocating County COS			-	-	19,181
AFDC Incentive/Program Integrity			-	1,196	-
Direct Benefit Payments:					
Child Welfare Services Adoption Subsidy			-	67,807	8,658
State/County Special Assistance Domiciliary Care			-	540,120	540,120
SFHF Maximization			-	17,179	17,179
State Foster Home			-	28,064	28,064
Other local expenditures			-	-	-
Total Division of Social Services			-	656,068	901,678

Duplin County, North Carolina
 Schedule of Expenditures of Federal and State Awards
 For the Year Ended June 30, 2014
 Page 7 of 8

Grantor/Passthrough Grantor/Program Title	Federal CFDA Number	State/ Passthrough Grantor's Number	Federal (Direct & Passthrough) Expenditures	State Expenditures	Local Expenditures
Division of Public Health:					
Food and Lodging Fees			-	12,464	-
Environmental Health			-	4,000	-
General Aid to Counties			-	80,554	-
General Communicable Disease Control			-	4,440	-
Risk Reduction/Health Promotion			-	6,285	-
Interpreter Grant II			-	20,900	-
Maternal Health (HMHC)			-	3,842	-
Women's Health Service Fund			-	8,661	-
Tuberculosis			-	32,526	-
TB Medical Service			-	2,023	-
Pregnancy Care Management for Women Ineligible for Maternal Care			-	12,887	-
Total Division of Public Health			-	188,582	-
Total NC Department of Health and Human Services			-	844,650	901,678
<u>NC Department of Transportation:</u>					
Elderly and Disabled Transportation Assistance Program (EDTAP)		DOT-16CL	-	69,571	-
Rural Operating Assistance Program - Work First		DOT-16CL	-	20,810	-
Rural Operating Assistance Program - Rural General Public		DOT-16CL	-	89,888	-
Total NC Department of Transportation			-	180,269	-
<u>NC Department of Environmental and Natural Resources:</u>					
Division of Waste Management:					
Scrap Tire Fund			-	12,400	-

Duplin County, North Carolina
 Schedule of Expenditures of Federal and State Awards
 For the Year Ended June 30, 2014

Grantor/Passthrough Grantor/Program Title	Federal CFDA Number	State/ Passthrough Grantor's Number	Federal (Direct & Passthrough) Expenditures	State Expenditures	Local Expenditures
<u>NC Department of Public Safety:</u>					
Office of Juvenile Justice:					
4-H Outreach			-	47,287	-
Parenting			-	36,294	-
Administration			-	1,208	-
Juvenile Court			-	6,000	-
Gang Awareness			-	9,754	-
Restitution/Teen Court			-	70,084	-
Division of Community Corrections:					
Treatment for Effective Community Supervision Program			-	105,891	-
Total NC Department of Public Safety			-	276,518	-
<u>NC Department of Administration:</u>					
Division of Veterans Affairs:					
County Service			-	1,452	-
<u>NC Department of Public Instruction:</u>					
Public School Building Capital Fund			-	659,414	-
<u>NC Department of Commerce:</u>					
Rural Center Grants			-	75,281	-
<u>NC Department of Agriculture:</u>					
Soil & Water			-	46,996	-
<u>NC Department of Cultural Resources:</u>					
Aid to Public Libraries			-	118,484	-
Total Awards			\$ 61,945,221	\$ 30,860,472	\$ 3,249,134

Notes to the Schedule of Expenditures of Federal and State Awards

NOTE 1 – BASIS OF PRESENTATION

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

NOTE 2 – LOANS OUTSTANDING

Duplin County, North Carolina had the following loan balances outstanding at June 30, 2014:

Description	Balance Outstanding
USDA Loan for Duplin Commons Facility	\$ 10,171,014
ARRA – Drinking Water Revolving Loan for Water District D	370,717
USDA Loan for Sewer Project	646,000

NOTE 3 – SUBRECIPIENTS

Of the federal and state expenditures presented in the schedule, Duplin County, North Carolina provided state awards to subrecipients as follows:

State Program Title	Subrecipient	State Expenditures
Public School Building Capital Fund Treatment for Effective Community Supervision Program	Duplin County Board of Education	\$ 659,414
	Connelly Counseling	105,891

NOTE 4 – PROGRAM CLUSTERS

The following are clustered by the North Carolina Department of Health and Human Services and are treated separately for state audit requirement purposes:

- Subsidized Child Care
- Foster Care and Adoption
- Aging

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