

Comprehensive Annual Financial Report

For the Year Ended June 30, 2015

Duplin County



North Carolina

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INTRODUCTORY
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December 17, 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, 2015.

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 unmodified ("clean") opinion on Duplin County's financial statements for the year ended June 30, 2015. 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 2015 was 6.3%. 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

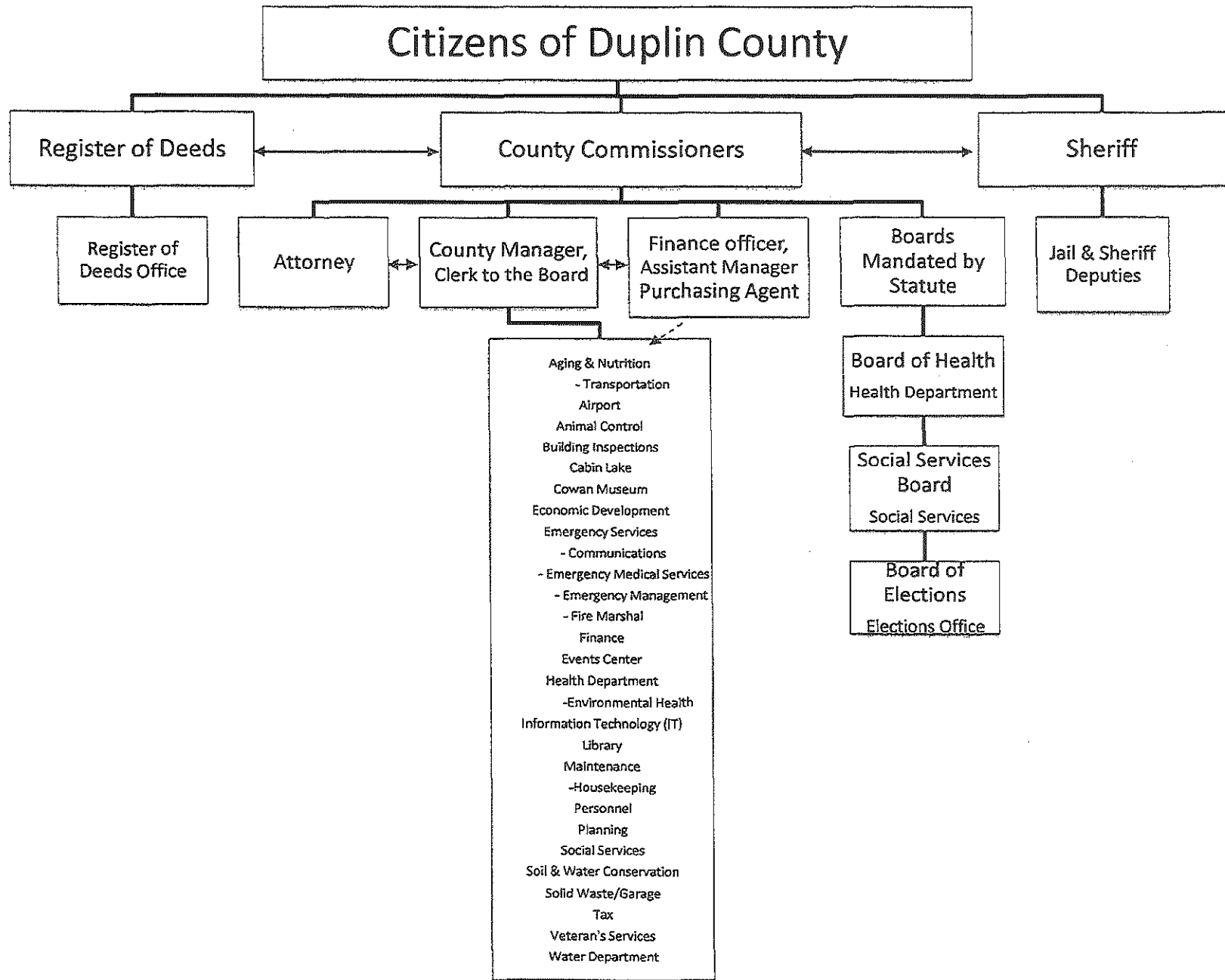
existing industry, Lear Corporation, formally known as Guilford Mills, to construct a ten mile gas pipeline to help retain 500 existing jobs, leverage new investment and create 88 new jobs.

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
Dexter Edwards	District II
Kennedy Thompson, Chairman	District III
Jesse Dowe	District IV
Anita R. Powers	District V

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, 2015, 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, 2015, and the respective changes in financial position and cash flows, where applicable, 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, Analysis and the Law Enforcement Officers' Special Separation Allowance, Other Post-employment Benefit Schedules of Funding Progress and Employer Contributions, the Local Government Employees' Retirement System Schedules of the County's Proportionate Share of Net Pension Asset and County Contributions, and the Register of Deeds' Supplemental Pension Fund Schedule of the County's Proportionate Share of the Net Pension Asset and Schedule of County Contributions on pages 88-89, 90, 91, and 92 respectively, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an 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 basic financial statements of Duplin County, North Carolina. The combining and individual fund statements, budgetary schedules, other schedules as well as the accompanying Schedule of Expenditures of Federal and State Awards, as required by Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and the *State Single Audit Implementation Act* are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining and individual fund 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, based on our audit, the procedures performed as described above, the combining and individual fund financial statements, budgetary schedules, other schedules, and the Schedule of Expenditures of Federal and State Awards are fairly stated in all material respects in relation to the basic financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated December 17, 2015, on our consideration of the Duplin County's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of the report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Duplin County's internal control over financial reporting and compliance.

Carr, Riggs & Ingram, LLC

La Grange, North Carolina
December 17, 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, 2015. 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.

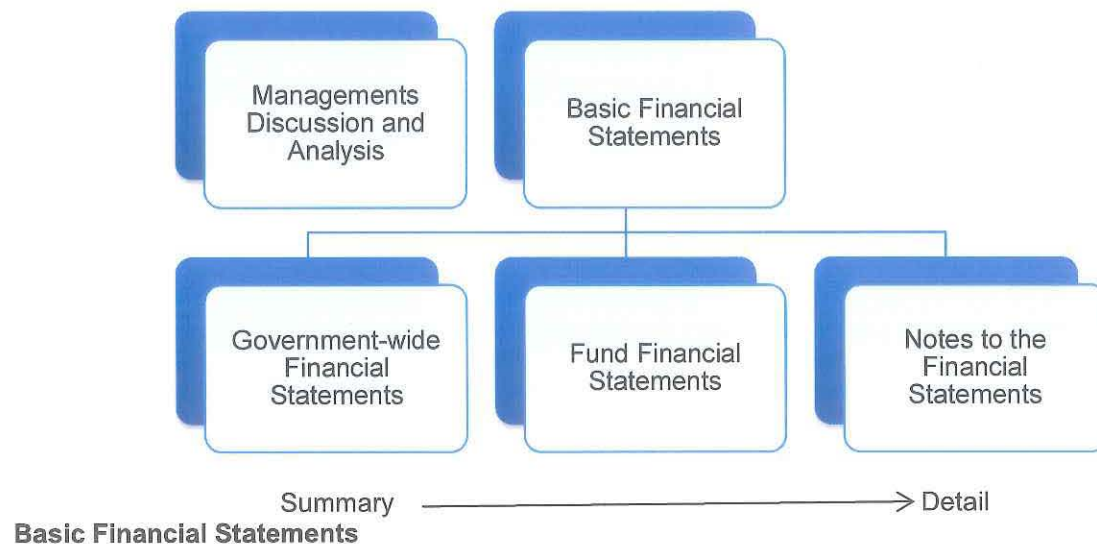
Financial Highlights

- 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 \$81,310,236 (*net position*).
- The government's total net position decreased by \$582,992, primarily due to water loans to finance 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 \$23,712,546, after a net increase in fund balance of \$2,556,748. Approximately 67.89 percent of this total amount, or \$16,098,776, is either nonspendable, restricted, committed, or assigned.
- At the end of the current fiscal year, unassigned fund balance for the General Fund was \$7,617,518, or 32.11 percent of total general fund expenditures for the fiscal year.
- Total long-term debt increased by \$1,836,412 (6.29%) during the year ended June 30, 2015.
- 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



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 Motor Vehicle Tax 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 47 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 \$81,310,236 as of June 30, 2015. The County's net position decreased by \$582,992 for the fiscal year ended June 30, 2015. The largest portion \$48,905,903 (60.15%) 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 \$10,618,522 (13.06%) represents resources that are subject to external restrictions on how they may be used. The remaining balance of \$21,785,811 (26.79%) is unrestricted.

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

	Governmental Activities		Business-type Activities		Total	
	2015	2014	2015	2014	2015	2014
Assets						
Current and other assets	\$ 39,220,944	\$ 34,208,597	\$ 11,361,215	\$ 10,478,182	\$ 50,582,159	\$ 44,686,779
Capital assets	21,745,638	22,446,273	56,370,705	57,033,810	78,116,343	79,480,083
Total assets	60,966,582	56,654,870	67,731,920	67,511,992	128,698,502	124,166,862
Total deferred outflows of resources						
	1,395,709	-	366,814	246,622	1,762,523	246,622
Liabilities						
Current and other liabilities	1,622,720	2,999,529	1,463,316	1,182,797	3,086,036	4,182,326
Long-term liabilities	21,771,726	20,627,695	19,566,558	17,585,509	41,338,284	38,213,204
Total liabilities	23,394,446	23,627,224	21,029,874	18,768,306	44,424,320	42,395,530
Total deferred inflows of resources						
	4,327,449	124,726	399,020	-	4,726,469	124,726
Net Position						
Net investment in capital assets	11,733,322	10,917,432	37,172,581	39,830,796	48,905,903	50,748,228
Restricted	10,597,209	9,561,211	21,313	223,933	10,618,522	9,785,144
Unrestricted	12,309,865	12,424,277	9,475,946	8,935,579	21,785,811	21,359,856
Total net position	\$ 34,640,396	\$ 32,902,920	\$ 46,669,840	\$ 48,990,308	\$ 81,310,236	\$ 81,893,228

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 97.39%.
- 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	
	2015	2014	2015	2014	2015	2014
Revenues						
Program revenues:						
Charges for services	\$ 7,221,324	\$ 9,176,538	\$ 7,238,238	\$ 8,139,249	\$ 14,459,562	\$ 17,315,787
Operating grants and contributions	12,636,041	10,586,282	568,871	586,312	13,204,912	11,172,594
Capital grants and contributions	789,856	920,045	909,055	3,402,150	1,698,911	4,322,195
General revenues:						
Property taxes	30,948,358	30,238,201	-	-	30,948,358	30,238,201
Other taxes	8,378,214	8,541,028	131,116	124,675	8,509,330	8,665,703
Other revenue	229,291	218,213	123,983	56,355	353,274	274,568
Total revenues	60,203,084	59,680,307	8,971,263	12,308,741	69,174,347	71,989,048
Expenses						
General government	5,901,684	5,884,447	-	-	5,901,684	5,884,447
Public safety	17,884,866	17,821,492	-	-	17,884,866	17,821,492
Economic and physical development	1,157,204	1,363,220	-	-	1,157,204	1,363,220
Human services	16,123,169	16,015,053	-	-	16,123,169	16,015,053
Cultural and recreational	1,316,387	1,204,921	-	-	1,316,387	1,204,921
Environmental protection	784,371	704,203	-	-	784,371	704,203
Non-departmental	283,606	287,491	-	-	283,606	287,491
Education	12,370,800	13,334,623	-	-	12,370,800	13,334,623
Interest on long-term debt	399,966	431,245	-	-	399,966	431,245
Airport	-	-	1,178,655	1,796,254	1,178,655	1,796,254
Water	-	-	3,364,680	3,347,524	3,364,680	3,347,524
Transportation	-	-	982,263	1,073,121	982,263	1,073,121
Solid waste	-	-	2,937,828	2,971,828	2,937,828	2,971,828
Total expenses	56,222,053	57,046,695	8,463,426	9,188,727	64,685,479	66,235,422
Change in net position before transfers and special items						
Change in net position before transfers and special items	3,981,031	2,633,612	507,837	3,120,014	4,488,868	5,753,626
Special items	-	598,597	-	236,037	-	598,597
Transfers	(115,773)	(219,978)	115,773	219,978	-	-
Change in net position	3,865,258	3,012,231	623,610	3,576,029	4,488,868	6,588,260
Net position, beginning	32,902,920	29,890,689	48,990,308	45,414,279	81,893,228	75,304,968
Restatement	(2,127,782)	-	(208,836)	-	(2,336,618)	-
Prior period adjustment	-	-	(2,735,242)	-	(2,735,242)	-
Net position, ending	\$ 34,640,396	\$ 32,902,920	\$ 46,669,840	\$ 48,990,308	\$ 81,310,236	\$ 81,893,228

The County's net position decreased by \$582,992 during the fiscal year ended June 30, 2015. The governmental activities net position experienced an increase of 5.01%, while the business-type activities experienced a decrease of 4.97%.

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

- Increase in property tax revenue due to higher collection rate.
- Increase in intergovernmental revenue.

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

- Increase in debt to finance capital asset improvement projects.

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 \$7,617,518, while total fund balance was \$16,692,007 (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 14.62 percent of total General Fund expenditures, while total fund balance represents 32.04 percent of that same amount.

At June 30, 2015, the governmental funds of Duplin County reported a combined fund balance of \$23,712,546.

Figure 4
Governmental Funds – Total Fund Balance
June 30, 2015

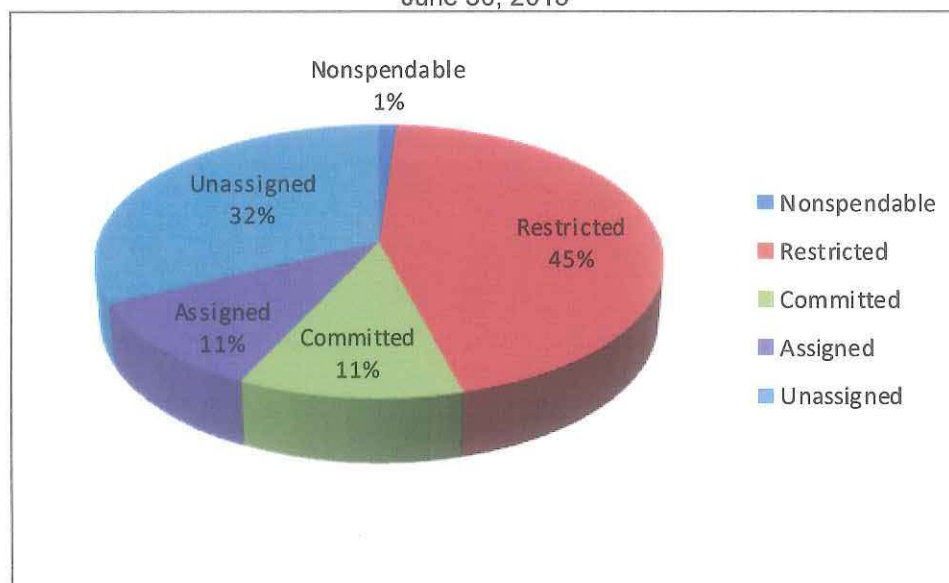


Figure 5
 Governmental Funds Revenue
 For the Years Ended June 30, 2015 and 2014

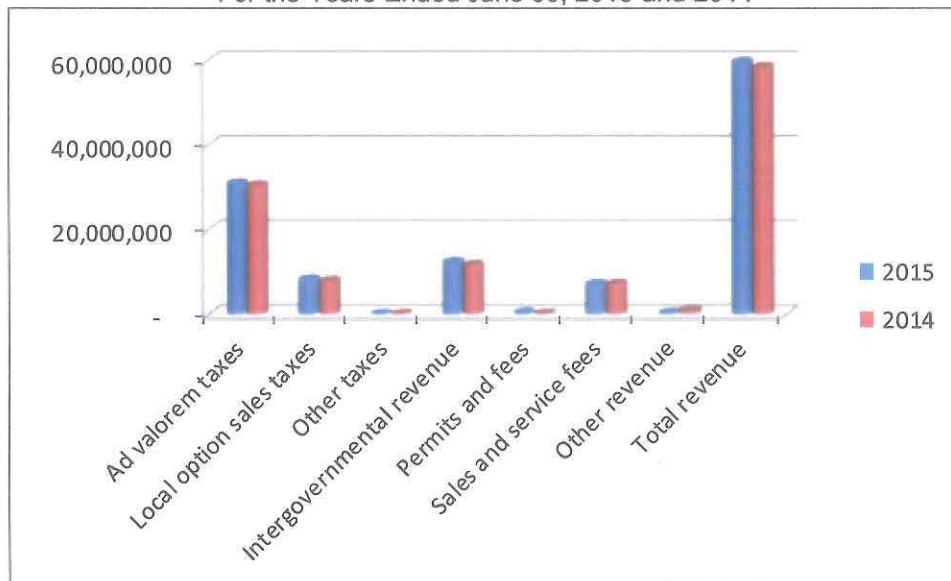
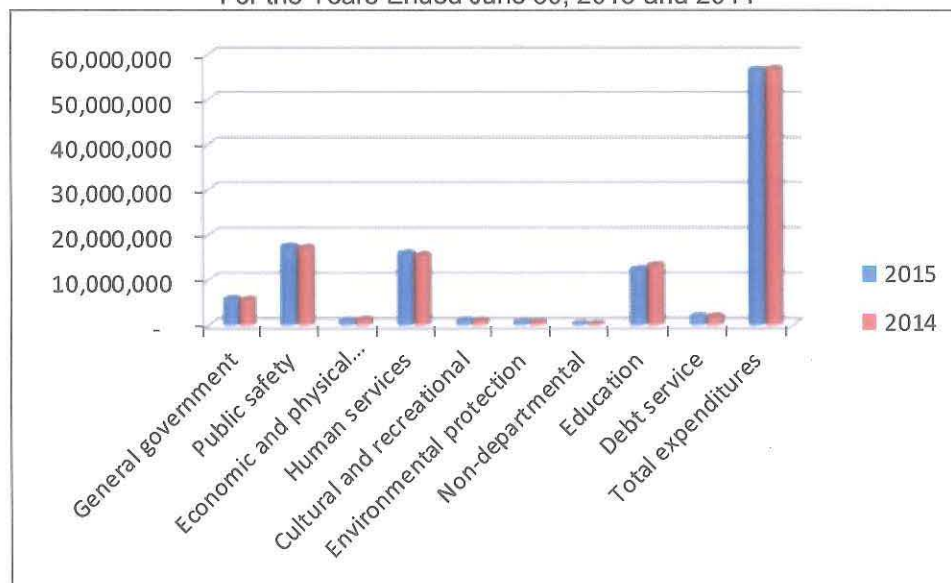


Figure 6
 Governmental Funds Expenditures
 For the Years Ended June 30, 2015 and 2014



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 \$4.46 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 \$500,652, 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 \$204,309, and the Water Fund equaled \$6,386,641. The non-major funds of the Solid Waste Fund and the Transportation Development Fund had a combined total of unrestricted net position of \$2,766,829. (Exhibit 6)

The total decrease in net position for the enterprise funds was Airport Commission Fund - \$(419,512) and the Water Fund of \$(2,052,593) (Exhibit 7). The non-major funds had a combined increase in net position totaling \$50,192. 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, 2015, totals \$81,179,675 (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 and water systems in the Water Fund.
- Increase in construction in progress for the airport terminal.
- 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	
	2015	2014	2015	2014	2015	2014
Land	\$ 2,460,544	\$ 2,460,144	\$ 1,161,597	\$ 1,161,597	\$ 3,622,141	\$ 3,621,741
Construction in progress	-	-	5,276,638	4,927,689	5,276,638	4,927,689
Buildings	16,327,102	16,938,241	2,355,973	2,379,025	18,683,075	19,317,266
Water plants and distribution systems	-	-	38,932,905	39,463,535	38,932,905	39,463,535
Airport terminals and runways	-	-	7,595,797	8,175,582	7,595,797	8,175,582
Equipment	1,633,602	1,727,654	351,328	442,699	1,984,930	2,170,353
Vehicles	1,324,390	1,320,234	696,467	483,683	2,020,857	1,803,917
Total capital assets, net	\$ 21,745,638	\$ 22,446,273	\$ 56,370,705	\$ 57,033,810	\$ 78,116,343	\$ 79,480,083

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, 2015, Duplin County had total long-term debt outstanding of \$29,210,440.

	Governmental Activities		Business-type Activities		Total	
	2015	2014	2015	2014	2015	2014
Limited obligation bonds	\$ -	\$ -	\$ 15,314,495	\$ 15,843,587	\$ 15,314,495	\$ 15,843,587
Notes payable	10,012,316	10,171,014	3,883,629	1,359,427	13,895,945	11,530,441
Certificates of participation	-	1,357,827	-	-	-	1,357,827
Total long-term debt	\$ 10,012,316	\$ 11,528,841	\$ 19,198,124	\$ 17,203,014	\$ 29,210,440	\$ 28,731,855

Duplin County's total debt has increased by \$478,585 (1.64 percent) during the past fiscal year. This increase is primarily due to financing for water system improvements.

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 \$318,061,099.

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 6.1% which is the same as the state average.
- The assessed value of real and personal property decreased by \$37,003,782 or .9%.
- Our population of 61,193 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, 2016

Governmental Activities: The County approved an original \$54.8 million general fund budget. This represents a slight decrease over the final budget for FY 2015. The property rate for tax year FY 2016 will remain at \$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 2015-2016 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.

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, 2015

Exhibit 1

	Primary Government			Component Unit
	Governmental Activities	Business-type Activities	Total	Duplin County Tourism Development Authority
Assets				
Current assets:				
Cash and cash equivalents	\$20,210,914	\$ 8,217,736	\$28,428,650	\$ 399,380
Receivables, net	13,707,838	1,469,299	15,177,137	22,795
Internal balances	710	(710)	-	-
Due from agency funds	1,901	-	1,901	-
Inventories	270,487	42,632	313,119	-
Restricted cash and cash equivalents	3,199,535	398,485	3,598,020	-
Total current assets	37,391,385	10,127,442	47,518,827	422,175
Noncurrent assets:				
Restricted cash and cash equivalents	-	1,070,055	1,070,055	-
Net pension asset	1,829,559	163,718	1,993,277	-
Capital assets:				
Land and construction in progress	2,460,544	6,438,235	8,898,779	-
Other capital assets, net of depreciation	19,285,094	49,932,470	69,217,564	-
Total capital assets	21,745,638	56,370,705	78,116,343	-
Total noncurrent assets	23,575,197	57,604,478	81,179,675	-
Total assets	60,966,582	67,731,920	128,698,502	422,175
Deferred Outflows of Resources	1,395,709	366,814	1,762,523	-
Liabilities				
Current liabilities:				
Accounts payable and accrued liabilities	1,457,476	329,151	1,786,627	1,421
Customer deposits	-	398,485	398,485	-
Unearned revenue	-	5,364	5,364	-
Notes payable - current	165,244	210,316	375,560	-
Limited obligation bonds - current	-	520,000	520,000	-
Total current liabilities	1,622,720	1,463,316	3,086,036	1,421
Long-term liabilities:				
Compensated absences	1,176,951	135,914	1,312,865	3,744
Other post-employment benefit	10,210,264	962,836	11,173,100	-
LEO special separation allowance	537,439	-	537,439	-
Notes payable	9,847,072	3,673,313	13,520,385	-
Limited obligation bonds	-	14,794,495	14,794,495	-
Total long-term liabilities	21,771,726	19,566,558	41,338,284	3,744
Total liabilities	23,394,446	21,029,874	44,424,320	5,165
Deferred Inflows of Resources	4,327,449	399,020	4,726,469	-
Net Position				
Net investment in capital assets	11,733,322	37,172,581	48,905,903	-
Restricted	10,597,209	21,313	10,618,522	22,795
Unrestricted	12,309,865	9,475,946	21,785,811	394,215
Total net position	\$34,640,396	\$46,669,840	\$81,310,236	\$ 417,010

The accompanying notes are an integral part of this statement.

Duplin County, North Carolina
Statement of Activities
For the Year Ended June 30, 2015
Exhibit 2

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government		Component Unit
					Governmental Activities	Business-type Activities	Tourism Development Authority
						Total	
Primary Government							
Governmental activities:							
General government	\$ 5,901,684	\$ 338,946	\$ 9,377	\$ -	\$ (5,553,361)	\$ -	\$ (5,553,361)
Public safety	17,884,866	3,205,147	1,659,768	-	(13,019,951)	-	(13,019,951)
Economic and physical development	1,157,204	2,130,015	231,227	87,546	1,291,584	-	1,291,584
Human services	16,123,169	1,405,313	10,607,282	-	(4,110,574)	-	(4,110,574)
Cultural and recreational	1,316,387	141,903	128,387	-	(1,046,097)	-	(1,046,097)
Environmental protection	784,371	-	-	-	(784,371)	-	(784,371)
Non-departmental	283,606	-	-	-	(283,606)	-	(283,606)
Education	12,370,800	-	-	702,310	(11,668,490)	-	(11,668,490)
Interest on long-term debt	399,966	-	-	-	(399,966)	-	(399,966)
Total governmental activities	56,222,053	7,221,324	12,636,041	789,856	(35,574,832)	-	(35,574,832)
Business-type activities:							
Airport	1,178,655	470,181	-	110,145	-	(598,329)	(598,329)
Water	3,364,680	3,291,059	-	798,910	-	725,289	725,289
Transportation	982,263	551,984	519,483	-	-	89,204	89,204
Solid waste	2,937,828	2,925,014	49,388	-	-	36,574	36,574
Total business-type activities	8,463,426	7,238,238	568,871	909,055	-	252,738	252,738
Total primary government	\$ 64,685,479	\$ 14,459,562	\$ 13,204,912	\$ 1,698,911	(35,574,832)	252,738	(35,322,094)
Component unit:							
Tourism development authority	\$ 190,425	\$ 2,443	\$ -	\$ -			\$ (187,982)

See accompanying notes to financial statements.

Duplin County, North Carolina
Statement of Activities
For the Year Ended June 30, 2015
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
General revenues:				
Property taxes, levied for general purposes	\$30,948,358	\$ -	\$ 30,948,358	\$ -
Local option sales taxes	8,283,242	-	8,283,242	-
Other taxes and licenses	94,972	131,116	226,088	257,162
Investment earnings, unrestricted	80,380	90,619	170,999	67
Miscellaneous, unrestricted	120,672	27,890	148,562	-
Gain on disposal of capital assets	28,239	5,474	33,713	-
Total general revenues excluding transfers & special items	39,555,863	255,099	39,777,249	257,229
Transfers	(115,773)	115,773	-	-
Total general revenues, special items, and transfers	39,440,090	370,872	39,777,249	257,229
Change in net position	3,865,258	623,610	4,455,155	69,247
Net position, beginning of year	32,902,920	48,990,308	81,893,228	347,763
Restatement	(2,127,782)	(208,836)	(2,336,618)	-
Prior period adjustment	-	(2,735,242)	(2,735,242)	-
Net position, end of year	\$34,640,396	\$ 46,669,840	\$ 81,310,236	\$ 417,010

See accompanying notes to financial statements.

Duplin County, North Carolina
Balance Sheet
Governmental Funds
June 30, 2015
Exhibit 3

	Major		Non-Major		Total
	General Fund	Debt Service Fund	Other Governmental Funds	Total	
Assets					
Cash and cash equivalents	\$13,976,113	\$ 628,867	\$ 2,733,130	\$	17,338,110
Restricted cash and cash equivalents	-	-	3,199,535	-	3,199,535
Receivables, net	12,054,182	-	1,652,155	-	13,706,337
Due from other funds	3,460	-	38,051	-	41,511
Inventories	270,487	-	-	-	270,487
Total assets	\$26,304,242	\$ 628,867	\$ 7,622,871	\$	34,555,980
Liabilities					
Accounts payable and accrued liabilities	\$ 745,320	\$ -	\$ 307,928	\$	1,053,248
Due to other funds	1,805	-	38,345	-	40,150
Total liabilities	747,125	-	346,273	-	1,093,398
Deferred Inflows of Resources	8,865,110	-	884,926	-	9,750,036
Fund Balances					
Nonspendable - inventories	270,487	-	-	-	270,487
Restricted:					
Stabilization by state statute	3,881,817	-	669,576	-	4,551,393
Register of deeds	-	-	17,002	-	17,002
Federally seized assets	121,040	-	-	-	121,040
Grants and projects	141,683	-	-	-	141,683
Health	493,125	-	-	-	493,125
Sheriff	86,217	-	-	-	86,217
Daycare	167	-	-	-	167
Economic development	591,019	-	-	-	591,019
Schools	-	-	3,424,887	-	3,424,887
E-911	-	-	275,681	-	275,681
Tax revaluation	-	-	894,995	-	894,995
Committed:					
Capital improvements	928,805	-	247,210	-	1,176,015
Debt service	-	628,867	-	-	628,867
Economic development	-	-	780,910	-	780,910
Various programs	-	-	85,159	-	85,159
Assigned:					
Subsequent year's expenditures	2,560,129	-	-	-	2,560,129
Unassigned	7,617,518	-	(3,748)	-	7,613,770
Total fund balances	16,692,007	628,867	6,391,672	-	23,712,546
Total liabilities, deferred inflows of resource, and fund balances	\$26,304,242	\$ 628,867	\$ 7,622,871	\$	34,555,980

The accompanying notes are an integral part of this statement.

Duplin County, North Carolina
 Balance Sheet
 Governmental Funds
 June 30, 2015
 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	\$ 23,712,546
Net pension asset	1,829,559
Internal service fund activities to benefit governmental activities	2,802,597
Capital assets used in governmental activities are not financial resources and therefore are not reported in the fund statements.	21,745,638
Liabilities for deferred inflows of resources reported in the fund statements, but not the government-wide statements.	9,657,132
Contributions to pension plans in the current fiscal year are deferred outflows of resources on the Statement of Net Position	1,257,506
Pension related deferral	(4,096,342)
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.	(22,268,240)
<hr/>	
Net position of governmental activities	<u>\$ 34,640,396</u>

The accompanying notes are an integral part of this statement.

Duplin County, North Carolina
Statement of Revenues, Expenditures, and Changes in Fund Balances
Governmental Funds
For the Year Ended June 30, 2015
Exhibit 4

	Major	Non-Major		Total
	General Fund	Debt Service Fund	Other Governmental Funds	
Revenues				
Ad valorem taxes	\$30,069,681	\$ -	\$ 878,677	\$30,948,358
Local option sales taxes	6,628,722	-	1,654,520	8,283,242
Other taxes and licenses	94,971	-	-	94,971
Unrestricted intergovernmental	6,237,452	-	-	6,237,452
Restricted intergovernmental	4,734,400	-	1,365,587	6,099,987
Restricted grants	48,000	-	-	48,000
Permits and fees	485,252	-	-	485,252
Restricted revenue	65,733	-	-	65,733
Sales and services	7,124,707	-	-	7,124,707
Investment earnings	53,511	110	26,318	79,939
Contributions	49,432	-	8,812	58,244
Miscellaneous	59,252	-	61,420	120,672
Total revenues	55,651,113	110	3,995,334	59,646,557
Expenditures				
Current:				
General government	5,694,047	-	121,783	5,815,830
Public safety	16,153,614	-	1,336,858	17,490,472
Economic and physical development	735,351	-	300,923	1,036,274
Human services	15,910,100	-	-	15,910,100
Cultural and recreational	1,049,119	-	-	1,049,119
Environmental protection	773,739	-	-	773,739
Non-departmental	262,439	-	-	262,439
Intergovernmental:				
Education	11,522,774	-	848,026	12,370,800
Debt service:				
Principal retirement	-	1,448,697	-	1,448,697
Interest and fees	-	472,703	-	472,703
Total expenditures	52,101,183	1,921,400	2,607,590	56,630,173
Excess (deficiency) of revenues over expenditures	3,549,930	(1,921,290)	1,387,744	3,016,384
Other financing sources (uses)				
Proceeds from sale of capital assets	28,239	-	-	28,239
Transfers from other funds	-	2,101,362	927,338	3,028,700
Transfers to other funds	(2,269,597)	-	(1,224,875)	(3,494,472)
Total other financing sources (uses)	(2,241,358)	2,101,362	(297,537)	(437,533)

The accompanying notes are an integral part of this statement.

Duplin County, North Carolina
Statement of Revenues, Expenditures, and Changes in Fund Balances
Governmental Funds
For the Year Ended June 30, 2015
Exhibit 4

	Major	Non-Major		Total
	General Fund	Debt Service Fund	Other Governmental Funds	
Net change in fund balances	1,308,572	180,072	1,090,207	2,578,851
Fund balances, beginning of year	15,405,538	448,795	5,301,465	21,155,798
Increase in inventory	(22,103)	-	-	(22,103)
Fund balances, end of year	\$16,692,007	\$ 628,867	\$ 6,391,672	\$23,712,546

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

Net changes in fund balances - governmental funds	\$ 2,578,851
Change in fund balance due to change in reserve for inventory	(22,103)
Internal service fund activities to benefit governmental activities	77,460
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.	(700,625)
Revenues in the Statement of Activities that do not provide current financial resources are not reported as revenues in the funds.	601,013
Contributions to the pension plan in the current fiscal year are not included in the Statement of Activities	1,257,506
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.	1,521,434
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.	(1,448,278)
Total changes in net position of governmental activities	\$ 3,865,258

The accompanying notes are an integral part of this statement.

Duplin County, North Carolina
Statement of Revenues, Expenditures, and Changes in Fund Balances
Budget and Actual
General Fund
For the Year Ended June 30, 2015

Exhibit 5

	Original Budget	Final Budget	Actual	Variance With Final Positive (Negative)
Revenues				
Ad valorem taxes	\$ 28,767,114	\$ 29,399,393	\$ 30,069,681	\$ 670,288
Local option sales taxes	5,918,765	6,233,765	6,628,722	394,957
Other taxes and licenses	85,500	85,500	94,971	9,471
Unrestricted intergovernmental	6,048,001	6,619,491	6,237,452	(382,039)
Restricted intergovernmental	3,737,079	4,807,416	4,734,400	(73,016)
Restricted grants	49,965	48,000	48,000	-
Permits and fees	507,500	478,375	485,252	6,877
Restricted revenue	64,000	64,000	65,733	1,733
Sales and services	5,460,401	7,269,072	7,124,707	(144,365)
Investment earnings	1,975	53,975	53,344	(631)
Miscellaneous	50,690	89,523	108,684	19,161
Total revenues	50,690,990	55,148,510	55,650,946	502,436
Expenditures				
Current:				
General government	4,749,048	6,398,628	5,694,047	704,581
Public safety	15,359,258	17,131,484	16,153,614	977,870
Economic and physical development	683,272	1,394,616	735,351	659,265
Human services	16,359,760	17,349,408	15,910,100	1,439,308
Cultural and recreational	1,166,318	1,269,091	1,049,119	219,972
Environmental protection	782,186	964,486	773,739	190,747
Non-departmental	631,282	458,011	262,439	195,572
Intergovernmental:				
Education	11,624,835	11,716,733	11,522,774	193,959
Total expenditures	51,355,959	56,682,457	52,101,183	4,581,274
Revenues over (under) expenditures	(664,969)	(1,533,947)	3,549,763	5,083,710
Other financing sources (uses)				
Proceeds from sale of capital assets	-	1,000	28,239	27,239
Transfers to other funds	(1,739,245)	(2,302,245)	(2,240,194)	62,051
Total other financing uses	(1,739,245)	(2,301,245)	(2,211,955)	89,290
Appropriated fund balance	2,404,214	3,835,192	-	(3,835,192)
Net change in fund balance	<u>\$ -</u>	<u>\$ -</u>	1,337,808	<u>\$ 1,337,808</u>
Fund balance, beginning of year			14,447,497	
Increase in inventory			(22,103)	
Fund balance, end of year			<u>\$ 15,763,202</u>	

The accompanying notes are an integral part of this statement.

Duplin County, North Carolina
Statement of Revenues, Expenditures, and Changes in Fund Balances
Budget and Actual
General Fund
For the Year Ended June 30, 2015
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			\$ 167	
Transfers from General Fund			-	
Transfers to other funds			(29,403)	
Fund balance, beginning of year			958,041	
Fund balance, end of year (Exhibit 4)			\$ 16,692,007	

The accompanying notes are an integral part of this statement.

Duplin County, North Carolina
Statement of Fund Net Position
Proprietary Funds
June 30, 2015

Exhibit 6

	Major			Nonmajor		Total	Internal Service Fund
	Airport Commission Fund	Water Debt Service 2012 Limited Obligation Bond Fund	Water Fund	Other Proprietary Funds			
Assets							
Current assets:							
Cash and cash equivalents	\$ 281,309	\$ 5	6,102,343	\$ 1,834,079	\$ 8,217,736	\$ 2,872,805	
Receivables, net	34,103	47,890	627,907	807,289	1,517,189	1,500	
Inventories	16,694	-	25,938	-	42,632	-	
Due from other funds	-	-	-	88	88	1,950	
Restricted cash and cash equivalents	-	-	397,685	800	398,485	-	
Total current assets	332,106	47,895	7,153,873	2,642,256	10,176,130	2,876,255	
Noncurrent assets:							
Restricted cash and cash equivalents	-	-	-	1,070,055	1,070,055	-	
Due from water districts - GO bonds	-	15,314,495	-	-	-	-	
Net pension asset	13,105	-	43,304	107,309	163,718	-	
Capital assets:							
Land and construction in progress	692,988	-	5,528,899	216,348	6,438,235	-	
Other capital assets, net of depreciation	7,660,669	-	38,989,666	3,282,135	49,932,470	-	
Total capital assets	8,353,657	-	44,518,565	3,498,483	56,370,705	-	
Total noncurrent assets	8,366,762	15,314,495	44,561,869	4,675,847	57,604,478	-	
Total assets	8,698,868	15,362,390	51,715,742	7,318,103	67,780,608	2,876,255	
Deferred Outflows of Resources	10,495	-	270,378	85,941	366,814	-	

See accompanying notes to financial statements.

Duplin County, North Carolina
Statement of Fund Net Position
Proprietary Funds
June 30, 2015

Exhibit 6

	Major		Nonmajor		Total	Internal Service Fund
	Airport Commission Fund	Water Debt Service 2012 Limited Obligation Bond Fund	Water Fund	Other Proprietary Funds		
Liabilities						
Current liabilities:						
Accounts payable and accrued liabilities	2,445	47,890	252,012	74,694	377,041	72,958
Customer deposits	-	-	397,685	800	398,485	-
Unearned revenue	-	-	-	5,364	5,364	-
Due to other funds	-	-	-	798	798	700
Notes payable - current	-	-	210,316	-	210,316	-
Due to the County-GO Bonds - current	-	-	520,000	-	520,000	-
Limited obligation bonds - current	-	520,000	-	-	520,000	-
Total current liabilities	2,445	567,890	1,380,013	81,656	2,032,004	73,658
Long-term liabilities:						
Compensated absences	9,483	-	39,753	86,678	135,914	-
Other post-employment benefit	76,758	-	254,668	631,410	962,836	-
Notes payable	-	-	3,673,313	-	3,673,313	-
Due to the County-GO Bonds	-	-	14,794,495	-	14,794,495	-
Limited obligations bonds	-	14,794,495	-	-	14,794,495	-
Total long-term liabilities	86,241	14,794,495	18,762,229	718,088	34,361,053	-
Total liabilities	88,686	15,362,385	20,142,242	799,744	36,393,057	73,658
Deferred Inflows of Resources	31,940	-	105,542	261,538	399,020	-
Net Position						
Net investment in capital assets	8,353,657	-	25,320,441	3,498,483	37,172,581	-
Restricted	21,313	-	-	-	21,313	-
Unrestricted	213,767	5	6,417,895	2,844,279	9,475,946	2,802,597
Total net position	\$ 8,588,737	\$ 5	\$ 31,738,336	\$ 6,342,762	\$ 46,669,840	\$ 2,802,597

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, 2015
Exhibit 7

	Major			Nonmajor		Total	Internal Service Fund
	Airport Commission Fund	Water Debt Service 2012 Limited Obligation Bond Fund	Water Fund	Other Proprietary Funds			
Operating revenues							
Water sales	\$ -	\$ -	\$ 3,233,887	\$ -	\$ 3,233,887	\$ -	
Administration fees	-	-	1,630	-	1,630	-	
Sales and rentals	470,181	-	-	-	470,181	-	
Miscellaneous	-	-	55,542	-	55,542	-	
Charges for services	-	-	-	3,476,998	3,476,998	4,701,269	
Total operating revenues	470,181	-	3,291,059	3,476,998	7,238,238	4,701,269	
Operating expenses							
Operating expenses	1,178,655	-	3,364,680	3,920,091	8,463,426	4,974,250	
Operating income (loss)	(708,474)	-	(73,621)	(443,093)	(1,225,188)	(272,981)	
Non-operating revenues (expenses)							
Investment earnings	-	572,614	89,493	1,126	663,233	441	
Federal grants	-	-	-	42,439	42,439	-	
State grants	-	-	-	501,316	501,316	-	
Disposal tax revenues	-	-	-	131,116	131,116	-	
Interest expense	-	(572,614)	-	-	(572,614)	-	
Gain (loss) on disposal of capital assets	-	-	-	5,474	5,474	-	
Miscellaneous	661	-	26,199	26,146	53,006	-	
Total non-operating revenue (expense)	661	-	115,692	707,617	823,970	441	
Income (loss) before transfers and capital contributions	(707,813)	-	42,071	264,524	(401,218)	(272,540)	

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, 2015
Exhibit 7

	Major			Nonmajor		Total	Internal Service Fund
	Airport Commission Fund	Water Debt Service 2012 Limited Obligation Bond Fund	Water Fund	Other Proprietary Funds			
Transfers in (out)	\$ 187,614	\$ -	\$ (71,841)	\$ -	\$ 115,773	\$ 350,000	
Capital contributions	110,145	-	798,910	-	909,055	-	
Change in net position	(410,054)	-	769,140	264,524	623,610	77,460	
Net position, beginning of year	9,015,508	5	33,759,675	6,215,120	48,990,308	2,725,137	
Restatement	(16,717)	-	(55,237)	(136,882)	(208,836)	-	
Prior period adjustment	-	-	(2,735,242)	-	(2,735,242)	-	
Net position, end of year	\$ 8,588,737	\$ 5	\$ 31,738,336	\$ 6,342,762	\$ 46,669,840	\$ 2,802,597	

See accompanying notes to financial statements.

Duplin County, North Carolina
Statement of Cash Flows
Proprietary Funds
For the Year Ended June 30, 2015
Exhibit 8

	Major			Nonmajor			
	Airport Commission Fund	Water Debt Service 2012 Limited Obligation Bond Fund	Water Fund	Other Proprietary Funds	Total	Internal Service Fund	
Cash flows from operating activities							
Cash received from customers	\$ 481,750	\$ -	\$ 3,144,657	\$ 3,571,551	\$ 7,197,958	\$ 4,698,691	
Cash paid for goods and services	(403,227)	-	(1,515,375)	(2,105,207)	(4,023,809)	(4,969,387)	
Cash paid to employees for services	(184,165)	-	(623,631)	(1,494,954)	(2,302,750)	-	
Customer deposits received, net	-	-	23,705	800	24,505	-	
Net cash provided (used) by operating activities	(105,642)	-	1,029,356	(27,810)	895,904	(270,696)	
Cash flows from non-capital financing activities							
Transfers in (out)	187,614	-	(71,841)	-	115,773	350,000	
Miscellaneous	661	-	26,199	701,017	727,877	-	
Net cash provided by non-capital financing activities	188,275	-	(45,642)	701,017	843,650	350,000	
Cash flows from capital and related financing activities							
Capital contributions	110,145	-	798,910	-	909,055	-	
Proceeds from sale of capital assets	-	-	-	5,474	5,474	-	
Advances from (to) other funds, net	-	-	-	-	-	-	
Acquisition and construction of capital assets	(133,655)	-	(786,242)	(415,919)	(1,335,816)	-	
Proceeds from notes payable	-	-	-	-	-	-	
Principal paid on bond maturities and notes payable	-	(510,000)	(602,890)	-	(1,112,890)	-	
Interest paid on bond maturities and notes payable	-	(572,614)	(644,004)	-	(1,216,618)	-	
Net cash provided (used) by capital and related financing activities	(23,510)	(1,082,614)	(1,234,226)	(410,445)	(2,750,795)	-	

See accompanying notes to financial statements.

Duplin County, North Carolina
Statement of Cash Flows
Proprietary Funds
For the Year Ended June 30, 2015
Exhibit 8

	Major			Nonmajor			
	Airport Commission Fund	Water Debt Service 2012 Limited Obligation Bond Fund	Water Fund	Other Proprietary Funds	Total	Internal Service Fund	
Cash flows from investing activities							
Interest on investments	\$ -	\$ 572,614	\$ 89,493	\$ 1,126	\$ 663,233	\$ 441	
Principal received on water district bonds	-	510,000	-	-	510,000	-	
Net cash provided (used) by investing activities	-	1,082,614	89,493	1,126	1,173,233	441	
Net increase (decrease) in cash and cash equivalents	59,123	-	(161,019)	263,888	161,992	79,745	
Cash and cash equivalents, beginning of year	222,186	5	6,263,362	2,641,046	9,126,599	2,793,060	
Cash and cash equivalents, end of year	\$ 281,309	\$ 5	\$ 6,102,343	\$ 2,904,934	\$ 9,288,591	\$ 2,872,805	

(continued)

See accompanying notes to financial statements.

Duplin County, North Carolina
Statement of Cash Flows
Proprietary Funds
For the Year Ended June 30, 2015
Exhibit 8

	Major		Nonmajor		
	Water Debt Service 2012 Limited Obligation Bond Fund	Water Fund	Other Proprietary Funds	Total	Internal Service Fund

(continued)

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

Operating income (loss)	\$ (708,474)	\$ -	\$ (73,621)	\$ (443,093)	\$ (1,225,188)	\$ (272,981)
Adjustments to reconcile operating income (loss) to net cash provided by operating activities:						
Depreciation	588,265	-	1,094,200	316,458	1,998,923	-
Pension expense	1,081	-	3,574	8,856	13,511	-
Changes in assets and liabilities:						
(Increase) decrease in accounts receivable	11,569	-	(146,402)	92,092	(42,741)	(2,578)
(Increase) decrease in deferred outflows of resources for pensions	(9,458)	-	(31,254)	(77,450)	(118,162)	-
(Increase) decrease in inventory	4,808	-	(2,503)	-	2,305	-
Increase (decrease) in accounts payable	(2,422)	-	125,009	4,332	126,919	4,863
Increase (decrease) in deferred revenue	-	-	-	2,461	2,461	-

See accompanying notes to financial statements.

Duplin County, North Carolina
Statement of Cash Flows
Proprietary Funds
For the Year Ended June 30, 2015
Exhibit 8

	Major			Nonmajor		Total	Internal Service Fund
	Airport Commission Fund	Water Debt Service 2012 Limited Obligation Bond Fund	Water Fund	Other Proprietary Funds			
Increase (decrease) in customer deposits	\$ -	\$ -	\$ 23,705	\$ 600	\$ 24,305	\$ -	
Increase (decrease) in OPEB obligation	9,361	-	35,345	68,225	112,931	-	
Increase (decrease) in compensated absences	(372)	-	1,303	(291)	640	-	
Total adjustments	602,832	-	1,102,977	415,283	2,121,092	2,285	
Net cash provided (used) by operating activities	\$ (105,642)	\$ -	\$ 1,029,356	\$ (27,810)	\$ 895,904	\$ (270,696)	

See accompanying notes to financial statements.

Duplin County, North Carolina
Statement of Fiduciary Net Position
Fiduciary Funds
June 30, 2015
Exhibit 9

	Agency Funds
Assets	
Cash and cash equivalents	\$ 148,191
Miscellaneous receivables	30,213
Total assets	\$ 178,404
 Liabilities	
Miscellaneous liabilities	\$ 176,503
Due to other funds	1,901
Total liabilities	\$ 178,404

The accompanying notes are an integral part of this statement.

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 District	Blended	Under State law [NCGS 162A-89], the County's board of commissioners also serve as the governing board for the District.	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: This fund is used to account for the operations of the County water districts.

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, 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, 2014 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, 2015:

Governmental Activities:	
Revaluation Fund - G.S. 153A-150	\$ 894,995
School Planning Allocation Fund - Public School Building Capital Fund	2,304,540
<u>Total governmental activities</u>	<u>3,199,535</u>
Business-type Activities:	
Customer Deposits:	
Water Fund	397,685
Solid Waste Fund	800
<u>Total restricted to customer deposits</u>	<u>398,485</u>
Solid Waste Fund - environmental contingencies	1,070,055
<u>Total business-type activities</u>	<u>\$ 1,468,540</u>

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, 2014.

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 a couple of items that meet this criterion – a deferred loss on refunding of debt, pension related deferrals, and contributions made to the pension plan in the current fiscal year.

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

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, 2015, the Fire District Fund had a deficit fund balance of \$1,036. 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, 2016.

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 \$10,927,850 consists of several elements as follows:

Description	Amount
Total fund balances - governmental funds	\$ 23,712,546
Internal service fund activities to benefit governmental activities	2,802,597
Capital assets used in governmental activities are not financial resources and are therefore not reported in the fund statements.	
Historical cost of capital assets	39,912,323
Accumulated depreciation	(18,166,685)
Capital assets, net	21,745,638
Net pension asset	1,829,559
Deferred inflows of resources reported in the fund statements but not the government-wide statements.	
Unavailable taxes receivable, net	1,523,321
Unavailable accounts receivable, net	8,133,811
Total	9,657,132
Contributions to pension plans in the current fiscal year are deferred outflows of resources on the Statement of Activities	1,257,506
Pension related deferrals	(4,096,342)
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	(1,176,951)
Other post-employment benefits	(10,210,264)
Law enforcement officers' special separation allowance	(537,439)
Notes payable	(10,012,316)
Accrued interest payable	(331,270)
Total	(22,268,240)
Total adjustment	10,927,850
Net position of governmental activities	\$ 34,640,396

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 \$1,286,407 is comprised of the following:

Description	Amount
Net change in fund balances - governmental funds	\$ 2,578,851
Internal service fund activities to benefit governmental activities	77,460
Cost of disposed capital asset not recorded in fund statements	(77,386)
Capital outlay expenditures recorded in the fund statements but capitalized as assets in the government-wide statements	820,974
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	(1,444,213)
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.	1,448,697
Decrease in inventory on hand	(22,103)
Contributions to the pension plan in the current fiscal year are not included in the Statement of Activities	1,257,506
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	(21,168)
Other post-employment benefits	(1,208,737)
Law enforcement officers' special separation allowance	(79,372)
County portion of collective pension expense	(139,001)
Interest expense	4,910
Amortization of premiums received on certificates of participation	67,827
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	(536,986)
Unavailable revenue related to public safety	492,454
Unavailable revenue related to economic and physical development	152,156
Unavailable revenue related to human services	508,792
Unavailable revenue related to cultural and recreational	(15,403)
Total adjustments	1,286,407
Change in net position of governmental activities	\$ 3,865,258

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, 2015 the carrying amount of the County's deposits was \$3,637,529 and the bank balance was \$4,705,105. Of the bank balance, \$250,000 was covered by federal depository insurance and \$4,455,105 was covered by collateral held under the Pooling Method.

At June 30, 2015 the County had \$30,165 cash on hand.

At June 30, 2015 the carrying amount of the Tourism Development Authority's deposits was \$1,000 and the bank balance was \$22,016. The entire bank balance was covered by federal depository insurance at June 30, 2015.

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, 2015, the County's investment balances consisted of \$29,577,222 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, 2015, the Tourism Development Authority's investments consisted of \$398,379 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.

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
2014	\$ 3,564,937	\$ 204,985	\$ 3,769,922
2011-2013	10,371,329	2,456,558	12,827,887
Totals	\$ 13,936,266	\$ 2,661,543	\$ 16,597,809

NOTE 7 – RECEIVABLES

Receivables at the government-wide level at June 30, 2015, were as follows:

Governmental Activities:	Accounts	Taxes	Due from		Total
			Governments	Other	
General	\$ 10,936,012	\$ 2,289,835	\$ 2,186,541	\$ -	\$ 15,412,388
Other funds	317,860	44,308	451,907	839,581	1,653,656
Totals	11,253,872	2,334,143	2,638,448	839,581	17,066,044
Allowance for doubtful accounts	(2,547,538)	(810,668)	-	-	(3,358,206)
Receivables, net	\$ 8,706,334	\$ 1,523,475	\$ 2,638,448	\$ 839,581	\$ 13,707,838

Business-type Activities:	Accounts	Taxes	Due from		Total
			Governments	Other	
Airport	\$ 34,103	\$ -	\$ -	\$ -	\$ 34,103
County Water Fund	521,997	-	105,910	-	627,907
Solid Waste Fund	741,801	-	32,946	-	774,747
Transportation	32,542	-	-	-	32,542
Totals	1,330,443	-	138,856	-	1,469,299
Allowance for doubtful accounts	-	-	-	-	-
Receivables, net	\$ 1,330,443	\$ -	\$ 138,856	\$ -	\$ 1,469,299

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.

Notes to Financial Statements

NOTE 7 – RECEIVABLES (continued)

Due from other governments at June 30, 2015 consists of the following:

Description	Governmental Activities	Business-type Activities
Sales tax refunds	\$ 205,129	\$ -
Local option sales taxes	2,015,388	-
Video programming distribution	6,095	-
White goods disposal taxes	-	4,293
Scrap tire disposal taxes	-	20,385
Solid waste disposal taxes	-	8,268
Grants	411,836	105,910
Totals	\$ 2,638,448	\$ 138,856

NOTE 8 – CAPITAL ASSETS

Governmental capital asset activity for the year ended June 30, 2015, was as follows:

Governmental Activities	Beginning Balances	Increases	Decreases	Ending Balances
Capital assets not being depreciated:				
Land	\$ 2,460,144	\$ 400	\$ -	\$ 2,460,544
Capital assets being depreciated:				
Buildings	25,757,380	42,762	(81,708)	25,718,434
Equipment	6,754,991	317,987	(158,477)	6,914,501
Vehicles	4,552,352	563,850	(297,358)	4,818,844
Total capital assets being depreciated	37,064,723	924,599	(537,543)	37,451,779
Less accumulated depreciation for:				
Buildings	8,819,137	572,195	-	9,391,332
Equipment	5,027,337	356,296	(102,734)	5,280,899
Vehicles	3,232,118	515,722	(253,386)	3,494,454
Total accumulated depreciation	17,078,592	1,444,213	(356,120)	18,166,685
Total capital assets being depreciated, net	19,986,131			19,285,094
Governmental activities capital assets, net	\$ 22,446,275			\$ 21,745,638

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

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

General government	\$	96,618
Public safety		820,901
Economic and physical development		116,547
Human services		140,735
Cultural and recreational		263,354
Environmental protection		6,058
<u>Total depreciation expense</u>	<u>\$</u>	<u>1,444,213</u>

Business-type capital asset activity for the year ended June 30, 2015, was as follows:

Water Activities	Beginning Balances	Increases	Decreases	Ending Balances
Capital assets not being depreciated:				
Land	\$ 388,798	\$ -	\$ -	\$ 388,798
Construction in progress	4,924,807	215,294	-	5,140,101
<u>Total capital assets not being depreciated</u>	<u>5,313,605</u>	<u>215,294</u>	<u>-</u>	<u>5,528,899</u>
Capital assets being depreciated:				
Plants and distribution systems	53,832,006	546,011	-	54,378,017
Equipment	132,649	-	-	132,649
Vehicles	151,870	24,938	-	176,808
<u>Total capital assets being depreciated</u>	<u>54,116,525</u>	<u>570,949</u>	<u>-</u>	<u>54,687,474</u>
Less accumulated depreciation for:				
Plants and distribution systems	14,368,472	1,076,640	-	15,445,112
Equipment	119,664	4,859	-	124,523
Vehicles	115,473	12,700	-	128,173
<u>Total accumulated depreciation</u>	<u>14,603,609</u>	<u>1,094,199</u>	<u>-</u>	<u>15,697,808</u>
<u>Total capital assets being depreciated, net</u>	<u>39,512,916</u>			<u>38,989,666</u>
<u>Water activities capital assets, net</u>	<u>\$ 44,826,521</u>			<u>\$ 44,518,565</u>

NOTE 8 – CAPITAL ASSETS (continued)

Transportation Activities	Beginning Balances	Increases	Decreases	Ending Balances
Capital assets being depreciated:				
Equipment	\$ 102,498	\$ -	\$ -	\$ 102,498
Vehicles	618,395	167,779	(138,078)	648,096
Total capital assets being depreciated	720,893	167,779	(138,078)	750,594
Less accumulated depreciation for:				
Equipment	70,261	10,250	-	80,511
Vehicles	347,571	107,033	(138,078)	316,526
Total accumulated depreciation	417,832	117,283	(138,078)	397,037
Transportation activities capital assets, net	\$ 303,061			\$ 353,557

Airport Activities	Beginning Balances	Increases	Decreases	Ending Balances
Capital assets not being depreciated:				
Land	\$ 556,451	\$ -	\$ -	\$ 556,451
Construction in progress	2,882	133,655	-	136,537
Total capital assets not being depreciated	559,333	133,655	-	692,988
Capital assets being depreciated:				
Terminal and runways	14,680,319	-	-	14,680,319
Equipment	461,447	-	-	461,447
Vehicles	29,787	-	-	29,787
Total capital assets being depreciated	15,171,553	-	-	15,171,553
Less accumulated depreciation for:				
Terminal and runways	6,504,737	579,785	-	7,084,522
Equipment	388,095	8,480	-	396,575
Vehicles	29,787	-	-	29,787
Total accumulated depreciation	6,922,619	588,265	-	7,510,884
Total capital assets being depreciated, net	8,248,934			7,660,669
Airport activities capital assets, net	\$ 8,808,267			\$ 8,353,657

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	39,100	-	3,554,423
Equipment	1,121,184	-	(10,000)	1,111,184
Vehicles	1,235,266	209,041	-	1,444,307
Total capital assets being depreciated	5,871,773	248,141	(10,000)	6,109,914
Less accumulated depreciation for:				
Buildings	1,136,298	62,152	-	1,198,450
Equipment	797,059	67,782	(10,000)	854,841
Vehicles	1,058,804	69,241	-	1,128,045
Total accumulated depreciation	2,992,161	199,175	(10,000)	3,181,336
Total capital assets being depreciated, net	2,879,612			2,928,578
Solid Waste activities capital assets, net	\$ 3,095,960			\$ 3,144,926

NOTE 9 – CONSTRUCTION COMMITMENTS

The County has active construction projects at June 30, 2015. 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
Airport Terminal Building: United Builders Group	\$ 1,488,557	\$ 81,052

NOTE 10 - PAYABLES

Payables at the government-wide level at June 30, 2015, were as follows:

Governmental Activities	Vendors	Salaries and Employee Benefits	Accrued Interest	Total
General	\$ 818,278	\$ -	\$ 331,270	\$ 1,149,548
Other governmental funds	307,928	-	-	307,928
Total governmental activities	\$ 1,126,206	\$ -	\$ 331,270	\$ 1,457,476

Business-type Activities	Vendors	Salaries and Employee Benefits	Accrued Interest	Total
Airport	\$ 2,445	\$ -	\$ -	\$ 2,445
County Water Fund	252,012	-	-	252,012
Solid Waste Fund	74,453	-	-	74,453
Transportation	241	-	-	241
Total business-type activities	\$ 329,151	\$ -	\$ -	\$ 329,151

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. LEGERS membership is comprised of general employees and local law enforcement officers (LEOs) of participating local governmental entities. Article 3 of G.S. Chapter 128 assigns the authority to establish and amend benefit provisions to the North Carolina General Assembly. Management of the plan is vested in the LGERS Board of Trustees, which consists of 13 members – nine appointed by the Governor, one appointed by the state Senate, one appointed by the state House of Representatives, and the State Treasurer and State Superintendent, who serve as ex-officio members. The Local 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 or at www.osc.nc.gov.

Benefits Provided: LGERS provides retirement and survivor benefits. Retirement benefits are determined as 1.85% of the member's average final compensation times the member's years of creditable service. A member's average final compensation is calculated as the average of a member's four highest consecutive years of compensation. Plan members are eligible to retire with full retirement benefits at age 65 with five years of creditable service, at age 60 with 25 years creditable service, or at any age with 30 years of creditable service. Plan members are eligible to retire with partial retirement benefits at age 50 with 20 years of creditable service or at age 60 with five years of creditable service (age 55 for firefighters). Survivor benefits are available to eligible beneficiaries of members who die while in active service or within 180 days of their last day of service and who have either completed 20 years of creditable service regardless of age (15 years of creditable service for firefighters and rescue squad members who are killed in the line of duty) or have completed five years of service and have reached age 60. Eligible beneficiaries may elect to receive a monthly Survivor's Alternate Benefit for life or a return of the member's contributions. The plan does not provide for automatic post-retirement benefit increases. Increases are contingent upon actuarial gains of the plan.

NOTE 11 – PENSION PLAN OBLIGATIONS (continued)

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

Contributions: Contribution provisions are established by General Statute 128-30 and may be amended only by the North Carolina General Assembly. County employees are required to contribute 6% of their compensation. Employer contributions are actuarially determined and set annually by the LGERS Board of Trustees. The County's contractually required contribution rate for the year ended June 30, 2015 was 7.41% of compensation for law enforcement officers and 7.07% for general employees, actuarially determined as an amount that, when combined with employee contributions, is expected to finance the costs of benefits earned by employees during the year. Contributions to the pension plan from the County were \$1,370,791 for the year ended June 30, 2015.

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

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

At June 30, 2015, the County reported an asset of \$1,899,279 for its proportionate share of the net pension asset. The net pension asset was measured as of June 30, 2014. The total pension liability used to calculate the net pension asset was determined by an actuarial valuation as of December 31, 2013. The total pension liability was then rolled forward to the measurement date of June 30, 2014 utilizing update procedures incorporating the actuarial assumptions. The County's proportion of the net pension asset was based on a projection of the County's long-term share of future payroll covered by the pension plan, relative to the projected future payroll covered by the pension plan of all participating LGERS employers, actuarially determined. At June 30, 2014 the County's proportion was .3121%, which was an increase of .010% from its proportion measured as of June 30, 2013.

NOTE 11 – PENSION PLAN OBLIGATIONS (continued)

For the year ended June 30, 2015, the County recognized pension expense of \$156,743. At June 30, 2015, the County reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ -	\$ 207,529
Net differences between projected and actual earnings on pension plan investments	-	4,421,476
Changes in proportion and differences between County contributions and proportionate share of contributions	150,295	-
Employer contributions subsequent to the measurement date	1,370,791	-
Total	\$ 1,521,086	\$ 4,629,005

\$1,370,791 reported as deferred outflows of resources related to pensions resulting from County contributions subsequent to the measurement date will be recognized as an increase of the net pension asset in the year ended June 30, 2016. Other amounts reported as deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended June 30:	
2016	(1,119,713)
2017	(1,119,713)
2018	(1,119,713)
2019	(1,119,570)
Total	\$ (4,478,709)

Actuarial Assumptions: The total pension liability in the December 31, 2013 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	3.0 percent
Salary increases	4.25 to 8.55 percent, including inflation and productivity factor
Investment rate of return	7.25 percent, net of pension plan investment expense, including inflation

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

The actuarial assumptions used in the December 31, 2013 valuation were based on the results of an actuarial experience study for the period January 1, 2005 through December 31, 2009.

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

NOTE 11 – PENSION PLAN OBLIGATIONS (continued)

The projected long-term investment returns and inflation assumptions are developed through review of current and historical capital markets data, sell-side investment research, consultant whitepapers, and historical performance of investment strategies. Fixed income return projections reflect current yields across the U.S. Treasury yield curve and market expectations of forward yields projected and interpolated for multiple tenors and over multiple year horizons. Global public equity return projections are established through analysis of the equity risk premium and the fixed income return projections. Other asset categories and strategies' return projections reflect the forgoing and historical data analysis. These projections are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target allocation and best estimates of arithmetic real rates of return for each major asset class as of June 30, 2014 are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Fixed Income	36.0%	2.5%
Global Equity	40.5%	6.1%
Real Estate	8.0%	5.7%
Alternatives	6.5%	10.5%
Credit	4.5%	6.8%
Inflation Protection	4.5%	3.7%
Total	100.0%	

The information above is based on 30 year expectations developed with the consulting actuary for the 2013 asset liability and investment policy study for the North Carolina Retirement Systems, including LGERS. The long-term nominal rates of return are calculated from nominal rates by multiplicatively subtracting a long-term inflation assumption of 3.19%. All rates of return and inflation are annualized.

A new asset allocation policy was finalized during the fiscal year ended June 30, 2014 to be effective July 1, 2014. The new asset allocation policy utilizes different asset classes, changes in the structure of certain asset classes, and adopts new benchmarks. Using the asset class categories in the preceding table, the new long-term expected arithmetic real rates of return are: Fixed Income 2.2%, Global Equity 5.8%, Real Estate 5.2%, Alternatives 9.8%, Credit 6.8%, and Inflation Protection 3.4%.

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

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

NOTE 11 – PENSION PLAN OBLIGATIONS (continued)

	1% Decrease (6.25%)	Discount Rate (7.25%)	1% Increase (8.25%)
County's proportionate share of the net pension liability (asset)	\$ 6,446,970	\$ (1,899,277)	\$ (8,926,549)

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

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. For reporting purposes, the Separation Allowance is presented as a pension trust fund; however, it does not meet the criteria for trust funds outlined in GASB Statement 68.

All full-time County law enforcement officers are covered by the Separation Allowance. At December 31, 2014, the Separation Allowance's membership consisted of:

Retirees receiving benefits	5
Active plan members	77
<u>Total</u>	<u>82</u>

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, 2014 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.

NOTE 11 – PENSION PLAN OBLIGATIONS (continued)

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	\$	138,972
Interest on net pension obligation		22,903
Adjustment to annual required contribution		(38,695)
Annual pension cost		123,180
Employer contributions made		(43,808)
Increase in net pension obligation		79,372
Net pension obligation, beginning of year		458,067
Net pension obligation, end of year	\$	537,439

Funded Status and Funding Progress**3 Year Trend Information**

Fiscal Year Ended	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
June 30, 2015	\$ 123,180	35.56%	\$ 537,439
June 30, 2014	93,189	58.74%	458,067
June 30, 2013	107,136	52.68%	419,617

As of December 31, 2014, the most recent valuation date, the plan was not funded. The actuarial accrued liability for benefits was \$984,690, and the actuarial value of assets was zero, resulting in an unfunded actuarial accrued liability (UAAL) of \$984,690.

The covered payroll (annual payroll of active employees covered by the plan) was \$3,111,397, and the ratio of the UAAL to the covered payroll was 31.65%.

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, 2015 were \$283,691, which includes \$153,738 from the County and \$46,331 from the law enforcement officers. In addition, \$83,611 was contributed to the plan by employees who were not law enforcement officers and were ineligible for the County's five percent contribution.

NOTE 11 – PENSION PLAN OBLIGATIONS (continued)***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.

Registers of Deeds' Supplemental Pension Fund

Plan Description. Duplin County also contributes to the Registers of Deeds' Supplemental Pension Fund (RODSPF), a noncontributory, defined benefit plan administered by the North Carolina Department of State Treasurer. The RODSPF 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. Management of the plan is vested in the LGERS Board of Trustees, which consists of 13 members – nine appointed by the Governor, one appointed by the state Senate, one appointed by the state House of Representatives, and the State Treasurer and the State Superintendent, who serve as ex-officio members. The Registers of Deeds' Supplemental Pension Fund is included in the Comprehensive Annual Financial Report (CAFR) for the State of North Carolina. The State's CAFR includes financial statements and required supplementary information for the Registers of Deeds' Supplemental Pension Fund. That report may be obtained by writing to the Office of the State Controller, 1410 Mail Service Center, Raleigh, North Carolina 27699-1410, or by calling (919) 981-5454, or at www.osc.nc.gov.

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

Contributions: Benefits and administrative expenses are funded by investment income and 1.5% of the receipts collected by each County Commission under Article 1 of Chapter 161 of the North Carolina General Statutes. The statutory contribution currently has no relationship to the actuary's required contribution. The actuarially determined contribution this year and for the foreseeable future is zero. Registers of Deeds do not contribute. Contribution provisions are established by General Statute 161-50 and may be amended only by the North Carolina General Assembly. Contributions to the pension plan from the County were \$4,877 for the year ended June 30, 2015.

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

At June 30, 2015, the County reported an asset of \$86,071 for its proportionate share of the net pension asset. The net pension asset was measured as of June 30, 2014. The total pension liability used to calculate the net pension asset was determined by an actuarial valuation as of December 31, 2013. The total pension liability was then rolled forward to the measurement date of June 30, 2014 utilizing update procedures incorporating the actuarial assumptions. The County's proportion of the net pension asset was based on the County's share of contributions to the pension plan, relative to contributions to the pension plan of all participating RODSPF employers. At June 30, 2014, the County's proportion was .41%, which is a decrease of .01% from its proportion measured as of June 30, 2013.

NOTE 11 – PENSION PLAN OBLIGATIONS (continued)

For the year ended June 30, 2015, the County recognized pension expense of \$(4,231). At June 30, 2015, the County reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 863	\$ -
Net differences between projected and actual earnings on pension plan investments	-	506
Changes in proportion and differences between County contributions and proportionate share of contributions	-	4,053
County contributions subsequent to measurement date	4,877	-
Total	\$ 5,740	\$ 4,559

\$4,877 reported as deferred outflows of resources related to pensions resulting from County contributions subsequent to the measurement date will be recognized as an increase of net pension asset in the year ended June 30, 2016. Other amounts reported as deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended June 30:	
2016	(1,577)
2017	(1,577)
2018	(417)
2019	(127)
Total	\$ (3,698)

Actuarial Assumptions: The total pension liability in the December 31, 2013 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	3.0 percent
Salary increases	4.25 to 7.75 percent, including inflation and productivity factor
Investment rate of return	5.75 percent, net of pension plan investment expense, including inflation

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

The actuarial assumptions used in the December 31, 2013 valuation were based on the results of an actuarial experience study for the period January 1, 2005 through December 31, 2009.

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

NOTE 11 – PENSION PLAN OBLIGATIONS (continued)

The projected long-term investment returns and inflation assumptions are developed through review of current and historical capital markets data, sell-side investment research, consultant whitepapers, and historical performance of investment strategies. Fixed income return projections reflect current yields across the U.S. Treasury yield curve and market expectations of forward yields projected and interpolated for multiple tenors and over multiple year horizons. These projections are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The adopted asset allocation policy for the RODSPF is 100% in the fixed income asset class. The best estimate of arithmetic real rate of return for the fixed income asset as of June 30, 2014 is 2.5%.

The information above is based on 30 year expectations developed with the consulting actuary for the 2013 asset liability and investment policy study for the North Carolina Retirement Systems, including LGERS. The long-term nominal rates of return underlying the real rates of return are arithmetic annualized figures. The real rates of return are calculated from nominal rates by multiplicatively subtracting a long-term inflation assumption of 3.19%. All rates of return and inflation are annualized.

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

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

	1% Decrease (4.75%)	Discount Rate (5.75%)	1% Increase (6.75%)
County's proportionate share of the net pension liability (asset)	\$ (84,404)	\$ (93,996)	\$ (102,240)

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

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.

NOTE 12 – OTHER POST-EMPLOYMENT BENEFIT (continued)

Membership of the HCB Plan consisted of the following at December 31, 2013, 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 8.87% of annual covered payroll. For the current year, the County contributed \$343,428 or 1.88% 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.

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	\$	1,609,782
Interest on net OPEB obligation		394,057
Adjustment to annual required contribution		(338,744)
Annual OPEB cost		1,665,095
Employer contributions made		(343,428)
Increase in net OPEB obligation		1,321,667
Net OPEB obligation, beginning of year		9,851,432
Net OPEB obligation, end of year	\$	11,173,099

3 Year Trend Information

Fiscal Year Ended	Annual OPEB Cost	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation
June 30, 2015	\$ 1,665,095	20.63%	\$ 11,173,099
June 30, 2014	1,578,280	21.10%	9,851,432
June 30, 2013	1,667,795	12.00%	8,606,577

NOTE 12 – OTHER POST-EMPLOYMENT BENEFIT (continued)

Funded Status and Funding Progress. As of December 31, 2013, 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 \$17,047,724. The covered payroll (annual payroll of active employees covered by the plan) was \$17,727,593 and the ratio of the UAAL to the covered payroll was 96.20%.

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.

In the December 31, 2013 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 varied between 7.75% 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, 2013, 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, 2015, 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
10 – 20 years	2	2015
20 or more years	3	2016

NOTE 13 – OTHER EMPLOYMENT BENEFIT (continued)

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

Governmental Activities	Deferred Outflows of Resources	Deferred Inflows of Resources
Pensions - difference between expected and actual experience		
LGERS	\$ -	\$ 189,640
Register of Deeds	863	
Pensions - difference between projected and actual investment earnings		
LGERS		4,040,345
Register of Deeds		506
Pensions - change in proportion and difference between employer contributions and proportionate share of contributions		
LGERS	137,340	
Register of Deeds		4,053
Pensions - County contributions subsequent to the measurement date		
LGERS	1,252,629	
Register of Deeds	4,877	
Prepaid taxes not yet earned (General)		91,712
Prepaid taxes not yet earned (Special Revenue)		1,193
Totals	\$ 1,395,709	\$ 4,327,449

NOTE 14 – DEFERRED OUTFLOWS AND INFLOWS OF RESOURCES (continued)

Business-type Activities	Deferred Outflows of Resources	Deferred Inflows of Resources
Deferred loss on refunding of debt	\$ 235,697	\$ -
Pensions - difference between expected and actual experience		
LGERS (Water)		4,732
LGERS (Transportation)		3,507
LGERS (Airport)		1,432
LGERS (Solid Waste)		8,218
Pensions - difference between projected and actual investment earnings		
LGERS (Water)		100,810
LGERS (Transportation)		74,723
LGERS (Airport)		30,508
LGERS (Solid Waste)		175,090
Pensions - change in proportion and difference between employer contributions and proportionate share of contributions		
LGERS (Water)	3,427	
LGERS (Transportation)	2,540	
LGERS (Airport)	1,037	
LGERS (Solid Waste)	5,951	
Pensions - County contributions subsequent to the measurement date		
LGERS (Water)	31,254	
LGERS (Transportation)	23,166	
LGERS (Airport)	9,458	
LGERS (Solid Waste)	54,284	
Totals	\$ 366,814	\$ 399,020

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, 2015, 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

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 unit) 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)

The County's limited obligation bonds payable at June 30, 2015 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.	\$ 1,700,000
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.	3,425,000
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.	3,290,000
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.	3,895,000
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.	2,590,000
Total general obligation bonds	\$ 14,900,000

NOTE 17 – LONG-TERM OBLIGATIONS (continued)

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
2016	\$ 520,000	\$ 574,681
2017	535,000	559,081
2018	570,000	537,681
2019	585,000	514,881
2020	585,000	503,181
2021-2025	3,230,000	2,240,188
2026-2030	3,725,000	1,646,261
2031-2035	3,790,000	876,000
2036-2037	1,360,000	101,750
	14,900,000	\$ 7,553,704
Unamortized premiums on general obligation bonds	414,495	
Total carrying amount of debt	\$ 15,314,495	

As June 30, 2015, Duplin County had a legal debt margin of \$318,061,099.

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, 2015 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.	\$ 10,012,316
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NOTE 17 – LONG-TERM OBLIGATIONS (continued)

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.	\$ 22,500
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.	122,550
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.	147,244
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.	347,548
Water District E - \$183,531 State Revolving Loan to finance water system improvements; due in annual installments of \$9,177 through 2034; no stated interest rate.	174,354
Water District F - \$2,349,157 State Revolving Loan to finance water system improvements; due in annual installments of \$117,421 through 2034; interest at 2.01 percent.	2,231,007
Water District G - \$202,554 State Revolving Loan to finance water system improvements; due in annual installments of \$10,128 through 2034; no stated interest rate.	192,426
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>\$ 3,883,629</u>

Notes to Financial Statements

NOTE 17 – LONG-TERM OBLIGATIONS (continued)

For Duplin County, the following summarizes the annual requirements for notes payable, including interest of \$7,907,180 for governmental activities and \$987,004 for business-type activities:

Fiscal Year Ending June 30,	Governmental Activities		Business-type Activities	
	Principal	Interest	Principal	Interest
2016	\$ 165,244	\$ 413,026	\$ 210,316	\$ 73,515
2017	172,060	406,210	219,173	70,157
2018	179,157	399,113	219,461	66,127
2019	186,547	391,723	212,258	62,088
2020	194,243	384,027	212,565	58,256
2021-2025	1,098,217	1,793,133	908,428	240,331
2026-2030	1,344,199	1,547,151	862,442	168,844
2031-2035	1,641,277	1,246,073	620,853	98,911
2036-2040	2,013,789	877,561	86,775	62,485
2041-2045	2,464,842	426,508	101,822	47,438
2046-2050	552,741	22,655	119,479	29,781
2051-2054	-	-	110,057	9,071
Totals	\$ 10,012,316	\$ 7,907,180	\$ 3,883,629	\$ 987,004

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.

Long-Term Obligation Activity

The following is a summary of changes in the County's long-term obligations for the year ended June 30, 2015:

Governmental Activities	Beginning Balances	Increases	Decreases	Ending Balances	Current Portion of Balance
Certificates of participation	\$ 1,357,827	\$ -	\$ (1,357,827)	\$ -	\$ -
Notes payable	10,171,014	-	(158,698)	10,012,316	165,244
Net pension liability (LGERS)	2,213,853	-	(2,213,853)	-	-
Other post-employment benefit	9,001,527	1,208,737	-	10,210,264	-
Compensated absences	1,155,784	21,167	-	1,176,951	-
LEO Special Separation Allowance	458,067	79,372	-	537,439	-
Total governmental activities	\$ 24,358,072	\$ 1,309,276	\$ (3,730,378)	\$ 21,936,970	\$ 165,244

NOTE 17 – LONG-TERM OBLIGATIONS (continued)

Water Activities	Beginning Balances	Increases	Decreases	Ending Balances	Current Portion of Balance
Limited obligation bonds	\$ 15,843,587	\$ -	\$ (529,092)	\$ 15,314,495	\$ 520,000
Notes payable	4,094,669	-	(211,040)	3,883,629	210,316
Net pension liability (LGERS)	55,237	-	(55,237)	-	-
Other post-employment benefit	219,323	35,345	-	254,668	-
Compensated absences	38,450	1,303	-	39,753	-
Total water activities	\$ 20,251,266	\$ 36,648	\$ (795,369)	\$ 19,492,545	\$ 730,316

Airport Activities	Beginning Balances	Increases	Decreases	Ending Balances	Current Portion of Balance
Notes payable	\$ -	\$ -	\$ -	\$ -	\$ -
Net pension liability (LGERS)	16,717	-	(16,717)	-	-
Other post-employment benefit	67,397	9,361	-	76,758	-
Compensated absences	9,855	-	(372)	9,483	-
Total airport activities	\$ 93,969	\$ 9,361	\$ (17,089)	\$ 86,241	\$ -

Solid Waste Activities	Beginning Balances	Increases	Decreases	Ending Balances	Current Portion of Balance
Other post-employment benefit	\$ 400,858	\$ 41,999	\$ -	\$ 442,857	\$ -
Net pension liability (LGERS)	95,939	-	(95,939)	-	-
Compensated absences	59,845	233	-	60,078	-
Total solid waste activities	\$ 556,642	\$ 42,232	\$ (95,939)	\$ 502,935	\$ -

Transportation Activities	Beginning Balances	Increases	Decreases	Ending Balances	Current Portion of Balance
Other post-employment benefit	\$ 162,327	\$ 26,226	\$ -	\$ 188,553	\$ -
Net pension liability (LGERS)	40,943	-	(40,943)	-	-
Compensated absences	27,124	-	(524)	26,600	-
Total transportation activities	\$ 230,394	\$ 26,226	\$ (41,467)	\$ 215,153	\$ -
Total business-type activities	\$ 21,132,271	\$ 114,467	\$ (949,864)	\$ 20,296,874	\$ 730,316

The LGERS plan had a net pension asset as of June 30, 2015; however, the plan had a net pension liability at the beginning of the fiscal year.

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

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, 2015, there were no industrial revenue bonds outstanding.

NOTE 19 – INTERFUND BALANCES AND ACTIVITY

Transfers to/from other funds during the year ended June 30, 2015, consist of the following:

Transfer Out	Transfer In	Amount
General Fund	Capital Project Fund - School Fund	\$ 874,728
	Automation Enhancement and	
General Fund	Preservation Fund	19,206
General Fund	Debt Service Fund	804,645
General Fund	Hospital Insurance Fund	350,000
General Fund	Airport Commission Fund	187,614
General Fund	Capital Project Fund	4,000
County Water Fund	Debt Service Fund	29,852
Capital Project Fund - School Fund	Debt Service Fund	1,224,875
Capital Reserve Fund	Capital Project Fund	29,403
Water District G & E I-40 Sewer		
Project Fund	Debt Service Fund	41,990
Water District G & E I-40 Sewer		
Project Fund	County Water Fund	5,180
Airport Commission Fund	Airport Commission Project Fund	2,619
		<u>\$ 3,574,112</u>

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 Capital Project Fund – School Fund, and the County Water 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 Airport Commission Fund to the Airport Commission Project Fund was made to finance ongoing projects.

NOTE 19 – INTERFUND BALANCES AND ACTIVITY (continued)

Amounts due to/from other funds at June 30, 2015 consist of the following:

Due To	Due From	Balance
General Fund	Emergency Telephone System Fund	\$ 761
General Fund	Agency Fund	1,901
General Fund	Hospital Insurance Fund	700
General Fund	Solid Waste Fund	98
Emergency Telephone System Fund	General Fund	467
Solid Waste Fund	General Fund	88
Hospital Insurance Fund	General Fund	1,250
Hospital Insurance Fund	Solid Waste Fund	700
		\$ 5,965

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, 2015.

The balances due between the general fund and the solid waste fund were due to a coding error between funds.

NOTE 20 – NET INVESTMENT IN CAPITAL ASSETS

	Governmental Activities	Business-type Activities
Capital assets	\$ 21,745,638	\$ 56,370,705
Notes payable	(10,012,316)	(3,883,629)
Limited obligation bonds	-	(15,314,495)
Net investment in capital assets	\$ 11,733,322	\$ 37,172,581

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.

NOTE 21 – FUND BALANCE (continued)

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	\$ 16,692,007
Less:	
Inventories	270,487
Stabilization by state statute	3,881,817
Appropriated fund balance in 2016 budget	2,560,129
Federally seized assets	121,040
Grants/projects	141,683
Health	493,125
Sheriff	86,217
Daycare	167
Economic development	591,019
Capital improvements	928,805
Remaining fund balance	\$ 7,617,518

Duplin County had adopted a minimum fund balance policy for the General Fund which instructs management to conduct business of the County in such a manner that available fund balance is at least equal to or greater than 8% of budgeted expenditures.

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

<i>June 30,</i>	2015
Encumbrances:	
General Fund	\$ 597,573

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, 2015. 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, 2015. 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 \$1,621,168 and \$267,907 to the community college for operating and capital purposes, respectively, during the fiscal year ended June 30, 2015. 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, 2015. 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	\$ 53,433,096	\$ 28,971,405
State Children's Insurance Program	818,971	260,470
Food stamps	15,483,272	-
Women, infants, and children	1,599,307	-
IV-E Adopt Subsidy and Vendor	162,559	42,144
IV-E Admin County Paid to CCI	4,675	2,338
IV-E Foster Care	37,561	9,733
IV-E Foster Care In Excess	1,895	493
TANF Payments and Penalties	342,846	-
CWS Adopt Subsidy and Vendor	-	72,602
SC/SA Domicillary Care Payment	-	474,262
SFHF Maximization	-	14,050
State Foster Home	-	32,457
Totals	\$ 71,884,182	\$ 29,879,954

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 – PRIOR PERIOD ADJUSTMENT

In the fiscal year ended June 30, 2015, there is a prior period adjustment for the business-type activities in the amount of \$2,735,242. This is a result of recording the beginning balances for the DWSRF debt for the water districts which were recorded as capital contributions in the prior year.

NOTE 27 – CHANGE IN ACCOUNTING PRINCIPLES/RESTATEMENT

The County implemented Governmental Accounting Standards Board (GASB) statement 68, *Accounting and Financial Reporting for Pensions (an amendment of GASB Statement No. 27)*, in the fiscal year ending June 30, 2015. The implementation of the statement required the County to record beginning net pension liability and the effects on net position of contributions made by the County during the measurement period (fiscal year ending June 30, 2014). As a result, net position for the governmental and business-type activities decreased by \$2,127,782 and \$208,836, respectively.

NOTE 28 – SUBSEQUENT EVENT

On March 16, 2015, the board approved to fund the Board of Education facility plan of up to \$60 million, to be funded primarily with twenty year limited obligation bonds, as well as to restrict sales tax funds for the year ended June 30, 2016 and June 30, 2017 of \$1.2 million.

REQUIRED SUPPLEMENTARY INFORMATION

This section contains additional information required by generally accepted accounting principles.

Law Enforcement Officers' Special Separation Allowance:

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

Other Postemployment Benefits:

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

Local Government Employees' Retirement System:

- Schedule of County's Proportionate Share of Net Pension Asset
- Schedule of County Contributions

Register of Deeds:

- Schedule of County's Proportionate Share of Net Pension Asset
- Schedule of County Contributions

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, 2014	\$ -	\$ 984,690	\$ 984,690	0.00%	\$ 3,111,397	31.65%
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%

Schedule of Employer Contributions

Fiscal Year Ended	Annual Required Contribution *	Percentage Contributed *
June 30, 2015	\$ 138,972	31.52%
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%

* 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, 2014
Actuarial cost method	Projected unit credit
Amortization method	Level dollar closed
Remaining amortization period	16 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 Accrued 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	\$ -	\$ 17,047,724	\$ 17,047,724	0.00%	\$ 17,727,593	96.16%
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, 2015	\$ 1,609,782	8.87%
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, 2013
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%
Medical Trend Assumptions	
Pre-medicare trend rate	7.75%-5.00%
Post-medicare trend rate	5.75%-5.00%
Year of ultimate trend rate	2019
* Includes inflation at	3.00%

Duplin County, North Carolina
 Local Government Employees' Retirement System
 Last Two Fiscal Years*
 Exhibit A-3

**Schedule of the County's Proportionate Share
 of the Net Pension Liability (Asset)**

	2015	2014
County's proportion of the net pension liability (asset) %	0.322%	0.312%
County's proportionate share of the net pension liability (asset) \$	\$ (1,899,277)	\$ 3,762,003
County's covered-employee payroll	\$ 19,241,121	\$ 16,399,727
County's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	-7.124%	22.939%
Plan fiduciary net position as a percentage of the total pension liability	102.64%	94.35%

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

Schedule of County Contributions

	2015	2014
Contractually required contribution	\$ 1,370,791	\$ 1,339,314
Contributions in relation to the contractually required contribution	1,370,791	1,339,314
Contribution deficiency (excess)	\$ -	\$ -
County's covered-employee payroll	\$ 19,241,121	\$ 16,399,727
Contributions as a percentage of covered-employee payroll	7.124%	8.167%

Duplin County, North Carolina
Registers of Deeds' Supplemental Pension Fund
Last Two Fiscal Years*
Exhibit A-4

**Schedule of the County's Proportionate Share
of the Net Pension Liability (Asset)**

	2015	2014
County's proportion of the net pension liability (asset) %	0.415%	-0.387%
County's proportionate share of the net pension liability (asset) \$	\$ (93,996)	\$ (82,685)
County's covered-employee payroll	\$ 68,983	\$ 57,721
County's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	-136.260%	-143.249%
Plan fiduciary net position as a percentage of the total pension liability	193.88%	190.50%

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

Schedule of County Contributions

	2015	2014
Contractually required contribution	\$ 4,877	\$ 3,386
Contributions in relation to the contractually required contribution	4,877	3,386
Contribution deficiency (excess)	\$ -	\$ -
County's covered-employee payroll	\$ 68,983	\$ 57,721
Contributions as a percentage of covered-employee payroll	7.070%	5.866%

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, 2015
 Exhibit B-1

	General Fund	Capital Reserve Fund	Total
Assets			
Cash and cash equivalents	\$ 13,047,308	\$ 928,805	\$ 13,976,113
Receivables, net	12,054,182	-	12,054,182
Due from other funds	3,460	-	3,460
Inventories	270,487	-	270,487
Total assets	\$ 25,375,437	\$ 928,805	\$ 26,304,242
Liabilities			
Accounts payable and accrued liabilities	\$ 745,320	\$ -	\$ 745,320
Due to other funds	1,805	-	1,805
Total liabilities	747,125	-	747,125
Deferred Inflows of Resources	8,865,110	-	8,865,110
Fund Balances			
Nonspendable - inventories	270,487	-	270,487
Restricted by state statute	3,881,817	-	3,881,817
Restricted for federally seized assets	121,040	-	121,040
Restricted for health	493,125	-	493,125
Restricted for grants/projects	141,683	-	141,683
Restricted for sheriff	86,217	-	86,217
Restricted for daycare	167	-	167
Restricted for economic development	591,019	-	591,019
Committed for capital improvements	-	928,805	928,805
Assigned for subsequent year's expenditures	2,560,129	-	2,560,129
Unassigned	7,617,518	-	7,617,518
Total fund balances	15,763,202	928,805	16,692,007
Total liabilities, deferred inflows of resources, and fund balances	\$ 25,375,437	\$ 928,805	\$ 26,304,242

Duplin County, North Carolina
 General Fund
 Combining Schedule of Revenues, Expenditures,
 and Changes in Fund Balances
 For the Year Ended June 30, 2015
 Exhibit B-2

	General Fund	Capital Reserve Fund	Total
Revenues			
Ad valorem taxes	\$ 30,069,681	\$ -	\$ 30,069,681
Local option sales taxes	6,628,722	-	6,628,722
Other taxes and licenses	94,971	-	94,971
Unrestricted intergovernmental	6,237,452	-	6,237,452
Restricted intergovernmental	4,734,400	-	4,734,400
Restricted grants	48,000	-	48,000
Permits and fees	485,252	-	485,252
Restricted revenue	65,733	-	65,733
Sales and services	7,124,707	-	7,124,707
Investment earnings	53,344	167	53,511
Contributions	49,432	-	49,432
Miscellaneous	59,252	-	59,252
Total revenues	55,650,946	167	55,651,113
Expenditures			
General government	5,694,047	-	5,694,047
Public safety	16,153,614	-	16,153,614
Economic and physical development	735,351	-	735,351
Human services	15,910,100	-	15,910,100
Cultural and recreational	1,049,119	-	1,049,119
Environmental protection	773,739	-	773,739
Education	11,522,774	-	11,522,774
Non-departmental	262,439	-	262,439
Total expenditures	52,101,183	-	52,101,183
Excess (deficiency) of revenues over expenditures	3,549,763	167	3,549,930
Other financing sources (uses)			
Transfers to other funds	(2,240,194)	(29,403)	(2,269,597)
Proceeds from sale of capital assets	28,239	-	28,239
Total other financing sources (uses)	(2,211,955)	(29,403)	(2,241,358)
Net change in fund balance	1,337,808	(29,236)	1,308,572
Fund balances, beginning of year	14,447,497	958,041	15,405,538
Decrease in inventory	(22,103)	-	(22,103)
Fund balances, end of year	\$ 15,763,202	\$ 928,805	\$ 16,692,007

Duplin County, North Carolina
General Fund

Schedule of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual
For the Year Ended June 30, 2015
Exhibit B-3

	Final Budget	Actual	Variance Positive (Negative)
Revenues			
Ad Valorem Taxes:			
Taxes		\$29,632,051	
Penalties and interest		437,630	
Total	\$29,399,393	30,069,681	\$ 670,288
Local Option Sales Taxes:			
Article 39 and 44		2,497,517	
Article 40 one-half of one percent		2,355,783	
Article 42 one-half of one percent		929,548	
Article 46 one-quarter of one percent		845,874	
Total	6,233,765	6,628,722	394,957
Other Taxes and Licenses:			
Deed stamp excise tax		78,856	
Privilege licenses		457	
Other taxes and licenses		15,658	
Total	85,500	94,971	9,471
Unrestricted Intergovernmental:			
Video programing distribution		24,264	
Medicaid hold harmless distribution		423,868	
State grants		5,789,320	
Total	6,619,491	6,237,452	(382,039)
Restricted Intergovernmental:			
State grants		4,408,757	
Federal grants		162,191	
Court facility fees		120,816	
Grants-Other		42,636	
Total	4,807,416	4,734,400	(73,016)
Restricted Grants:			
Vidant Duplin Foundation grant		20,000	
Vidant - Diabetic Management grant		17,000	
Healthy Weight Clinic grant		11,000	
Total	48,000	48,000	-

Duplin County, North Carolina
General Fund

Schedule of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual
For the Year Ended June 30, 2015
Exhibit B-3

	Final Budget	Actual	Variance Positive (Negative)
Permits and Fees:			
Building permit fees		102,866	
Building inspection fees		144,110	
Fire inspection fees		42,775	
Marriage license fees		19,440	
Register of deeds fees		176,061	
Total	478,375	485,252	6,877
Restricted Revenue:			
Social services fraud collections		53,649	
ABC profit distribution (10%)		12,084	
Total	64,000	65,733	1,733
Sales and Services:			
Ambulance and rescue squad fees		2,419,110	
Health department fees		1,431,859	
Nutrition fees		28,856	
Police protection/School resource officers		993,970	
Sheriff and jail fees		438,374	
Animal control fees		32,469	
Cabin Lake fees		48,960	
Library fees		11,769	
Event Center revenue		81,174	
Rental income		165,308	
Social services fees		35,140	
Aging department fees		32,344	
Other fees and services		1,405,374	
Total	7,269,072	7,124,707	(144,365)
Investment Earnings	53,975	53,344	(631)
Miscellaneous:			
Various contributions		23,252	
In-kind contributions		26,180	
ABC profit distribution (35%)		42,294	
Other revenues		16,958	
Total	89,523	108,684	19,161
Total revenues	55,148,510	55,650,946	502,436

Duplin County, North Carolina
 General Fund
 Schedule of Revenues, Expenditures, and Changes in Fund Balance
 Budget and Actual
 For the Year Ended June 30, 2015
 Exhibit B-3

	Final Budget	Actual	Variance Positive (Negative)
Expenditures			
<u>General Government:</u>			
Governing Body:			
Salaries and employee benefits		87,878	
Other operating expenditures		142,809	
Total		230,687	
County Manager:			
Salaries and employee benefits		193,827	
Other operating expenditures		2,653	
Total		196,480	
Personnel:			
Salaries and employee benefits		211,388	
Other operating expenditures		16,631	
Total		228,019	
Finance:			
Salaries and employee benefits		454,804	
Other operating expenditures		27,907	
Capital outlay		12,015	
Total		494,726	
Information Technology:			
Salaries and employee benefits		416,612	
Other operating expenditures		44,400	
Capital outlay		15,962	
Total		476,974	
Elections:			
Salaries and employee benefits		168,177	
Other operating expenditures		68,334	
Total		236,511	
Tax Administration:			
Salaries and employee benefits		787,152	
Other operating expenditures		318,744	
Capital outlay		16,134	
Total		1,122,030	

Duplin County, North Carolina
General Fund

Schedule of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual
For the Year Ended June 30, 2015
Exhibit B-3

	Final Budget	Actual	Variance Positive (Negative)
Central Supply :			
Purchases		1,115,287	
Register of Deeds:			
Salaries and employee benefits		276,002	
Other operating expenditures		60,734	
Total		336,736	
Housekeeping:			
Salaries and employee benefits		199,738	
Other operating expenditures		8,840	
Total		208,578	
Building Maintenance:			
Salaries and employee benefits		414,023	
Other operating expenditures		114,876	
Total		528,899	
Garage:			
Salaries and employee benefits		197,010	
Other operating expenditures		31,239	
Total		228,249	
Attorney:			
Salaries and employee benefits		231,384	
Other operating expenditures		59,487	
Total		290,871	
Total general government	6,398,628	5,694,047	704,581
Public Safety:			
Sheriff:			
Salaries and employee benefits		3,066,688	
Other operating expenditures		643,514	
Capital outlay		155,721	
Total		3,865,923	
Court Facilities:			
Salaries and employee benefits		67,470	
Other operating expenditures		133,214	
Capital outlay		3,648	
Total		204,332	

Duplin County, North Carolina
General Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual
For the Year Ended June 30, 2015
Exhibit B-3

	Final Budget	Actual	Variance Positive (Negative)
Jury Commission:			
Other operating expenditures		2,591	
Adult Probation:			
Other operating expenditures		4,519	
Mental Health Transportation:			
Salaries and employee benefits		37,105	
Special Separation Allowance:			
Salaries and employee benefits		47,159	
Fingerprinting:			
Other operating expenditures		3,187	
Communications:			
Salaries and employee benefits		1,054,262	
Other operating expenditures		98,418	
Capital outlay		22,339	
Total		1,175,019	
Special Response Team:			
Other operating expenditures		3,508	
School Resource Officer:			
Salaries and employee benefits		801,215	
Other operating expenditures		52,294	
Total		853,509	
Federally Seized Assets - Customs:			
Other operating expenditures		39,793	
Capital outlay		2,100	
Total		41,893	
Federally Seized Assets - Justice Department:			
Other operating expenditures		12,572	
Capital outlay		105,394	
Total		117,966	
GIS-911 Functions:			
Salaries and employee benefits		8,333	
Addressing-911 Functions:			
Salaries and employee benefits		14,954	

Duplin County, North Carolina
General Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual
For the Year Ended June 30, 2015
Exhibit B-3

	Final Budget	Actual	Variance Positive (Negative)
Jail:			
Salaries and employee benefits		1,676,606	
Other operating expenditures		909,914	
Capital outlay		3,910	
Total		2,590,430	
Emergency Management:			
Salaries and employee benefits		137,764	
Other operating expenditures		41,095	
Capital outlay		1,246	
Total		180,105	
State Public Safety Grant - 2014 SS00069:			
Other operating expenditures		900	
Department of Justice 2013 Alien Grant - DJ BXO805:			
Other operating expenditures		12,848	
Department of Justice 2014 Alien Grant - APBX054:			
Other operating expenditures		2,414	
NC Race Car Heart Project:			
Other operating expenditures		5,000	
Emergency Medical Services:			
Salaries and employee benefits		3,961,952	
Other operating expenditures		518,113	
Capital outlay		338,501	
Total		4,818,566	
Fire Marshall:			
Salaries and employee benefits		64,251	
Operating expenditures		16,830	
Contracted services		1,401,882	
Total		1,482,963	
Faison Substation:			
Salaries and employee benefits		88,892	
Operating expenditures		13,491	
Total		102,383	

Duplin County, North Carolina
General Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual
For the Year Ended June 30, 2015
Exhibit B-3

	Final Budget	Actual	Variance Positive (Negative)
Building Inspections:			
Salaries and employee benefits		218,028	
Other operating expenditures		27,292	
Total		245,320	
Medical Examiner:			
Contracted services		22,450	
Animal Control:			
Salaries and employee benefits		153,762	
Other operating expenditures		86,516	
Capital outlay		6,611	
Total		246,889	
Courthouse Security Project:			
Operating expenditures		24,745	
Capital outlay		8,128	
Total		32,873	
Concealed Handgun:			
Operating expenditures		29,979	
State Public Safety Grant 2014 SS 00067:			
Operating expenditures		496	
Total public safety	17,131,484	16,153,614	977,870
Economic and Physical Development:			
Planning:			
Salaries and employee benefits		53,845	
Other operating expenditures		2,497	
Total		56,342	
Central Plant - Duplin Commons:			
Other operating expenditures		27,311	
Westpark Business Technology Center:			
Other operating expenditures		35,204	
Economic Development :			
Salaries and employee benefits		116,636	
Other operating expenditures		106,463	
Total		223,099	

Duplin County, North Carolina
General Fund

Schedule of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual
For the Year Ended June 30, 2015
Exhibit B-3

	Final Budget	Actual	Variance Positive (Negative)
N.C. Cooperative Extension Service:			
Salaries and employee benefits		144	
Other operating expenditures		261,464	
Total		261,608	
N.C. Cooperative Extension 4-H Prevention Program:			
Salaries and employee benefits		29,134	
Other operating expenditures		6,389	
Total		35,523	
Industrial Park:			
Other operating expenditures		2,860	
JCPC- Duplin Parenting:			
Other operating expenditures		924	
JCPC - 4-H Outreach:			
Salaries and employee benefits		39,413	
Other operating expenditures		7,844	
Total		47,257	
Vidant 4-H EFNET Grant:			
Operating expenditures		18,201	
Livestock Facility:			
Operating expenditures		9,757	
Farm Services Agency:			
Other operating expenditures		11,265	
JCPC Juvenile Court Psychological Service:			
Operating expenditures		6,000	
Total economic and physical development	1,394,616	735,351	659,265
<u>Human Services:</u>			
Health:			
Salaries and employee benefits		26,390	
Other operating expenditures		85,617	
Capital outlay		7,325	
Total		119,332	

Duplin County, North Carolina
General Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual
For the Year Ended June 30, 2015
Exhibit B-3

	Final Budget	Actual	Variance Positive (Negative)
UHS - Healthy Weight Clinic Grant:			
Salaries and employee benefits		9,487	
Other operating expenditures		13,269	
Total		22,756	
Environmental Health:			
Salaries and employee benefits		341,993	
Other operating expenditures		31,976	
Capital outlay		35,181	
Total		409,150	
Food & Lodging			
Salaries and employee benefits		7,931	
Capital outlay		12,464	
Total		20,395	
Communicable Disease:			
Salaries and employee benefits		131,296	
Other operating expenditures		29,403	
Total		160,699	
Immunization Action Plan:			
Salaries and employee benefits		105,807	
Other operating expenditures		102,073	
Total		207,880	
WIC - General Administration:			
Salaries and employee benefits		6,766	
WIC - Nutrition Education:			
Salaries and employee benefits		107,009	
WIC - Breastfeeding Promotion:			
Salaries and employee benefits		14,413	
WIC - Client Services:			
Salaries and employee benefits		264,707	
Other operating expenditures		49,513	
Total		314,220	
Dental Program:			
Salaries and employee benefits		36,499	
Other operating expenditures		136,239	
Total		172,738	

Duplin County, North Carolina
 General Fund
 Schedule of Revenues, Expenditures, and Changes in Fund Balance
 Budget and Actual
 For the Year Ended June 30, 2015
 Exhibit B-3

	Final Budget	Actual	Variance Positive (Negative)
Bioterrorism:			
Salaries and employee benefits		555	
Other operating expenditures		37,183	
Total		37,738	
Tuberculosis:			
Salaries and employee benefits		59,059	
Other operating expenditures		9,181	
Total		68,240	
March of Dimes - Centering Pregnancy:			
Other operating expenditures		278	
Primary Care:			
Salaries and employee benefits		698,450	
Other operating expenditures		116,663	
Total		815,113	
Community Health Promotion:			
Salaries and employee benefits		32,372	
Other operating expenditures		9,359	
Total		41,731	
Pregnancy Care Management:			
Salaries and employee benefits		102,503	
Other operating expenditures		5,468	
Total		107,971	
Pregnancy Care Management - Non Medicaid:			
Salaries and employee benefits		38,153	
Maternal Health:			
Salaries and employee benefits		191,887	
Other operating expenditures		63,838	
Total		255,725	
Family Planning:			
Salaries and employee benefits		228,362	
Other operating expenditures		83,740	
Total		312,102	

Duplin County, North Carolina
General Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual
For the Year Ended June 30, 2015
Exhibit B-3

	Final Budget	Actual	Variance Positive (Negative)
Child Health:			
Salaries and employee benefits		305,440	
Other operating expenditures		18,059	
Total		323,499	
CC4C:			
Salaries and employee benefits		130,602	
Other operating expenditures		6,131	
Total		136,733	
Social Services Administration:			
Salaries and employee benefits		5,220,154	
Other operating expenditures		494,274	
Capital outlay		5,729	
Total		5,720,157	
Social Services Building Expense:			
Salaries and employee benefits		34,846	
Other operating expenditures		175,914	
Total		210,760	
Work First/TANF:			
Operating expenditures		2,455	
Assistance payments		2,326	
Total		4,781	
Title - IV D:			
Other operating expenditures		132,775	
Special Assistance for Adults:			
Assistance payments		474,262	
Foster Children:			
Assistance payments		234,467	
Medicaid Program:			
Assistance payments		354,196	
Aid to the Blind Program:			
Assistance payments		6,057	
Adoption Assistance:			
Assistance payments		24,378	

Duplin County, North Carolina
 General Fund
 Schedule of Revenues, Expenditures, and Changes in Fund Balance
 Budget and Actual
 For the Year Ended June 30, 2015
 Exhibit B-3

	Final Budget	Actual	Variance Positive (Negative)
Crisis Intervention Program:			
Assistance payments		224,636	
Progress Energy Assistance:			
Assistance payments		5,576	
Low Income Home Energy Assistance		338,027	
General Assistance:			
Assistance payments		25,159	
Daycare:			
Assistance payments		2,648,651	
Seniors' Health Insurance Information Program:			
Salaries and employee benefits		1,710	
Other operating expenditures		1,925	
Total		3,635	
Aging Program:			
Salaries and employee benefits		266,601	
Other operating expenditures		87,543	
Total		354,144	
Aging - Fan Program:			
Other operating expenditures		466	
Aging - In-Home Aid Services:			
Salaries and employee benefits		116,745	
Other operating expenditures		16,748	
Total		133,493	
Aging - Title III Transportation:			
Other operating expenditures		97,724	
Aging - Title III-F Health Promotion:			
Salaries and employee benefits		2,162	
Other operating expenditures		3,623	
Total		5,785	
UHS Diabetes Management Grant:			
Other operating expenditures		18,284	

Duplin County, North Carolina
General Fund

Schedule of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual
For the Year Ended June 30, 2015
Exhibit B-3

	Final Budget	Actual	Variance Positive (Negative)
Aging - Housing & Home Improvements:			
Other operating expenditures		5,438	
Senior Center Operations:			
Other operating expenditures		5,191	
Family Caregiver:			
Salaries and employee benefits		2,611	
Other operating expenditures		7,571	
Total		10,182	
Peer Breastfeeding:			
Salaries and employee benefits		17,442	
Nutrition - Home Bound Meals			
Salaries and employee benefits		34,948	
Other operating expenditures		86,816	
Total		121,764	
Nutrition :			
Salaries and employee benefits		75,402	
Other operating expenditures		161,473	
Total		236,875	
JCPC Restitution/Teen Court:			
Other operating expenditures		66,974	
JCPC - Building Peace in Schools:			
Other operating expenditures		38,542	
JCPC - Administration:			
Other operating expenditures		1,415	
JCPC - Gang Awareness:			
Other operating expenditures		9,154	
Veteran's Service Officer:			
Salaries and employee benefits		115,343	
Other operating expenditures		9,093	
Total		124,436	

Duplin County, North Carolina
General Fund

Schedule of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual
For the Year Ended June 30, 2015
Exhibit B-3

	Final Budget	Actual	Variance Positive (Negative)
County Wellness Program:			
Salaries and employee benefits		205,412	
Other operating expenditures		88,452	
Total		293,864	
Cape Fear Obesity Clinic Grant:			
Salaries and employee benefits		4,330	
Other operating expenditures		2,549	
Total		6,879	
Vital Records:			
Salaries and employee benefits		7,449	
Other operating expenditures		310	
Total		7,759	
Delta Dental Grant		3,437	
Contributions:			
Mental Health - Eastpointe Human Services		224,474	
STD Drugs:			
Other operating expenditures		2,983	
Senior Center General Purpose:			
Salaries and employee benefits		19,053	
Operating expenditures		4,184	
Total		23,237	
Total human services	17,349,408	15,910,100	1,439,308
<u>Cultural and Recreational</u>			
Museum:			
Salaries and employee benefits		23,570	
Other operating expenditures		9,625	
Total		33,195	
Library:			
Salaries and employee benefits		335,008	
Other operating expenditures		87,340	
Capital outlay-books		97,524	
Total		519,872	
Law library-Capital Outlay		3,648	

Duplin County, North Carolina
General Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual
For the Year Ended June 30, 2015
Exhibit B-3

	Final Budget	Actual	Variance Positive (Negative)
Gates Staying Connected Grant:			
Operating expenditures		12,758	
Event Center:			
Salaries and employee benefits		112,644	
Other operating expenditures		162,223	
Total		274,867	
Parks and Recreation:			
Salaries and employee benefits		99,967	
Other operating expenditures		36,444	
Capital outlay		5,249	
Total		141,660	
State Department of Commerce Grant Museum:			
Salaries and employee benefits		21,719	
Other operating expenditures		29,301	
Total		51,020	
Contribution to Veterans Museum		10,000	
N.C. Community Foundation:			
Operating expenditures		2,099	
Total cultural and recreational	1,269,091	1,049,119	219,972
<u>Environmental Protection:</u>			
Soil Conservation			
Salaries and employee benefits		309,528	
Operating expenditures		38,918	
Watershed maintenance		318,372	
Total		666,818	
Contributions:			
Forestry service		106,921	
Total environmental protection	964,486	773,739	190,747

Duplin County, North Carolina
General Fund

Schedule of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual
For the Year Ended June 30, 2015
Exhibit B-3

	Final Budget	Actual	Variance Positive (Negative)
<u>Education</u>			
Public schools - current expenditures		9,485,760	
Public schools - capital outlay		147,939	
Community colleges - current expenditures		1,621,168	
Community colleges - capital outlay		267,907	
Total education	11,716,733	11,522,774	193,959
<u>Non-Departmental</u>			
Post-employment healthcare benefits		253,089	
Other expenditures		9,350	
Total non-departmental	458,011	262,439	195,572
Total expenditures	56,682,457	52,101,183	4,581,274
Revenues over (under) expenditures	(1,533,947)	3,549,763	5,083,710
Other financing sources (uses)			
Transfers to other funds	(2,302,245)	(2,240,194)	62,051
Proceeds from sale of capital assets	1,000	28,239	27,239
Total other financing sources (uses)	(2,301,245)	(2,211,955)	89,290
Appropriated fund balance	3,835,192	-	(3,835,192)
Net change in fund balance	<u>\$ -</u>	1,337,808	<u>\$ 1,337,808</u>
Fund balance, beginning of year		14,447,497	
Decrease in inventory		(22,103)	
Fund balance, end of year		\$15,763,202	

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, 2015
Exhibit B-4

	Project Authorization	Prior Years	Actual		Variance Positive (Negative)
			Current Year	Total to Date	
Revenues					
Investment earnings	\$ -	\$ 173,006	\$ 167	\$ 173,173	\$173,173
Expenditures					
Capital reserve	755,632	-	-	-	755,632
Revenues over (under) expenditures	(755,632)	173,006	167	173,173	928,805
Other financing sources (uses)					
Transfers from other funds	798,394	798,394	-	798,394	-
Transfers to other funds	(42,762)	(13,359)	(29,403)	(42,762)	-
Total other financing sources (uses)	755,632	785,035	(29,403)	755,632	-
Net change in fund balance	<u>\$ -</u>	<u>\$ 958,041</u>	<u>(29,236)</u>	<u>\$ 928,805</u>	<u>\$928,805</u>
Fund balance, beginning of year			958,041		
Fund balance, end of year			<u>\$ 928,805</u>		

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NONMAJOR GOVERNMENTAL FUNDS

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Duplin County, North Carolina
 Non-Major Governmental Funds
 Combining Balance Sheet
 June 30, 2015
 Exhibit C-1

	Special Revenue Funds	Capital Project Funds	Total
Assets			
Cash and cash equivalents	\$ 1,445,281	\$ 1,287,849	\$ 2,733,130
Restricted cash and cash equivalents	3,199,535	-	3,199,535
Receivables, net	936,582	715,573	1,652,155
Due from other funds	467	37,584	38,051
Total assets	\$ 5,581,865	\$ 2,041,006	\$ 7,622,871
Liabilities			
Accounts payable and accrued liabilities	\$ 307,928	\$ -	\$ 307,928
Due to other funds	761	37,584	38,345
Total liabilities	308,689	37,584	346,273
Deferred Inflows of Resources	884,926	-	884,926
Fund Balances			
Restricted by state statute	33,711	635,865	669,576
Restricted for schools	2,304,540	1,120,347	3,424,887
Restricted for E-911	275,681	-	275,681
Restricted for register of deeds	17,002	-	17,002
Restricted for tax revaluation	894,995	-	894,995
Committed for economic development	780,910	-	780,910
Committed for capital projects	-	247,210	247,210
Committed for various programs	85,159	-	85,159
Unassigned	(3,748)	-	(3,748)
Total fund balances	4,388,250	2,003,422	6,391,672
Total liabilities, deferred inflows of resources, and fund balances	\$ 5,581,865	\$ 2,041,006	\$ 7,622,871

Duplin County, North Carolina
 Non-Major Governmental Funds
 Combining Schedule of Revenues, Expenditures,
 and Changes in Fund Balances
 For the Year Ended June 30, 2015
 Exhibit C-2

	Special Revenue Funds	Capital Project Funds	Total
Revenues			
Ad valorem taxes	\$ 878,677	\$ -	\$ 878,677
Local option sales taxes	-	1,654,520	1,654,520
Investment earnings	26,109	209	26,318
Restricted intergovernmental	1,328,003	37,584	1,365,587
Contributions	8,812	-	8,812
Miscellaneous revenues	61,420	-	61,420
Total revenues	2,303,021	1,692,313	3,995,334
Expenditures			
General government	121,783	-	121,783
Public safety	1,307,455	29,403	1,336,858
Economic and Physical Development	259,339	41,584	300,923
Education	-	848,026	848,026
Total expenditures	1,688,577	919,013	2,607,590
Revenues over (under) expenditures	614,444	773,300	1,387,744
Other financing sources (uses)			
Transfers from other funds	19,207	908,131	927,338
Transfers to other funds	-	(1,224,875)	(1,224,875)
Total other financing sources (uses)	19,207	(316,744)	(297,537)
Net change in fund balances	633,651	456,556	1,090,207
Fund balances, beginning of year	3,754,599	1,546,866	5,301,465
Fund balances, end of year	\$ 4,388,250	\$ 2,003,422	\$ 6,391,672

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 accounts for the accumulation of telephone surcharges to be used for emergency telephone services.

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 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, 2015
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	\$ 563,983	\$ 15,229	\$ -	\$ 780,910	\$ -	\$ -	\$ 85,159	\$1,445,281
Restricted cash and cash equivalents	-	-	894,995	-	2,304,540	-	-	3,199,535
Due from other funds	467	-	-	-	-	-	-	467
Receivables, net	46,573	1,773	-	839,581	-	48,655	-	936,582
Total assets	\$ 611,023	\$ 17,002	\$ 894,995	\$ 1,620,491	\$2,304,540	\$48,655	\$ 85,159	\$5,581,865
Liabilities								
Accounts payable and accrued liabilities	\$ 303,582	\$ -	\$ -	\$ -	\$ -	\$ 4,346	\$ -	\$ 307,928
Due to other funds	761	-	-	-	-	-	-	761
Total liabilities	304,343	-	-	-	-	4,346	-	308,689
Deferred Inflows of Resources	-	-	-	839,581	-	45,345	-	884,926
Fund Balances								
Restricted by state statute	30,999	-	-	-	-	2,712	-	33,711
Restricted for schools	-	-	-	-	2,304,540	-	-	2,304,540
Restricted for E-911	275,681	-	-	-	-	-	-	275,681
Restricted for register of deeds	-	17,002	-	-	-	-	-	17,002
Restricted for tax revaluation and mapping	-	-	894,995	-	-	-	-	894,995
Committed for economic development	-	-	-	780,910	-	-	-	780,910
Committed for various programs	-	-	-	-	-	-	85,159	85,159
Unassigned	-	-	-	-	-	(3,748)	-	(3,748)
Total fund balances	306,680	17,002	894,995	780,910	2,304,540	(1,036)	85,159	4,388,250
Total liabilities, deferred inflows of resources, and fund balances	\$ 611,023	\$ 17,002	\$ 894,995	\$ 1,620,491	\$2,304,540	\$48,655	\$ 85,159	\$5,581,865

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, 2015

Exhibit D-2

	Emergency Telephone System Fund	Automation Enhancement and Preservation Fund	Revaluation Fund	Community Development Revolving Loan Fund	School Planning Allocation Fund	Fire District Fund	Community Development Block Grant 12-C-2494
Revenues							
Ad valorem taxes	\$ -	\$ -	\$ 117,900	\$ -	\$ -	\$ 760,777	\$ -
Investment earnings	83	4	168	16,219	9,620	-	-
Restricted intergovernmental Contributions	558,871	-	-	-	702,310	-	9,764
Miscellaneous revenues	461	-	-	47,845	-	-	-
Total revenues	559,415	4	118,068	64,064	711,930	760,777	9,764
Expenditures							
General government	-	19,566	80,393	-	-	-	-
Public safety	547,585	-	-	-	-	759,870	-
Economic and physical development	-	-	-	200,000	-	-	9,764
Total expenditures	547,585	19,566	80,393	200,000	-	759,870	9,764
Revenues over (under) expenditures	11,830	(19,562)	37,675	(135,936)	711,930	907	-
Other financing sources (uses)							
Transfers from other funds	-	19,207	-	-	-	-	-
Net change in fund balances	11,830	(355)	37,675	(135,936)	711,930	907	-
Fund balances, beginning of year	294,850	17,357	857,320	916,846	1,592,610	(1,943)	-
Fund balances, end of year	\$ 306,680	\$ 17,002	\$ 894,995	\$ 780,910	\$2,304,540	\$ (1,036)	-

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, 2015
 Exhibit D-2

	Community Development Block Grant 12-C-2414	Community Development Block Grant 11-C-2292	County Trust Fund	Total
Revenues				
Ad valorem taxes	\$ -	\$ -	\$ -	\$ 878,677
Investment earnings	-	-	15	26,109
Restricted intergovernmental Contributions	7,061	42,514	7,483	1,328,003
Miscellaneous revenues	-	-	13,114	61,420
Total revenues	7,061	42,514	29,424	2,303,021
Expenditures				
General government	-	-	21,824	121,783
Public safety	-	-	-	1,307,455
Economic and physical development	7,061	42,514	-	259,339
Total expenditures	7,061	42,514	21,824	1,688,577
Revenues over (under) expenditures	-	-	7,600	614,444
Other financing sources (uses)				
Transfers from other funds	-	-	-	19,207
Net change in fund balances	-	-	7,600	633,651
Fund balances, beginning of year	-	-	77,559	3,754,599
Fund balances, end of year	-	-	\$ 85,159	\$4,388,250

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, 2015
Exhibit D-3

	Final Budget	Actual	Variance Positive (Negative)
Revenues			
Restricted intergovernmental:			
Emergency telephone fee	570,143	558,871	\$ (11,272)
Investment earnings	-	83	83
Miscellaneous	-	461	461
Total revenues	570,143	559,415	(10,728)
Expenditures			
Public safety:			
Emergency telephone services:			
Operating expenditures	285,130	244,100	41,030
Capital outlay	303,486	303,485	1
Total expenditures	588,616	547,585	(41,031)
Revenues over (under) expenditures	(18,473)	11,830	30,303
Appropriated fund balance	18,473	-	(18,473)
Net change in fund balance	<u>\$ -</u>	11,830	<u>\$ 11,830</u>
Fund balance, beginning of year		294,850	
Fund balance, end of year		<u>\$ 306,680</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, 2015
Exhibit D-4

	Final Budget	Actual	Variance Positive (Negative)
Revenues			
Investment earnings	\$ -	\$ 4	\$ 4
Expenditures			
General government			
Operating expenditures	28,629	11,088	17,541
Capital outlay	8,478	8,478	-
Total expenditures	37,107	19,566	(17,541)
Revenues over (under) expenditures	(37,107)	(19,562)	17,545
Other financing sources			
Transfers from other funds	19,750	19,207	(543)
Revenues and other financing sources over (under) expenditures	(17,357)	(355)	17,002
Appropriated fund balance	17,357	-	(17,357)
Net change in fund balance	<u>\$ -</u>	(355)	<u>\$ (355)</u>
Fund balance, beginning of year		17,357	
Fund balance, end of year		\$ 17,002	

Duplin County, North Carolina
Revaluation Fund

Schedule of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual
For the Year Ended June 30, 2015
Exhibit D-5

	Final Budget	Actual	Variance Positive (Negative)
Revenues			
Ad valorem taxes	\$ 117,900	\$ 117,900	\$ -
Investment earnings	-	168	168
Total revenues	117,900	118,068	168
Expenditures			
General Government:			
Salaries and employee benefits	72,148	36,047	36,101
Operating expenditures	149,347	27,609	121,738
Capital outlay	52,407	16,737	35,670
Total expenditures	273,902	80,393	193,509
Revenues over (under) expenditures	(156,002)	37,675	193,677
Appropriated fund balance	156,002	-	(156,002)
Net change in fund balance	<u>\$ -</u>	37,675	<u>\$ 37,675</u>
Fund balance, beginning of year		857,320	
Fund balance, end of year		<u>\$ 894,995</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, 2015
 Exhibit D-6

	Final Budget	Actual	Variance Positive (Negative)
Revenues			
Investment earnings	\$ -	\$ 16,219	\$ 16,219
Loan payments	-	47,845	47,845
Total revenues	-	64,064	64,064
Expenditures			
Economic and physical development: Community development loans	400,000	200,000	200,000
Revenues over (under) expenditures	(400,000)	(135,936)	(264,064)
Appropriated fund balance	400,000	-	400,000
Net change in fund balance	<u>\$ -</u>	(135,936)	<u>\$(135,936)</u>
Fund balance, beginning of year		916,846	
Fund balance, end of year		<u>\$ 780,910</u>	

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, 2015
Exhibit D-7

	Final Budget	Actual	Variance Positive (Negative)
Revenues			
Restricted intergovernmental:			
Public School Building Capital Fund	\$ -	\$ 702,310	\$ 702,310
Investment earnings	-	9,620	9,620
Total revenues	-	711,930	711,930
Expenditures			
Education:			
Capital outlay:			
East Duplin High School - Renovations		-	
Total expenditures	2,031,194	-	2,031,194
Revenues over (under) expenditures	(2,031,194)	711,930	2,743,124
Appropriated fund balance	2,031,194	-	(2,031,194)
Net change in fund balance	<u>\$ -</u>	711,930	<u>\$ 711,930</u>
Fund balance, beginning of year		1,592,610	
Fund balance, end of year		<u>\$ 2,304,540</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, 2015
Exhibit D-8

	Final Budget	Actual	Variance Positive (Negative)
Revenues			
Ad valorem taxes	\$ 784,955	\$ 760,777	\$ (24,178)
Expenditures			
Public Safety:			
Commission to General Fund	21,375	20,805	570
Oak Wolfe Fire District	57,490	54,655	2,835
Glisson Fire District	115,848	112,444	3,404
Sarecta Fire District	95,469	93,432	2,037
East Duplin Fire District	87,194	84,665	2,529
Albertson Fire District	74,823	71,852	2,971
Stacy Britt Fire District	135,095	129,810	5,285
Franklin Fire District	23,080	19,800	3,280
Northeast Fire District	174,581	172,407	2,174
Total expenditures	784,955	759,870	25,085
Net change in fund balance	<u>\$ -</u>	907	<u>\$ 907</u>
Fund balance, beginning of year		(1,943)	
Fund balance, end of year		<u>\$ (1,036)</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, 2015
 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	\$ 9,764	\$ 18,600	\$(731,400)
Expenditures					
Economic and physical development:					
Community development block grant	750,000	8,836	9,764	18,600	731,400
Net change in fund balance	<u>\$ -</u>	<u>\$ -</u>	-	<u>\$ -</u>	<u>\$ -</u>
Fund balance, beginning of year					-
Fund balance, end of year			<u>\$ -</u>		

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, 2015
 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	\$ 7,061	\$ 14,696	\$(210,304)
Expenditures					
Economic and physical development:					
Community development block grant	225,000	7,635	7,061	14,696	210,304
Net change in fund balance	<u>\$ -</u>	<u>\$ -</u>	-	<u>\$ -</u>	<u>\$ -</u>
Fund balance, beginning of year				-	
Fund balance, end of year			<u>\$ -</u>		

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, 2015
 Exhibit D-11

	Project Authorization	Prior Years	Actual		Variance Positive (Negative)
			Current Year	Total to Date	
Revenues					
Restricted intergovernmental:					
State grants	\$ 67,597	\$ 25,083	\$ 42,514	\$ 67,597	\$ -
Expenditures					
Economic and physical development:					
Community development block grant	67,597	25,083	42,514	67,597	-
Net change in fund balance	<u>\$ -</u>	<u>\$ -</u>	-	<u>\$ -</u>	<u>\$ -</u>
Fund balance, beginning of year	-				
Fund balance, end of year	<u>\$ -</u>				

CAPITAL PROJECT FUNDS

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

Industrial Expansion Capital Project Fund – This fund accounts for industrial expansion projects. The projects will be financed by grants, loans, and transfers from other funds.

Capital Projects Fund – This fund accounts for the jail project, backup PSAP project, EMS vehicles project, livestock facility project, senior center project, events center project, and the Vidant hospital project.

Capital Project Fund – School Fund – This fund accounts for sales tax revenue that is restricted for school related capital projects.

Capital Project Fund – JSCC – This fund 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, 2015
 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	\$ 1,078,223	\$ 173,631	\$ 35,995	\$ -	\$ 1,287,849
Due from other funds	-	37,584	-	-	37,584
Receivables, net	677,989	-	-	37,584	715,573
Total assets	\$ 1,756,212	\$ 211,215	\$ 35,995	\$ 37,584	\$ 2,041,006
Liabilities					
Due to other funds	\$ -	\$ -	\$ -	\$ 37,584	\$ 37,584
Fund Balances					
Restricted by state statute	635,865	-	-	-	635,865
Restricted for schools	1,120,347	-	-	-	1,120,347
Committed for capital projects	-	211,215	35,995	-	247,210
Total fund balances	1,756,212	211,215	35,995	-	2,003,422
Total liabilities and fund balances	\$ 1,756,212	\$ 211,215	\$ 35,995	\$ 37,584	\$ 2,041,006

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, 2015

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	\$ 1,654,520	\$ -	\$ -	\$ -	\$ 1,654,520
Restricted intergovernmental	-	-	-	37,584	37,584
Investment earnings	165	38	6	-	209
Total revenues	1,654,685	38	6	37,584	1,692,313
Expenditures					
Public safety	-	-	-	29,403	29,403
Economic and physical development	-	-	-	41,584	41,584
Education	848,026	-	-	-	848,026
Total expenditures	848,026	-	-	70,987	919,013
Revenues over (under) expenditures	806,659	38	6	(33,403)	773,300
Other financing sources (uses)					
Transfers from other funds	874,728	-	-	33,403	908,131
Transfers to other funds	(1,224,875)	-	-	-	(1,224,875)
Total other financing sources (uses)	(350,147)	-	-	33,403	(316,744)
Net change in fund balances	456,512	38	6	-	456,556
Fund balances, beginning of year	1,299,700	211,177	35,989	-	1,546,866
Fund balances, end of year	\$ 1,756,212	\$ 211,215	\$ 35,995	\$ -	\$ 2,003,422

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, 2015
 Exhibit E-3

	Final Budget	Actual	Variance Positive (Negative)
Revenues			
Local Option Sales Taxes:			
Article 40 one-half of one percent	\$ 719,821	\$ 843,083	\$ 123,262
Article 42 one-half of one percent	750,000	811,437	61,437
Total	1,469,821	1,654,520	184,699
Investment earnings	-	165	165
Total revenues	1,469,821	1,654,685	184,864
Expenditures			
Education:			
Capital reserve	205,000	-	205,000
Capital outlay - Improvements to sites	503,383	313,718	189,665
Capital outlay - Equipment and furniture	396,606	396,593	13
Capital outlay - Vehicles	137,715	137,715	-
Total expenditures	1,242,704	848,026	394,678
Revenues over (under) expenditures	227,117	806,659	579,542
Other financing sources (uses)			
Transfers from other funds	936,000	874,728	(61,272)
Transfers to other funds	(1,227,821)	(1,224,875)	2,946
Total other financing sources (uses)	(291,821)	(350,147)	(58,326)
Appropriated fund balance	64,704	-	(64,704)
Net change in fund balance	<u>\$ -</u>	456,512	<u>\$ 456,512</u>
Fund balance, beginning of year		1,299,700	
Fund balance, end of year		<u>\$ 1,756,212</u>	

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, 2015
 Exhibit E-4

	Final Budget	Actual	Variance Positive (Negative)
Revenues			
Investment earnings	\$ -	\$ 38	\$ 38
Expenditures			
Education: Capital outlay	-	-	-
Net change in fund balance	<u>\$ -</u>	38	<u>\$ 38</u>
Fund balance, beginning of year		211,177	
Fund balance, end of year		<u>\$ 211,215</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, 2015
Exhibit E-5

	Project Authorization	Actual		Total to Date	Variance Positive (Negative)
		Prior Years	Current Year		
Revenues					
Investment earnings	\$ -	\$ 853	\$ 6	\$ 859	\$ 859
Expenditures					
Economic and physical development:					
Economic Development Reserve	35,136	-	-	-	35,136
Total expenditures	35,136	-	-	-	35,136
Revenues over (under) expenditures	(35,136)	853	6	859	35,995
Other financing sources (uses)					
Transfers from other funds	35,136	35,136	-	35,136	-
Net change in fund balance	<u>\$ -</u>	<u>\$ 35,989</u>	6	<u>\$ 35,995</u>	<u>\$ 35,995</u>
Fund balance, beginning of year			35,989		
Fund balance, end of year			<u>\$ 35,995</u>		

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, 2015
Exhibit E-6

	Project Authorization	Prior Years	Actual		Variance Positive (Negative)
			Current Year	Total to Date	
Revenues					
Restricted intergovernmental:					
State grants	\$ 359,983	\$ -	\$ 37,584	\$ 37,584	\$ (322,399)
Federal grants	95,000	-	-	-	(95,000)
Total	454,983	-	37,584	37,584	(417,399)
Contributions	56,000	-	-	-	(56,000)
Total revenues	510,983	-	37,584	37,584	(473,399)
Expenditures					
Public safety:					
Courthouse roof project	42,763	13,359	29,403	42,762	1
Economic and physical development:					
Farmland preservation	482,775	-	9,377	9,377	473,398
Stream debris removal	32,207	-	32,207	32,207	-
Total	514,982	-	41,584	41,584	473,398
Total expenditures	557,745	13,359	70,987	84,346	473,399
Revenues over (under) expenditures	(46,762)	(13,359)	(33,403)	(46,762)	-
Other financing sources (uses)					
Transfers from other funds	46,762	13,359	33,403	46,762	-
Net change in fund balance	\$ -	\$ -	-	\$ -	\$ -
Fund balance, beginning of year					-
Fund balance, end of year			\$ -		

ENTERPRISE FUNDS

The Enterprise Fund is used to account for operations that are financed and operated in a manner similar to private business enterprises - where the intent of the governing board is that the costs of providing goods or 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 – This fund is used to account for the operations and maintenance of public airport facilities and provide hangar rental and fueling services to the flying public.

Solid Waste Fund – This fund is used to account for the collection, recycle, and disposal of solid waste.

Transportation Development Plan Fund – This fund is used to transport citizens for human service and community service needs.

Water Fund – This fund is used to account for the County's water operations.

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Duplin County, North Carolina
 Non-Major Proprietary Funds - Enterprise Funds
 Combining Statement of Fund Net Position
 June 30, 2015
 Exhibit F-1

	Solid Waste Fund	Transportation Development Plan Fund	Total
Assets			
Current assets:			
Cash and cash equivalents	\$ 1,522,513	\$ 311,566	\$ 1,834,079
Receivables, net	774,747	32,542	807,289
Due from other funds	88	-	88
Restricted cash and cash equivalents	800	-	800
Total current assets	2,298,148	344,108	2,642,256
Noncurrent assets:			
Restricted cash and cash equivalents	1,070,055	-	1,070,055
Net pension asset	75,211	32,098	107,309
Capital assets:			
Land and construction in progress	216,348	-	216,348
Other capital assets, net of depreciation	2,928,578	353,557	3,282,135
Total capital assets	3,144,926	353,557	3,498,483
Total noncurrent assets	4,290,192	385,655	4,675,847
Total assets	6,588,340	729,763	7,318,103
Deferred Outflows of Resources	60,235	25,706	85,941
Liabilities			
Current liabilities:			
Accounts payable and accrued liabilities	74,453	241	74,694
Due to other funds	798	-	798
Customer deposits	800	-	800
Deferred revenue	5,364	-	5,364
Total current liabilities	81,415	241	81,656
Long-term liabilities:			
Compensated absences	60,078	26,600	86,678
Other post-employment benefit	442,857	188,553	631,410
Total long-term liabilities	502,935	215,153	718,088
Total liabilities	584,350	215,394	799,744
Deferred Inflows of Resources	183,308	78,230	261,538
Net Position			
Net investment in capital assets	3,144,926	353,557	3,498,483
Unrestricted	2,735,991	108,288	2,844,279
Total net position	\$ 5,880,917	\$ 461,845	\$ 6,342,762

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, 2015
 Exhibit F-2

	Solid Waste Fund	Transportation Development Plan Fund	Total
Operating revenues			
Charges for services/sale of goods	\$ 2,925,014	\$ 551,984	\$ 3,476,998
Operating expenses			
Operating expenses	2,937,828	982,263	3,920,091
Operating income (loss)	(12,814)	(430,279)	(443,093)
Non-operating revenues (expenses)			
Investment earnings	1,084	42	1,126
Federal grants	-	42,439	42,439
State grants	49,388	451,928	501,316
Disposal tax revenues	131,116	-	131,116
Gain (loss) on disposal of capital assets	2,264	3,210	5,474
Contributions	-	25,116	25,116
Miscellaneous	1,012	18	1,030
Total non-operating revenue (expense)	184,864	522,753	707,617
Change in net position	172,050	92,474	264,524
Net position, beginning of year	5,804,806	410,314	6,215,120
Restatement	(95,939)	(40,943)	(136,882)
Net position, end of year	\$ 5,880,917	\$ 461,845	\$ 6,342,762

Duplin County, North Carolina
 Non-Major Proprietary Funds - Enterprise Funds
 Combining Statement of Cash Flows
 For the Year Ended June 30, 2015
 Exhibit F-3

	Solid Waste Fund	Transportation Development Plan Fund	Total
Cash flows from operating activities			
Cash received from customers	\$ 2,959,699	\$ 611,852	\$ 3,571,551
Cash paid for goods and services	(1,672,989)	(432,218)	(2,105,207)
Cash paid to employees for services	(1,067,618)	(427,336)	(1,494,954)
Customer deposits received, net	800	-	800
Net cash (used) provided by operating activities	219,892	(247,702)	(27,810)
Cash flows from non-capital financing activities			
Miscellaneous	181,516	519,501	701,017
Cash flows from capital and related financing activities			
Proceeds from sale of capital assets	2,264	3,210	5,474
Acquisition and construction of capital assets	(248,140)	(167,779)	(415,919)
Net cash provided (used) by capital and related financing activities	(245,876)	(164,569)	(410,445)
Cash flows from investing activities			
Interest on investments	1,084	42	1,126
Net increase (decrease) in cash and cash equivalents	156,616	107,272	263,888
Cash and cash equivalents, beginning of year	2,436,752	204,294	2,641,046
Cash and cash equivalents, end of year	\$ 2,593,368	\$ 311,566	\$ 2,904,934
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:			
Operating income (loss)	\$ (12,814)	\$ (430,279)	\$ (443,093)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:			
Depreciation	199,175	117,283	316,458
Pension expense	6,207	2,649	8,856
Changes in assets and liabilities:			
(Increase) decrease in accounts receivable	32,224	59,868	92,092
(Increase) decrease in deferred outflows of resources for pensions	(54,284)	(23,166)	(77,450)
Increase (decrease) in accounts payable	4,091	241	4,332
Increase (decrease) in deferred revenue	2,461	-	2,461
Increase (decrease) in customer deposits	600	-	600
Increase (decrease) in OPEB obligation	41,999	26,226	68,225
Increase (decrease) in compensated absences	233	(524)	(291)
Total adjustments	232,706	182,577	415,283
Net cash provided (used) by operating activities	\$ 219,892	\$ (247,702)	\$ (27,810)

Schedule of Revenues and Expenditures - Budget and Actual (Non-GAAP)

For the Year Ended June 30, 2015

Exhibit F-4

	Final Budget	Actual	Variance Positive (Negative)
Operating revenues			
Water sales	\$ 2,556,490	\$ 3,066,480	\$ 509,990
Water taps	145,100	167,407	22,307
Administration fees	-	1,630	1,630
Other operating revenues	67,500	55,542	(11,958)
Total operating revenues	2,769,090	3,291,059	521,969
Non-operating revenues			
Investment earnings	50,816	89,493	38,677
Miscellaneous	20,002	26,199	6,197
Total operating revenues	70,818	115,692	44,874
Total revenues	2,839,908	3,406,751	566,843
Expenditures			
Administration expenditures:			
Salaries and employee benefits		636,751	
Other administration expenditures		133,626	
Capital outlay		24,938	
Total	873,307	795,315	77,992
County operating expenditures:			
Repairs		3,057	
Other operating expenditures		73,658	
Total	95,205	76,715	18,490
Albertson operating expenditures:			
Repairs		71,618	
Other operating expenditures		30,498	
Total	118,501	102,116	16,385
B water operating expenditures:			
Repairs		50,642	
Other operating expenditures		56,562	
Total	137,811	107,204	30,607
D water operating expenditures:			
Repairs		46,138	
Other operating expenditures		50,238	
Total	107,760	96,376	11,384
E water operating expenditures:			
Repairs		40,731	
Other operating expenditures		28,076	
Total	81,875	68,807	13,068

Schedule of Revenues and Expenditures - Budget and Actual (Non-GAAP)

For the Year Ended June 30, 2015

Exhibit F-4

	Final Budget	Actual	Variance Positive (Negative)
F water operating expenditures:			
Repairs		69,400	
Other operating expenditures		80,945	
Total	167,662	150,345	17,317
G water operating expenditures:			
Repairs		39,062	
Other operating expenditures		53,521	
Total	121,619	92,583	29,036
Debt Service:			
Principal retirements		1,073,040	
Interest and fees		806,661	
Total	1,899,704	1,879,701	20,003
Total expenditures	3,603,444	3,369,162	234,282
Revenues over (under) expenditures	(763,536)	37,589	801,125
Other financing sources (uses)			
Transfer from other funds	5,181	5,181	-
Transfer to other funds	(29,853)	(29,852)	1
Total	(24,672)	(24,671)	1
Revenues and other financing sources over (under) expenditures and other financing uses	(788,208)	12,918	801,126
Appropriated fund balance	788,208	-	(788,208)
Revenues, other financing sources, and appropriated fund balance over (under) expenditures and other financing uses	\$ -	\$ 12,918	\$ 12,918

Schedule of Revenues and Expenditures - Budget and Actual (Non-GAAP)

For the Year Ended June 30, 2015

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 and other financing uses		\$ 12,918	
Reconciling items:			
Capital outlay		24,938	
Depreciation		(1,094,200)	
Decrease in accrued interest payable		1,505	
Principal debt retirement		1,073,040	
Amortization of premium on refunding bonds		19,092	
Amortization of deferred loss on refunding		(10,925)	
Capital contributions		798,910	
Transfer from water capital project		(47,170)	
Decrease in compensated absences		(1,303)	
Contributions to the pension plan in the current fiscal year		31,254	
Pension expense		(3,574)	
Increase in OPEB obligation		(35,345)	
Total reconciling items		756,222	
Change in net position		\$ 769,140	

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, 2015
 Exhibit F-5

	Final Budget	Actual	Variance Positive (Negative)
Non-operating revenues			
Investments earnings	\$ 592,983	\$ 592,981	\$ (2)
Expenditures			
Debt Service:			
Principal retirements		510,000	
Interest and fees		592,981	
Total expenditures	1,102,983	1,102,981	2
Revenues over (under) expenditures	(510,000)	(510,000)	-
Other financing sources			
Principal received from water district GO bonds	510,000	510,000	-
Revenues and other financing sources over expenditures	\$ -	\$ -	\$ -
Reconciliation from budgetary basis (modified accrual) to full accrual basis:			
Revenues and other financing sources over expenditures		\$ -	
Reconciling items			
Principal received from water districts		(510,000)	
Debt principal payment		510,000	
Amortization of bond premium paid to water districts		(19,092)	
Amortization of limited obligation bond premium		19,092	
Decrease in accrued interest receivable		(1,275)	
Decrease in accrued interest payable		1,275	
Total reconciling items		-	
Change in net position		\$ -	

Duplin County, North Carolina
Transportation Development Plan Fund
Schedule of Revenues and Expenditures - Budget and Actual (Non-GAAP)
For the Year Ended June 30, 2015
Exhibit F-6

	Final Budget	Actual	Variance Positive (Negative)
Operating revenues			
Charges for services	\$ 522,237	\$ 551,984	\$ 29,747
Non-operating revenues			
Investments earnings	-	42	42
Federal grants	42,543	42,439	(104)
State grants	483,780	451,928	(31,852)
Contributions	25,117	25,116	(1)
Miscellaneous	-	18	18
Total non-operating revenues	551,440	519,543	(31,897)
Total revenues	1,073,677	1,071,527	(2,150)
Expenditures			
Salaries and employee benefits		435,618	
Operating expenditures		196,849	
Capital outlay		167,779	
DOT Rural General Public Grant		85,669	
Workfirst transportation assistance		16,815	
Elderly/Disabled transportation assistance		66,617	
NCDOT 5310 grant expenditures		50,231	
Feasibility study		7,995	
Total expenditures	1,080,754	1,027,573	53,181
Revenues over (under) expenditures	(7,077)	43,954	51,031
Other financing sources			
Proceeds from sale of capital assets	-	3,210	3,210
Appropriated fund balance	7,077	-	(7,077)
Revenues, other financing sources and appropriated fund balance over expenditures	\$ -	\$ 47,164	\$ 47,164
Reconciliation from budgetary basis (modified accrual) to full accrual:			
Revenues, other financing sources and appropriated fund balance over expenditures		\$ 47,164	
Reconciling items:			
Depreciation		(117,283)	
Decrease in compensated absences		523	
Increase in OPEB obligation		(26,226)	
Contributions to the pension plan in the current fiscal year		23,166	
Pension expense		(2,649)	
Capital outlay		167,779	
Total reconciling items		45,310	
Change in net position		\$ 92,474	

Duplin County, North Carolina
 Airport Commission Fund
 Schedule of Revenues and Expenditures - Budget and Actual (Non-GAAP)
 For the Year Ended June 30, 2015
 Exhibit F-7

	Final Budget	Actual	Variance Positive (Negative)
Operating revenues			
Sales and rentals	\$ 487,000	\$ 470,181	\$ (16,819)
Non-operating revenues			
Rental income	4,432	-	(4,432)
Miscellaneous	1,000	661	(339)
Total non-operating revenues	5,432	661	(4,771)
Total revenues	492,432	470,842	(21,590)
Expenditures			
Operating expenditures:			
Salaries and employee benefits		186,062	
Purchases		298,645	
Other operating expenditures		105,071	
Total operating expenditures	635,916	589,778	46,138
Revenues over (under) expenditures	(143,484)	(118,936)	24,548
Other financing sources (uses)			
Transfers from other funds	187,614	187,614	-
Transfers to other funds	(74,916)	(2,619)	72,297
Total other financing sources (uses)	112,698	184,995	72,297
Appropriated fund balance	30,786	-	(30,786)
Revenues, other financing sources, and appropriated fund balance under expenditures and other financing uses	\$ -	\$ 66,059	\$ 66,059
Reconciliation from budgetary basis (modified accrual to full accrual):			
Revenues, other financing sources, and appropriated fund balance under expenditures and other financing uses		\$ 66,059	
Reconciling items:			
Depreciation		(588,265)	
Decrease in compensated absences		372	
Increase in OPEB obligation		(9,361)	
Contributions to the pension plan in the current fiscal year		9,458	
Pension expense		(1,081)	
From Airport Commission Capital Project Fund:			
Capital contribution		110,145	
Transfers to Airport Commission Capital Project Fund		2,619	
Total reconciling items		(476,113)	
Change in net position		\$ (410,054)	

Duplin County, North Carolina
Solid Waste Fund

Schedule of Revenues and Expenditures - Budget and Actual (Non-GAAP)
For the Year Ended June 30, 2015
Exhibit F-8

	Final Budget	Actual	Variance Positive (Negative)
Operating revenues			
Disposal fees	\$ 1,530,000	\$ 1,509,579	\$ (20,421)
User fees	1,015,000	1,211,080	196,080
Landfill fees	117,700	93,172	(24,528)
Sale of recyclables	77,000	113,644	36,644
Total operating revenues	2,739,700	2,927,475	187,775
Non-operating revenues			
Investments earnings	2,000	1,084	(916)
State grants	10,000	49,388	39,388
Disposal tax revenues	105,500	131,116	25,616
Miscellaneous	-	1,012	1,012
Total non-operating revenues	117,500	182,600	65,100
Total revenues	2,857,200	3,110,075	252,875
Expenditures			
Collections:			
Salaries and employee benefits		672,917	
Operating expenditures		572,070	
Disposals:			
Salaries and employee benefits		190,247	
Operating expenditures		947,708	
Capital outlay		209,040	
Recycling:			
Salaries and employee benefits		197,992	
Operating expenditures		46,539	
Tire collection:			
Salaries and employee benefits		3,772	
Operating expenditures		93,140	
White goods:			
Salaries and employee benefits		4,008	
Operating expenditures		55,205	
Total expenditures	3,355,072	2,992,638	362,434
Revenues under expenditures	(497,872)	117,437	615,309
Other financing sources			
Proceeds from sale of capital assets	-	2,264	2,264
Appropriated fund balance	497,872	-	(497,872)
Revenues, other financing sources, and appropriated fund balance under expenditures	\$ -	\$ 119,701	\$ 119,701

Duplin County, North Carolina
Solid Waste Fund

Schedule of Revenues and Expenditures - Budget and Actual (Non-GAAP)
For the Year Ended June 30, 2015
Exhibit F-8

	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		\$ 119,701	
Reconciling items:			
Deferred revenue		(2,461)	
Depreciation		(199,175)	
Increase in compensated absences		(233)	
Increase in OPEB obligation		(41,999)	
Contributions to the pension plan in the current fiscal year		54,284	
Pension expense		(6,207)	
Capital outlay		248,140	
Total reconciling items		52,349	
Change in net position		\$ 172,050	

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, 2015
 Exhibit F-9

	Project Authorization	Prior Years	Actual		Variance Positive (Negative)
			Current Year	Total to Date	
Revenues					
State grants	\$ 1,417,978	\$ 1,277,320	\$106,526	\$1,383,846	\$ (34,132)
Local option sales taxes	26,009	26,039	3,617	29,656	3,647
Investment earnings	2,214	2,225	2	2,227	13
Total revenues	1,446,201	1,305,584	110,145	1,415,729	(30,472)
Expenditures					
Terminal project	1,650,729	1,564,347	-	1,564,347	86,382
Precision Approach Path Indicator Light project	136,642	2,882	133,655	136,537	105
Total expenditures	1,787,371	1,567,229	133,655	1,700,884	86,487
Revenues over (under) expenditures	(341,170)	(261,645)	(23,510)	(285,155)	56,015
Other financing sources					
Transfers from other funds	341,170	282,958	2,619	285,577	(55,593)
Revenues and other financing sources over (under) expenditures	\$ -	\$ 21,313	\$ (20,891)	\$ 422	\$ 422

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, 2015
 Exhibit F-10

	Project Authorization	Prior Years	Actual		Variance Positive (Negative)
			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	395	3,032,344	217,824
Revenues over (under) expenditures	\$ -	\$ 199,011	\$ (395)	\$ 198,616	\$ 198,616

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, 2015
Exhibit F-11

	Project Authorization	Prior Years	Actual		Variance Positive (Negative)
			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	811,181	105,911	917,092	116,727
Revenues over (under) expenditures	(210,554)	(790,130)	(105,911)	(896,041)	(685,487)
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	\$ -	\$ -	\$ (105,911)	\$ (105,911)	\$ (105,911)

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, 2015
Exhibit F-12

	Project Authorization	Prior Years	Actual		Variance Positive (Negative)
			Current Year	Total to Date	
Revenues					
Federal and state grant	\$ 726,125	\$ -	\$ 631,434	631,434	\$ (94,691)
Local option sales taxes	16,101	16,307	-	16,307	206
Total revenues	742,226	16,307	631,434	647,741	(94,485)
Expenditures					
Project expenditures	933,757	174,166	631,434	805,600	128,157
Revenues over (under) expenditures	(191,531)	(157,859)	-	(157,859)	33,672
Other financing sources					
Loan proceeds - Drinking Water State Revolving Funds	181,531	157,859	-	157,859	(23,672)
Transfer from Water District E	10,000	-	-	-	(10,000)
Total other financing sources	191,531	157,859	-	157,859	(33,672)
Revenues and other financing sources over expenditures	\$ -	\$ -	\$ -	\$ -	\$ -

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, 2015
Exhibit F-13

	Project Authorization	Prior Years	Actual		Variance Positive (Negative)
			Current Year	Total to Date	
Revenues					
USDA grant	\$ 936,000	\$ 885,051	\$ 50,949	\$ 936,000	\$ -
Rural Center grant	500,000	-	-	-	(500,000)
Local option sales taxes	25,083	25,041	43	25,084	1
Investment earnings	97	97	-	97	-
Total revenues	1,461,180	910,189	50,992	961,181	(499,999)
Expenditures					
Project expenditures		1,645,665	109,579	1,755,244	
Total		1,645,665	109,579	1,755,244	
Debt service					
Interest and fees		6,915	-	6,915	
Total expenditures	2,160,010	1,652,580	109,579	1,762,159	397,851
Revenues over (under) expenditures	(698,830)	(742,391)	(58,587)	(800,978)	(102,148)
Other financing sources					
Loan proceeds from USDA	646,000	646,000	-	646,000	-
Transfer from Water Fund - District E	100,000	100,000	-	100,000	-
Transfer to Debt Service	(41,990)	-	(41,990)	(41,990)	-
Transfer to Water Fund	(5,180)	-	(5,180)	(5,180)	-
Total other financing sources	698,830	746,000	(47,170)	698,830	-
Revenues and other financing sources over expenditures	\$ -	\$ 3,609	\$ (105,757)	\$ (102,148)	\$ (102,148)

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, 2015
Exhibit F-14

	Project Authorization	Prior Years	Actual		Variance Positive (Negative)
			Current Year	Total to Date	
Revenues					
Local option sales taxes	\$ 15,945	\$ -	\$ 15,945	\$ 15,945	\$ -
Expenditures					
Project expenditures	2,390,101	1,844,092	546,009	2,390,101	-
Revenues over (under) expenditures	(2,374,156)	(1,844,092)	(530,064)	(2,374,156)	-
Other financing sources					
Loan proceeds - Drinking Water					
State Revolving Funds	2,349,156	1,819,092	530,064	2,349,156	-
Transfer from Water District F	25,000	25,000	-	25,000	-
Total other financing sources	2,374,156	1,844,092	530,064	2,374,156	-
Revenues and other financing sources over expenditures	\$ -	\$ -	\$ -	\$ -	\$ -

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DEBT SERVICE FUND

The Debt Service Fund is used to account for the accumulation of resources for the payment of governmental 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, 2015
Exhibit G-1

	Final Budget	Actual	Variance Positive (Negative)
Revenues			
Investment earnings	\$ -	\$ 110	\$ 110
Expenditures			
Debt service:			
Principal retirement		1,448,697	
Interest and fees		472,703	
Total expenditures	2,083,434	1,921,400	162,034
Revenues over (under) expenditures	(2,083,434)	(1,921,290)	162,144
Other financing sources (uses)			
Transfers from other funds	2,083,434	2,101,362	17,928
Net change in fund balance	<u>\$ -</u>	180,072	<u>\$ 180,072</u>
Fund balance, beginning of year		448,795	
Fund balance, end of year		<u>\$ 628,867</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 account for assets held by the County as an agent for individuals, private organizations, other governments, and/or other funds.

County Agency Fund – This fund accounts for the monies held in trust by the County for various departments.

Social Services Fund – This fund accounts for monies held by the Social Service Department for the benefit of certain individuals in the county.

Motor Vehicle Tax Fund – This fund accounts for the proceeds of the motor vehicle taxes collected by the County on behalf of municipalities within the County.

Register of Deeds Trust Fund – This fund accounts for the five dollars of each fee collected by the register of deeds for registering or filing a deed of trust or mortgage to remit to North Carolina.

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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, 2015
Exhibit H-1

	Final Budget	Actual	Variance Positive (Negative)
Revenues			
Restricted Intergovernmental:			
Unauthorized substance tax	\$ -	\$ 7,483	\$ 7,483
Investment earnings	-	15	15
Miscellaneous revenue:			
Fees and commissions	11,116	13,114	1,998
Donations	4,867	8,812	3,945
Total	15,983	21,926	5,943
Total revenues	15,983	29,424	13,441
Expenditures			
General Government:			
Sheriff/Jail		5,894	
TB lung disease		25	
General aging trust		4	
Senior games		264	
Senior citizens trips		10,386	
Animal control		5,251	
Total expenditures	93,528	21,824	71,704
Revenues over (under) expenditures	(77,545)	7,600	85,145
Appropriated fund balance	77,545	-	(77,545)
Net change in fund balance	<u>\$ -</u>	7,600	<u>\$ 7,600</u>
Fund balance, beginning of year		77,559	
Fund balance, end of year		<u>\$ 85,159</u>	

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Duplin County, North Carolina
 Agency Funds
 Combining Statement of Fiduciary Net Position
 June 30, 2015
 Exhibit H-2

	Motor Vehicle Tax Fund	County Agency Fund	Social Services Fund	Register of Deeds Trust Fund	Board of Education Fines and Forfeitures Fund	Total
Assets						
Cash and cash equivalents	\$ -	\$ 77,259	\$ 62,001	\$ 8,918	\$ 13	\$ 148,191
Miscellaneous receivables	29,540	673	-	-	-	30,213
Total assets	\$ 29,540	\$ 77,932	\$ 62,001	\$ 8,918	\$ 13	\$ 178,404
Liabilities						
Miscellaneous liabilities	\$ 29,540	76,031	\$ 62,001	8,918	\$ 13	\$ 176,503
Due to other funds	-	1,901	-	-	-	1,901
Total liabilities	\$ 29,540	\$ 77,932	\$ 62,001	\$ 8,918	\$ 13	\$ 178,404

Duplin County, North Carolina
Agency Funds
Combining Statement of Changes in Assets and Liabilities
For the Year Ended June 30, 2015
Exhibit H-3

	Balance July 1, 2014	Additions	Deductions	Balance June 30, 2015
Motor Vehicle Tax Fund				
Assets				
Cash and cash equivalents	\$ -	\$ 365,234	\$ 365,234	\$ -
Miscellaneous receivables	26,601	29,540	26,601	29,540
Due from other governmental funds	-	890	890	-
Total assets	\$ 26,601	\$ 395,664	\$ 392,725	\$ 29,540
Liabilities				
Miscellaneous liabilities	\$ 26,601	\$ 395,590	\$ 392,651	\$ 29,540
Due to other governmental funds	-	74	74	-
Total liabilities	\$ 26,601	\$ 395,664	\$ 392,725	\$ 29,540
County Agency Fund				
Assets				
Cash and cash equivalents	\$ 98,237	\$ 802,554	\$ 823,532	\$ 77,259
Miscellaneous receivables	105	762	194	673
Total assets	\$ 98,342	\$ 803,316	\$ 823,726	\$ 77,932
Liabilities				
Miscellaneous liabilities	\$ 91,751	\$ 774,751	\$ 790,471	\$ 76,031
Due to other governmental funds	6,591	28,565	33,255	1,901
Total liabilities	\$ 98,342	\$ 803,316	\$ 823,726	\$ 77,932
Social Services Fund				
Assets				
Cash and cash equivalents	\$ 47,334	\$ 82,327	\$ 67,660	\$ 62,001
Liabilities				
Miscellaneous liabilities	\$ 47,334	\$ 82,327	\$ 67,660	\$ 62,001
Register of Deeds Trust Fund:				
Assets				
Cash and cash equivalents	\$ 10,095	\$ 103,673	\$ 104,850	\$ 8,918
Liabilities				
Miscellaneous liabilities	\$ 10,091	\$ 103,573	\$ 104,746	\$ 8,918
Due to other governmental funds	4	100	104	-
Total liabilities	\$ 10,095	\$ 103,673	\$ 104,850	\$ 8,918

Duplin County, North Carolina
Agency Funds
Combining Statement of Changes in Assets and Liabilities
For the Year Ended June 30, 2015
Exhibit H-3

	Balance July 1, 2014	Additions	Deductions	Balance June 30, 2015
Board of Education Fines and Forfeitures Fund				
Assets				
Cash and cash equivalents	\$ 9,780	\$ 97,522	\$ 107,289	\$ 13
Miscellaneous receivables	-	2,343	2,343	-
Due from other governmental funds	-	1,011	1,011	-
Total assets	\$ 9,780	\$ 100,876	\$ 110,643	\$ 13
Liabilities				
Miscellaneous liabilities	\$ 9,780	\$ 100,202	\$ 109,969	\$ 13
Due to other governmental funds	-	674	674	-
Total liabilities	\$ 9,780	\$ 100,876	\$ 110,643	\$ 13
Totals - All Agency Funds:				
Assets				
Cash and cash equivalents	\$ 165,446	\$ 1,451,310	\$ 1,468,565	\$ 148,191
Miscellaneous receivables	26,706	32,645	29,138	30,213
Due from other governmental funds	-	1,901	1,901	-
Total assets	\$ 192,152	\$ 1,485,856	\$ 1,499,604	\$ 178,404
Liabilities				
Miscellaneous liabilities	\$ 185,557	\$ 1,456,443	\$ 1,465,497	\$ 176,503
Due to other governmental funds	6,595	29,413	34,107	1,901
Total liabilities	\$ 192,152	\$ 1,485,856	\$ 1,499,604	\$ 178,404

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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 - This fund is used to account for the payment of health insurance premiums from County and employee contributions and pays for 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, 2015
Exhibit I-1

	Final Budget	Actual	Variance Positive (Negative)
Revenues			
Operating revenues:			
Charges for services	\$ 4,624,000	\$ 4,701,269	\$ 77,269
Non-operating revenues:			
Investment earnings	-	441	441
Total revenues	4,624,000	4,701,710	77,710
Expenditures			
Operating expenditures	5,374,000	4,974,250	399,750
Revenues over (under) expenditures	(750,000)	(272,540)	477,460
Other financing sources			
Transfer from other funds	350,000	350,000	-
Appropriated fund balance	400,000	-	(400,000)
Net change in fund balance	<u>\$ -</u>	77,460	<u>\$ 77,460</u>
Fund balance, beginning of year		2,725,137	
Fund balance, end of year		<u>\$ 2,802,597</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, 2015
 Exhibit J-1

Assets

Current assets:	
Cash and cash equivalents	\$ 399,380
Accounts receivable	22,795
Total current assets	422,175
Total assets	\$ 422,175

Liabilities

Current liabilities:	
Accounts payable	1,421
Total current liabilities	1,421
Long-term liabilities:	
Compensated absences	3,744
Total liabilities	5,165

Net Position

Restricted:	
Stabilization by state statute	22,795
Unrestricted	394,215
Total net position	\$ 417,010

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, 2015
 Exhibit J-2

Functions/Programs	Expenses	Net (Expense) Revenue and Changes in Net Position
		Governmental Activities
Governmental Activities:		
Economic and physical development	\$ 190,425	\$ (190,425)
General Revenues:		
Occupancy taxes		\$ 257,162
Sales and services		2,443
Investment earnings		67
Total general revenues		259,672
Change in net position		69,247
Net position, beginning of year		347,763
Net position, ending of year		\$ 417,010

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, 2015
 Exhibit J-3

Assets	
Cash and cash equivalents	\$ 399,380
Accounts receivable	22,795
<hr/>	
Total assets	\$ 422,175
<hr/>	
Liabilities	
Accounts payable and accrued liabilities	\$ 1,421
<hr/>	
Fund Balances	
Restricted:	
Stabilization by state statute	22,795
Unassigned	397,959
<hr/>	
Total fund balances	420,754
<hr/>	
Total liabilities and fund balances	\$ 422,175
<hr/>	

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

Total fund balances - General Fund	\$ 420,754
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	(3,744)
<hr/>	
Net position of governmental activities	\$ 417,010
<hr/>	

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, 2015
 Exhibit J-4

Revenues

Occupancy taxes	\$ 257,162
Sales and services	2,443
Investment earnings	67
Total revenues	259,672

Expenditures

Salaries and employee benefits	52,528
Advertising	52,485
Promotion and entertainment	10,688
Travel, training, and meals	8,208
Other operating expenditures	68,767
Total expenditures	192,676

Net change in fund balance	66,996
Fund balance, beginning of year	353,758
Fund balance, end of year	\$ 420,754

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

Net changes in fund balance - General Fund	\$ 66,996
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	2,251
Total changes in governmental activities	\$ 69,247

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, 2015
 Exhibit J-5

	Original Budget	Final Budget	Actual	Variance with Final Positive (Negative)
Revenues				
Occupancy taxes	\$ 197,853	\$ 197,853	\$ 257,162	\$ 59,309
Sales and services	-	-	2,443	2,443.0
Investment earnings	-	-	67	67
Total revenues	197,853	197,853	259,672	61,819
Expenditures				
Salaries and employee benefits			52,528	
Advertising			52,485	
Promotion and entertainment			10,688	
Travel, training, and meals			8,208	
Other operating expenditures			68,767	
Total expenditures	197,853	216,900	192,676	24,224
Revenues over (under) expenditures	-	(19,047)	66,996	86,043
Fund balance appropriated	-	19,047	-	(19,047)
Net change in fund balance	<u>\$ -</u>	<u>\$ -</u>	66,996	<u>\$ 66,996</u>
Fund balance, beginning of year			353,758	
Fund balance, end of year			<u>\$ 420,754</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, 2015
 Exhibit K-1

Fiscal Year	Uncollected Balance June 30, 2014	Additions	Collections and Credits	Uncollected Balance June 30, 2015
2014-2015	\$ -	\$ 29,749,210	\$ (28,972,293)	\$ 776,917
2013-2014	1,121,784	-	(697,520)	424,264
2012-2013	545,054	-	(272,927)	272,127
2011-2012	305,740	-	(130,033)	175,707
2010-2011	212,963	-	(80,552)	132,411
2009-2010	157,152	-	(49,296)	107,856
2008-2009	136,598	-	(31,458)	105,140
2007-2008	127,048	-	(16,417)	110,631
2006-2007	118,520	-	(13,930)	104,590
2005-2006	82,950	-	(8,616)	74,334
2004-2005	92,923	-	(92,923)	-
Totals	\$ 2,900,732	\$ 29,749,210	\$ (30,365,965)	2,283,977

Prior year property taxes being collected through garnishments	43,603
Prior year vehicle taxes being collected through garnishments	697
Discoveries due to business personal property tax audits	(38,440)

Less allowance for uncollectible accounts	(810,668)
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Ad valorem taxes receivable, net	\$ 1,479,169
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Reconciliation with revenues:

Ad valorem taxes	\$ 30,069,681
Reconciling items:	
Returned checks	(13,750)
Interest and penalties collected	(437,630)
Adjustments	(46,276)
Underpayments	127
Fines and forfeitures	72,930
Discounts allowed	292,359
Property taxes allocated to the Revaluation Fund	117,900
Taxes written off	44,300
Prior years releases	266,324
Total collections and credits	\$ 30,365,965

Duplin County, North Carolina
 Analysis of Current Tax Levy
 County-wide Levy
 For the Year Ended June 30, 2015
 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	\$ 4,026,412,603	0.73	\$ 29,392,812	\$ 26,510,161	\$ 2,882,651
Penalties			47,690	47,690	-
Total	4,026,412,603		29,440,502	26,557,851	2,882,651
Discoveries:					
Current year taxes	25,959,726		189,506	189,506	-
Prior year's taxes	-		119,202	119,202	-
Total	25,959,726		308,708	308,708	-
Total property valuation	\$ 4,052,372,329				
Net levy			29,749,210	26,866,559	2,882,651
Uncollected taxes at June 30, 2015			(776,917)	(776,627)	(290)
Current year's taxes collected			\$ 28,972,293	\$ 26,089,932	\$ 2,882,361
Current levy collection percentage			97.39%	97.11%	99.99%

Duplin County, North Carolina
 Analysis of Current Tax Levy
 Secondary Market Disclosures
 For the Year Ended June 30, 2015
 Exhibit K-3

Assessed Valuation:	
Assessment ratio*	100.00%
Real property	\$ 3,441,107,406
Personal property	492,857,496
Public service companies**	118,407,427
Total assessed valuation	4,052,372,329
Tax rate per \$100	0.73
Tax levy (including discoveries, releases, and abatements)	29,582,318
Penalties	47,690
Prior year's taxes	119,202
Net levy	\$ 29,749,210

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, 2015:

Fire Protection District	Levy
Oak Wolfe	\$ 50,138
Glisson	111,547
Sarecta	93,413
East Duplin	73,915
Albertson	61,786
Stacy Britt	114,651
Franklin	18,588
Northeast	170,841
Total	\$ 694,879

* 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.

*** The levy includes interest and penalties

Duplin County, North Carolina
 Computation of Legal Debt Margin
 June 30, 2015
 Exhibit K-4

Assessed value of taxable property	\$ 4,052,372,329
Debt limit per G.S. 159-55	8.00%
Total	324,189,786
Gross debt:	
Limited obligation bonds	14,900,000
Notes payable	10,012,316
Total gross debt	24,912,316
Less: Debt incurred for water activities	
Limited obligation bonds	(14,900,000)
Notes payable	(3,883,629)
Total debt incurred for water activities	(18,783,629)
Total amount of debt applicable to debt limit (net debt)	6,128,687
Legal debt margin	\$ 318,061,099

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.

- Table 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

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

Table 1

<i>June 30,</i>	2006	2007	2008	2009	2010
Governmental Activities:					
Net investment in capital assets	\$ 9,887,425	\$ 11,117,491	\$ 10,921,097	\$ 11,791,248	\$ 10,708,021
Restricted	-	-	-	-	-
Unrestricted	17,196,345	18,582,516	21,701,648	19,993,963	15,312,312
Total governmental activities	27,083,770	29,700,007	32,622,745	31,785,211	26,020,333
Business-type Activities:					
Net investment in capital assets	33,544,842	35,859,819	36,923,637	36,458,722	36,770,577
Restricted	-	-	263,339	1,301,841	1,347,008
Unrestricted	7,002,057	5,768,638	5,904,102	5,474,348	6,150,645
Total business-type activities	40,546,899	41,628,457	43,091,078	43,234,911	44,268,230
Primary Government:					
Net investment in capital assets	43,432,267	46,977,310	47,844,734	48,249,970	47,478,598
Restricted	-	-	263,339	1,301,841	1,347,008
Unrestricted	24,198,402	24,351,154	27,605,750	25,468,311	21,462,957
Total primary government	\$ 67,630,669	\$ 71,328,464	\$ 75,713,823	\$ 75,020,122	\$ 70,288,563

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

<i>June 30,</i>	2011	2012	2013	2014	2015
Governmental Activities:					
Net investment in capital assets	\$ 12,393,238	\$ 11,798,823	\$ 9,963,445	\$ 10,917,432	\$ 11,733,322
Restricted	8,197,122	9,542,550	8,512,963	9,561,211	10,597,209
Unrestricted	9,018,185	5,559,432	11,414,280	12,424,277	12,309,865
Total governmental activities	29,608,545	26,900,805	29,890,688	32,902,920	34,640,396
Business-type Activities:					
Net investment in capital assets	36,018,493	35,552,070	36,267,466	39,830,796	37,172,581
Restricted	1,265,805	1,069,259	1,556,484	223,933	21,213
Unrestricted	6,476,995	6,911,589	7,590,329	8,935,579	9,475,946
Total business-type activities	43,761,293	43,532,918	45,414,279	48,990,308	46,669,740
Primary Government:					
Net investment in capital assets	48,411,731	47,350,893	46,230,911	50,748,228	48,905,903
Restricted	9,462,927	10,611,809	10,069,447	9,785,144	10,618,422
Unrestricted	15,495,180	12,471,021	19,004,609	21,359,856	21,785,811
Total primary government	\$ 73,369,838	\$ 70,433,723	\$ 75,304,967	\$ 81,893,228	\$ 81,310,136

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

Table 2

Year Ended June 30,	2006	2007	2008	2009	2010
Expenses:					
Governmental Activities:					
General Government	\$ 4,957,760	\$ 5,284,371	\$ 6,120,389	\$ 6,130,831	\$ 7,207,316
Public Safety	10,704,587	11,326,523	13,207,438	14,625,588	14,561,356
Development	4,605,631	3,244,815	2,882,505	2,358,124	2,494,733
Human Services	17,472,094	17,211,698	17,298,237	17,332,594	16,732,852
Environmental Protection	610,237	641,673	478,370	513,483	723,221
Cultural and Recreational	834,201	1,047,148	1,017,310	872,582	827,686
Education	9,067,213	10,722,305	10,957,705	12,304,442	15,585,786
Non-departmental	189,646	209,765	257,326	255,663	310,502
Interest on long-term debt	551,124	989,242	954,607	895,065	826,828
Total governmental activities	48,992,493	50,677,540	53,173,887	55,288,372	59,270,280
Business-type Activities:					
Airport	1,047,008	914,221	1,078,481	985,170	1,087,058
Water and Sewer	3,764,562	4,072,863	4,083,009	4,082,107	4,255,842
Transportation	898,399	1,022,674	1,026,490	1,037,242	1,056,522
Solid Waste	2,865,587	4,667,880	3,256,153	3,111,559	3,054,194
Total business-type activities	8,575,556	10,677,638	9,444,133	9,216,078	9,453,616
Total primary government expenses	57,568,049	61,355,178	62,618,020	64,504,450	68,723,896
Program Revenues:					
Governmental Activities:					
Charges for Services:					
General Government	1,538,250	1,585,145	2,143,126	1,653,004	1,587,363
Public Safety	2,335,191	2,465,555	2,578,622	2,351,226	3,033,182
Development	23,184	35,249	18,420	37,231	25,041
Human Services	985,442	839,577	896,186	665,457	817,614
Environmental Protection	41,490	-	44,820	44,640	-
Cultural and Recreational	65,634	94,404	124,027	279,504	287,214
Education	-	-	-	-	-
Non-departmental	-	-	-	-	-
Operating Grants & Contributions	10,453,997	9,985,782	11,246,185	11,576,726	12,394,237
Capital Grants & Contributions	1,643,594	745,179	227,218	371,005	1,990,921
Total governmental activities	\$ 17,086,782	\$ 15,750,891	\$ 17,278,604	\$ 16,978,793	\$ 20,135,572
Business-type Activities:					
Charges for Services:					
Airport	\$ 655,504	\$ 498,594	\$ 533,460	\$ 387,988	\$ 677,984
Water and Sewer	3,622,143	3,286,828	3,813,219	3,829,327	4,259,400
Transportation	520,524	510,498	504,707	508,027	497,901
Solid Waste	2,663,826	2,843,338	3,018,759	2,871,138	2,815,088
Operating Grants & Contributions	-	-	-	-	-
Capital Grants & Contributions	-	-	-	1,297,484	1,767,017
Total business-type activities	7,461,997	7,139,258	7,870,145	8,893,964	10,017,390
Total primary government	24,548,779	22,890,149	25,148,749	25,872,757	30,152,962

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

Year Ended June 30,	2011	2012	2013	2014	2015
Expenses:					
Governmental Activities:					
General Government	\$ 7,367,762	\$ 6,613,472	\$ 6,215,976	\$ 5,884,447	\$ 5,901,684
Public Safety	14,687,927	18,267,162	18,488,567	17,821,492	17,884,866
Economic & Physical Development	2,613,007	5,088,488	3,107,600	1,363,220	1,157,204
Human Services	15,960,082	17,806,856	17,199,716	16,015,053	16,123,169
Environmental Protection	536,068	728,522	792,256	704,203	784,371
Cultural and Recreational	688,051	864,163	1,239,294	1,204,921	1,316,387
Education	11,580,259	11,933,998	13,238,503	13,334,623	12,370,800
Non-departmental	1,239,610	273,150	281,301	287,491	283,606
Interest on long-term debt	784,577	660,077	527,820	431,245	399,966
Total governmental activities	55,457,343	62,235,888	61,091,033	57,046,695	56,222,053
Business-type Activities:					
Airport	1,102,790	1,214,843	1,138,106	1,796,254	1,178,655
Water and Sewer	4,196,653	4,095,462	4,568,959	3,347,524	3,364,680
Transportation	1,180,039	1,073,935	993,244	1,073,121	982,263
Solid Waste	3,109,941	3,299,368	3,274,051	2,971,828	2,937,828
Total business-type activities	9,589,423	9,683,608	9,974,360	9,188,727	8,463,426
Total primary government expenses	65,046,766	71,919,496	71,065,393	66,235,422	64,685,479
Program Revenues:					
Governmental Activities:					
Charges for Services:					
General Government	4,247,238	2,669,151	2,431,141	1,636,600	338,946
Public Safety	3,608,791	3,037,248	9,156,791	2,907,354	3,205,147
Economic & Physical Development	75,360	241,156	82,813	68,137	2,130,015
Human Services	3,554,262	3,251,599	3,368,702	4,412,664	1,405,313
Environmental Protection	69,975	45,705	44,857	2,198	-
Cultural and Recreational	73,267	253,422	275,133	149,585	141,903
Education	-	-	-	-	-
Non-departmental	-	-	25,069	-	-
Operating Grants & Contributions	11,192,637	9,940,908	10,831,435	10,586,282	12,636,041
Capital Grants & Contributions	2,054,956	4,308,980	2,217,868	920,045	789,856
Total governmental activities	\$ 24,876,486	\$ 23,748,169	\$ 28,433,809	\$ 20,682,865	\$ 20,647,221
Business-type Activities:					
Charges for Services:					
Airport	\$ 507,905	\$ 626,515	\$ 536,690	\$ 498,854	\$ 470,181
Water and Sewer	4,049,271	3,900,461	4,449,982	4,274,645	3,291,059
Transportation	502,920	497,992	570,637	625,597	551,984
Solid Waste	2,836,284	2,963,339	2,753,962	2,740,153	2,925,014
Operating Grants & Contributions	-	-	500,262	586,312	568,871
Capital Grants & Contributions	871,813	1,080,859	2,298,916	3,402,150	909,055
Total business-type activities	8,768,193	9,069,166	11,110,449	12,127,711	8,716,164
Total primary government	33,644,679	32,817,335	39,544,258	32,810,576	29,363,385

(continued)

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

Year Ended June 30,	2006	2007	2008	2009	2010
(Continued)					
Net (Expense)/Revenue					
Governmental Activities	(31,905,711)	(34,926,649)	(35,895,283)	(38,309,579)	(39,134,708)
Business-type Activities	(1,113,559)	(3,538,380)	(1,573,988)	(322,114)	563,774
Total primary government net (expense)/revenue	(33,019,270)	(38,465,029)	(37,469,271)	(38,631,693)	(38,570,934)
General Revenues and Other Changes in Net Position					
Governmental Activities:					
Property Taxes	22,807,668	24,028,771	25,630,819	26,771,560	26,925,485
Local Option Sales Taxes	9,040,136	11,340,617	11,142,288	9,273,969	6,282,993
Other Taxes and Licenses	638,797	606,706	623,379	670,514	367,282
Investment earnings	1,106,775	1,269,148	1,124,025	531,081	140,621
Miscellaneous	829,265	605,379	581,982	575,500	63,080
Extraordinary items	-	-	-	-	-
Transfers	(251,594)	(307,736)	(284,472)	(350,579)	(409,632)
Total governmental activities	34,171,047	37,542,885	38,818,021	37,472,045	33,369,829
Business-type Activities:					
Other Taxes and Licenses	-	-	-	-	-
Investment earnings	281,194	335,857	262,505	115,269	31,053
Capital Contributions	2,514,684	3,825,994	2,418,568	-	-
Miscellaneous	207,090	150,351	71,064	91	28,864
Transfers	251,594	307,736	284,472	350,579	409,632
Total business-type activities	3,254,562	4,619,938	3,036,609	465,939	469,549
Total primary government	37,425,609	42,162,823	41,854,630	37,937,984	33,839,378
Change in Net Position					
Governmental Activities	2,265,336	2,616,236	2,922,738	(837,534)	(5,764,879)
Business-type Activities	2,141,003	1,081,558	1,462,621	143,825	1,033,323
Total primary government	\$ 4,406,339	\$ 3,697,794	\$ 4,385,359	\$ (693,709)	\$ (4,731,556)

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

Year Ended June 30,	2011	2012	2013	2014	2015
(Continued)					
Net (Expense)/Revenue					
Governmental Activities	(30,580,857)	(38,487,719)	(32,657,224)	(36,363,830)	(35,574,832)
Business-type Activities	(821,230)	(614,442)	1,136,089	2,938,984	252,738
Total primary government net (expense)/revenue	(31,402,087)	(39,102,161)	(31,521,135)	(33,424,846)	(35,322,094)
General Revenues and Other Changes in Net Position					
Governmental Activities:					
Property Taxes	26,669,740	27,863,938	28,484,431	30,238,201	30,948,358
Local Option Sales Taxes	7,116,858	7,285,383	7,774,019	7,885,364	8,283,242
Other Taxes and Licenses	639,270	341,863	107,583	655,664	94,972
Investment earnings	72,342	50,115	48,818	25,582	80,380
Miscellaneous	(49,445)	438,680	126,967	192,631	148,911
Extraordinary items	-	-	-	598,597	-
Transfers	(279,697)	(200,000)	(127,584)	(219,978)	(115,773)
Total governmental activities	34,169,068	35,779,979	36,414,234	39,376,061	39,440,090
Business-type Activities:					
Other Taxes and Licenses	-	-	-	-	131,116
Investment earnings	14,522	8,911	603,100	4,197	90,619
Capital Contributions	-	-	-	236,037	-
Miscellaneous	20,074	177,156	86,164	176,833	33,364
Transfers	279,697	200,000	127,584	219,978	115,773
Total business-type activities	314,293	386,067	816,848	637,045	370,872
Total primary government	34,483,361	36,166,046	37,231,082	40,013,106	39,810,962
Change in Net Position					
Governmental Activities	3,588,211	(2,707,740)	3,757,010	3,012,231	3,865,258
Business-type Activities	(506,937)	(228,375)	1,952,937	3,576,029	623,610
Total primary government	\$ 3,081,274	\$ (2,936,115)	\$ 5,709,947	\$ 6,588,260	\$ 4,488,868

Source: Annual audited financial statements of the County.

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

Table 3

<i>June 30,</i>	2006	2007	2008	2009	2010
General Fund:					
Reserved	\$ 3,665,729	\$ 3,709,873	\$ 3,372,280	\$ 2,867,035	\$ 3,202,779
Unreserved	13,196,262	11,856,227	11,607,071	11,149,753	9,147,734
Nonspendable	-	-	-	-	-
Restricted	-	-	-	-	-
Committed	-	-	-	-	-
Assigned	-	-	-	-	-
Unassigned	-	-	-	-	-
Total fund balances	16,861,991	15,566,100	14,979,351	14,016,788	12,350,513
All Other Governmental Funds:					
Reserved	1,097,063	842,911	702,352	605,276	846,328
Unreserved	7,810,748	10,092,967	10,812,608	9,866,438	9,113,651
Nonspendable	-	-	-	-	-
Restricted	-	-	-	-	-
Committed	-	-	-	-	-
Assigned	-	-	-	-	-
Unassigned	-	-	-	-	-
Total fund balances	8,907,811	10,935,878	11,514,960	10,471,714	9,959,979
Total Governmental Funds:					
Reserved	4,762,792	4,552,784	4,074,632	3,472,311	4,049,107
Unreserved	21,007,010	21,949,194	22,419,679	21,016,191	18,261,385
Nonspendable	-	-	-	-	-
Restricted	-	-	-	-	-
Committed	-	-	-	-	-
Assigned	-	-	-	-	-
Unassigned	-	-	-	-	-
Total fund balances	\$ 25,769,802	\$ 26,501,978	\$ 26,494,311	\$ 24,488,502	\$ 22,310,492

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

June 30,	2011	2012	2013	2014	2015
General Fund:					
Reserved	\$ -	\$ -	\$ -	\$ -	\$ -
Unreserved	-	-	-	-	-
Nonspendable	256,409	301,552	248,895	292,590	270,487
Restricted	3,420,640	3,934,839	3,668,612	5,496,662	5,315,068
Committed	1,420,897	1,157,686	1,049,178	958,041	928,805
Assigned	4,340,052	3,088,498	1,970,089	2,404,214	2,560,129
Unassigned	3,465,614	3,720,583	6,267,563	6,254,031	7,617,518
Total fund balances	12,903,612	12,203,158	13,204,337	15,405,538	16,692,007
 All Other Governmental Funds:					
Reserved	-	-	-	-	-
Unreserved	-	-	-	-	-
Nonspendable	-	-	-	-	-
Restricted	4,218,038	5,607,256	4,844,351	4,064,549	5,282,141
Committed	3,074,777	1,553,354	1,139,665	1,690,366	1,742,146
Assigned	1,133,302	870,818	263,849	-	-
Unassigned	(1,628)	(3,111)	(2,669)	(4,655)	(3,748)
Total fund balances	8,424,489	8,028,317	6,245,196	5,750,260	7,020,539
 Total Governmental Funds:					
Reserved	-	-	-	-	-
Unreserved	-	-	-	-	-
Nonspendable	256,409	301,552	248,895	292,590	270,487
Restricted	7,638,678	9,542,095	8,512,963	9,561,211	10,597,209
Committed	4,495,674	2,711,040	2,188,843	2,648,407	2,670,951
Assigned	5,473,354	3,959,316	2,233,938	2,404,214	2,560,129
Unassigned	3,463,986	3,717,472	6,264,894	6,249,376	7,613,770
Total fund balances	\$ 21,328,101	\$ 20,231,475	\$ 19,449,533	\$ 21,155,798	\$ 23,712,546

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
 Changes in Fund Balances - Governmental Funds
 Last Ten Years
 (modified accrual basis of accounting)
 Table 4

Year Ended June 30,	2006	2007	2008	2009	2010
Revenues:					
Ad Valorem Taxes	\$ 22,456,961	\$ 24,114,423	\$ 24,667,222	\$ 25,487,215	\$ 26,095,978
Local Option Sales Taxes	9,040,136	11,340,617	11,142,288	9,273,969	7,733,398
Other Taxes and Licenses	606,527	606,706	623,379	671,008	619,734
Unrestricted Intergovernmental	32,270	37,450	34,860	34,720	49,420
Restricted Intergovernmental	11,363,865	9,631,966	10,591,612	10,785,191	11,551,993
Restricted Revenue	-	-	-	-	-
Permits and Fees	964,977	945,726	836,316	665,357	633,671
Sales and Services	4,757,941	4,916,257	5,536,981	5,724,280	6,070,328
Investment Earnings	1,106,774	1,269,148	1,124,025	521,735	139,089
Miscellaneous	779,266	668,367	447,608	302,329	201,486
Total revenues	51,108,717	53,530,660	55,004,291	53,465,804	53,095,097
Expenditures:					
General Government	4,910,763	5,293,335	6,037,685	5,832,069	6,813,324
Public Safety	10,739,613	12,129,924	13,097,186	13,606,623	14,113,545
Economic & Physical Development	4,827,240	1,458,128	2,006,142	1,917,473	1,822,711
Human Services	16,495,464	17,152,931	17,171,101	16,542,424	15,835,849
Cultural and Recreational	825,500	823,227	861,214	804,946	746,683
Environmental Protection	530,480	632,736	465,397	490,848	688,093
Capital Projects	321,752	1,702,951	774,436	400,068	350,399
Non-Departmental	189,646	209,765	235,405	255,663	310,503
Education	9,067,213	10,722,305	10,957,705	12,304,442	10,790,002
Debt Service:					
Principal Retirement	1,872,555	1,934,163	2,235,326	2,366,847	2,231,976
Interest and Fees	618,954	1,025,471	990,836	863,468	863,060
Total expenditures	50,399,180	53,084,936	54,832,433	55,384,871	54,566,145
Revenues over (under) expenditures	709,537	445,724	171,858	(1,919,067)	(1,471,048)
Other Financing Sources (Uses):					
Proceeds from the sale of assets	-	-	-	42,615	51,577
Proceeds from the issuance of debt	-	619,965	-	-	-
Capital Contributions	-	-	-	-	-
Transfers from other funds	3,260,671	4,133,142	4,833,727	3,615,102	4,260,101
Transfers to other funds	(3,512,265)	(4,440,879)	(5,019,307)	(4,065,681)	(5,101,968)
Total other financing sources (uses)	(251,594)	312,228	(185,580)	(407,964)	(790,290)
Extraordinary Items	-	-	-	-	-
Net Change in Fund Balances	\$ 457,943	\$ 757,952	\$ (13,722)	\$ (2,327,031)	\$ (2,261,338)
Debt service as a percentage of noncapital expenditures	5.08%	5.76%	5.97%	5.93%	5.81%

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

Year Ended June 30,	2011	2012	2013	2014	2015
Revenues:					
Ad Valorem Taxes	\$ 26,391,065	\$ 28,095,424	\$ 28,346,279	\$ 30,468,449	\$ 30,948,358
Local Option Sales Taxes	7,116,858	7,285,383	7,774,019	7,885,364	8,283,242
Other Taxes and Licenses	639,270	145,704	97,104	93,773	94,971
Unrestricted Intergovernmental	40,320	47,439	73,019	5,803,596	6,237,452
Restricted Intergovernmental	11,465,028	13,117,770	11,852,896	5,890,692	6,099,987
Restricted Revenue	-	-	195,724	227,379	113,733
Permits and Fees	637,857	557,317	566,950	484,499	485,252
Sales and Services	7,106,383	7,491,979	7,641,452	7,200,636	7,124,707
Investment Earnings	71,566	50,115	47,849	25,329	79,939
Miscellaneous	570,214	1,815,320	1,121,074	382,019	178,916
Total revenues	54,038,561	58,606,451	57,716,366	58,461,736	59,646,557
Expenditures:					
General Government	7,191,915	5,877,641	5,426,249	5,685,098	5,815,830
Public Safety	14,126,640	16,454,417	15,743,723	17,184,943	17,490,472
Economic & Physical Development	1,796,732	2,258,125	950,949	1,237,107	1,036,274
Human Services	15,890,421	15,785,872	15,182,432	15,533,403	15,910,100
Cultural and Recreational	639,411	739,981	1,147,418	1,032,756	1,049,119
Environmental Protection	525,607	659,560	663,609	684,793	773,739
Capital Projects	671,627	3,333,076	3,278,940	-	-
Non-Departmental	302,078	198,766	198,446	222,715	262,439
Education	11,580,259	11,198,335	12,335,205	13,334,623	12,370,800
Debt Service:					
Principal Retirement	1,974,780	1,922,382	1,956,821	1,382,410	1,448,697
Interest and Fees	784,577	697,461	609,929	524,290	472,703
Total expenditures	55,484,047	59,125,616	57,493,721	56,822,138	56,630,173
Revenues over (under) expenditures	(1,445,486)	(519,165)	222,645	1,639,598	3,016,384
Other Financing Sources (Uses):					
Proceeds from the sale of assets	26,689	77,396	72,300	44,351	28,239
Proceeds from the issuance of debt	-	-	-	-	-
Capital Contributions	1,460,672	-	-	-	-
Transfers from other funds	3,290,436	3,187,616	2,931,158	2,879,439	3,028,700
Transfers to other funds	(4,233,907)	(3,887,616)	(3,658,742)	(3,499,417)	(3,494,472)
Total other financing sources (uses)	543,890	(622,604)	(655,284)	(575,627)	(437,533)
Extraordinary Items	-	-	-	598,597	-
Net Change in Fund Balances	\$ (901,596)	\$ (1,141,769)	\$ (432,639)	\$ 1,662,568	\$ 2,578,851
Debt service as a percentage of noncapital expenditures	5.02%	4.54%	4.56%	3.41%	3.45%

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
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
2015	3,441,107,406	492,857,496	118,407,427	4,052,372,329	0.730

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>	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Duplin County	0.7700	0.8050	0.7900	0.7900	0.6900	0.6900	0.7100	0.7100	0.7200	0.7300
Municipality Rates:										
Beulaville	0.4900	0.4900	0.5100	0.5100	0.4400	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
Faison	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	0.3000	0.3000	0.3000	0.3000	0.3000
Kenansville	0.4950	0.4950	0.4950	0.4950	0.3950	0.3950	0.3900	0.4200	0.4500	0.4500
Magnolia	0.6200	0.6500	0.6500	0.6500	0.6500	0.6500	0.6500	0.6600	0.6600	0.6600
Rose Hill	0.6650	0.6650	0.6650	0.6650	0.6400	0.6400	0.6400	0.6400	0.6900	0.6900
Teachey	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	0.5600	0.5600	0.5600	0.5600	0.5600	0.5600
Warsaw	0.5900	0.5900	0.5900	0.5900	0.5500	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
Glisson	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
East Duplin	0.0525	0.0525	0.0525	0.0525	0.0525	0.0458	0.0458	0.0458	0.0458	0.0458
Albertson	0.0750	0.0750	0.0750	0.0750	0.0750	0.0750	0.0750	0.0750	0.0750	0.0750
Stacy Britt	0.0600	0.0600	0.0650	0.0650	0.0650	0.0630	0.0630	0.0630	0.0630	0.0630
Franklin	0.0700	0.0700	0.0800	0.0800	0.0800	0.0800	0.0800	0.0750	0.0750	0.0750
Northeast	N/A	0.0400	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, 2015			Year Ended June 30, 2005		
		Assessed Value	Rank	Percentage of Total Taxable Assessed Value	Assessed Value	Rank	Percentage of Total Taxable Assessed Value
Butterball LLC	Poultry Processing	\$ 133,277,918	1	3.40%	N/A	N/A	N/A
Murphy-Brown LLC	Livestock	93,735,070	2	2.39%	N/A	N/A	N/A
Duplin Land Development	Real Estate	81,352,907	3	2.07%	32,017,580	6	1.21%
House of Raeford	Livestock	57,457,607	4	1.47%	N/A	N/A	N/A
Guilford Mills	Textiles	48,466,284	5	1.24%	51,278,361	2	1.93%
Duke Energy Progress	Utility	40,060,644	6	1.02%	21,896,159	8	0.83%
Nash Johnson & Sons	Livestock	39,908,395	7	1.02%	23,207,346	7	0.88%
Murphy Family Ventures	Livestock	34,295,617	8	0.87%	N/A	N/A	N/A
Coastal Carolina Green Power	Utility	27,544,732	9	0.70%	N/A	N/A	N/A
Four County EMC	Utility	27,928,492	10	0.71%	18,121,531	9	0.68%
		<u>\$ 584,027,666</u>		<u>14.90%</u>	<u>\$ 146,520,977</u>		<u>5.53%</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
2006	\$ 21,718,183	\$ 20,447,899	94.15%	\$ 1,195,950	\$ 21,643,849	99.66%
2007	23,752,080	22,383,189	94.24%	1,264,301	23,647,490	99.56%
2008	24,233,502	22,867,344	94.36%	1,255,527	24,122,871	99.54%
2009	25,128,446	23,741,088	94.48%	1,282,218	25,023,306	99.58%
2010	25,836,831	24,353,960	94.26%	1,375,015	25,728,975	99.58%
2011	25,952,188	24,537,688	94.55%	1,282,089	25,819,777	99.49%
2012	27,109,094	25,724,577	94.89%	1,208,810	26,933,387	99.35%
2013	28,023,946	26,579,982	94.85%	1,171,837	27,751,819	99.03%
2014	29,583,582	28,461,798	96.21%	697,520	29,159,318	98.57%
2015	29,749,210	28,972,293	97.39%	-	28,972,293	97.39%

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
2015	-	-	10,012,316	-	3,883,629	-	15,314,495	29,210,440

<i>June 30,</i>	Total Debt as a Percentage of	
	Personal	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
2015	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>	2006	2007	2008	2009	2010	2011
General Bonded Debt Outstanding:						
General Obligation Bonds	\$ 21,925,800	\$ 21,120,100	\$ 20,309,400	\$ 19,500,200	\$ 18,686,000	\$ 17,868,500
Percentage of Estimated Actual Property Value	0.78%	0.72%	0.66%	0.62%	0.50%	0.48%
Per Capita	\$ 400.81	\$ 55,610	\$ 357.50	\$ 339.52	\$ 318.46	\$ 299.83
Assessed Value of Taxable Property	\$ 2,805,113,117	\$ 2,941,280,236	\$ 3,063,479,367	\$ 3,161,675,064	\$ 3,727,688,840	\$ 3,744,879,855
	X 8%	X 8%	X 8%	X 8%	X 8%	X 8%
Debt Limit - 8 Percent of Assessed Value (Statutory Limitation G.S. 159-55)						
	224,409,049	235,302,419	245,078,349	252,934,005	298,215,107	299,590,388
Gross Debt:						
General Obligation Bonds	21,925,800	21,120,100	20,309,400	19,500,200	18,686,000	17,868,500
Limited Obligation Bonds	-	-	-	-	-	-
Certificates of Participation	10,780,000	9,910,000	8,775,000	8,016,977	6,415,000	5,180,000
Notes Payable	13,976,609	13,948,632	13,251,616	12,505,682	12,310,020	11,928,304
Capital Leases	112,529	81,780	49,131	14,465	-	-
Total gross debt	46,794,938	45,060,512	42,385,147	40,037,324	37,411,020	34,976,804
Less: Debt Incurred for Water Activities	20,015,857	19,595,630	19,155,591	18,699,808	18,712,457	18,253,021
Total Debt Applicable to Debt Limit (Net Debt)	26,779,081	25,464,882	23,229,556	21,337,516	18,698,563	16,723,783
Legal Debt Margin	\$ 197,629,968	\$ 209,837,537	\$ 221,848,793	\$ 231,596,489	\$ 279,516,544	\$ 282,866,605
Total Debt Applicable to the Limit as a Percentage of the Debt Limit	11.93%	10.82%	9.48%	8.44%	6.27%	5.58%

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

Table 10

<i>June 30,</i>	2012	2013	2014	2015
General Bonded Debt Outstanding:				
General Obligation Bonds	\$ 17,043,300	\$ 15,915,000	\$ -	\$ -
Percentage of Estimated Actual Property Value	0.45%	0.41%	0.00%	0.00%
Per Capita	\$ 283.90	N/A	N/A	N/A
Assessed Value of Taxable Property	\$ 3,798,087,324	\$ 3,920,815,776	4,089,376,111	4,052,372,329
	X 8%	X 8%	X 8%	X 8%
Debt Limit - 8 Percent of Assessed Value (Statutory Limitation G.S. 159-55)				
	303,846,986	313,665,262	327,150,089	324,189,786
Gross Debt:				
General Obligation Bonds	17,043,300	15,915,000	-	-
Limited Obligation Bonds	-	15,915,000	15,410,000	14,900,000
Certificates of Participation	3,880,000	2,520,000	1,290,000	-
Notes Payable	11,651,467	12,035,001	11,530,441	13,895,945
Capital Leases	-	-	-	-
Total gross debt	32,574,767	46,385,001	28,230,441	28,795,945
Less: Debt Incurred for Water Activities	17,774,523	33,541,577	16,769,427	18,783,629
Total Debt Applicable to Debt Limit (Net Debt)	14,800,244	12,843,424	11,461,014	10,012,316
Legal Debt Margin	\$ 289,046,742	\$ 300,821,838	\$ 315,689,075	\$ 314,177,470
Total Debt Applicable to the Limit as a Percentage of the Debt Limit	4.87%	4.09%	3.50%	3.09%

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
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%
2014	N/A	N/A	N/A	9,597	461	9.4%
2015	N/A	N/A	N/A	9,703	513	6.1%

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

2015				2005			
Employer	Approximate Employees	Rank	Percentage of Total Employment	Employer	Approximate Employees	Rank	Percentage of Total Employment
Butterball LLC	1,000	1	3.98%	Carolina Turkeys	1,000	1	4.50%
Smithfield Foods, Inc.	1,000	2	3.98%	Duplin County Schools	1,000	2	4.50%
Duplin County Schools	1,000	3	3.98%	Murphy-Brown LLC	1,000	3	4.50%
House of Raeford Inc.	1,000	4	3.98%	House of Raeford Inc.	750	4	3.37%
Guilford Mills Inc.	750	5	2.98%	Guilford Mills Inc.	750	5	3.37%
Duplin County Government	750	6	2.98%	Duplin County Government	750	6	3.37%
Murphy Family Ventures LLC	750	7	2.98%	Murphy Family Ventures LLC	750	7	3.37%
Vidant Medical Center	400	8	1.59%	Duplin General Hospital Inc	400	8	1.80%
Burch Equipment LLC	400	9	1.59%	Dean Specialty Foods Group	400	9	1.80%
James Sprunt Community College	400	10	1.59%	Jamse Sprunt Community College	400	10	1.80%
	<u>7,450</u>		<u>29.64%</u>		<u>7,200</u>		<u>32.38%</u>
Balance of employment	17,689		70.36%		15,039		67.62%
Total employment	25,139		100.00%		22,239		100.00%

Source: North Carolina Employment Security Commission

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

Table 13
 Page 1 of 2

Function/Program	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
General Government:										
Governing Board	6	6	6	6	6	6	6	6	6	5
Attorney	2	2	2	2	2	2	2	3	3	3
Finance	7	7	7	7	7	7	7	7	7	7
Tax Administration	16	16	16	16	16	16	15	15	16	16
Elections	3	3	3	3	4	4	4	4	3	3
Register of Deeds	7	7	7	7	6	6	6	6	6	5
County Manager	3	3	3	3	3	3	3	3	3	3
Personnel	1	2	2	2	2	2	2	3	3	3
Information Technology	5	5	5	5	5	7	7	7	6	8
Garage	3	3	3	3	3	3	3	3	3	3
Building Maintenance	8	8	8	8	8	9	9	9	9	9
Housekeeping	6	8	6	8	8	8	8	7	8	8
Public Safety:										
Sheriff	47	48	50	50	51	51	49	49	51	51
Court Facilities	2	2	2	2	2	2	2	2	2	2
Communications	17	21	21	22	22	22	23	22	23	24
Faison Substation	3	3	3	3	3	3	3	2	2	2
School Resource Officers	9	9	9	9	9	9	9	9	16	16
Department of Justice Alien Grant	0	1	0	0	0	0	0	0	0	0
Calypso Substation	0	0	1	1	1	0	0	0	0	0
Federally Seized Assets	0	0	0	2	0	0	0	0	0	0
Jail	24	25	26	26	27	28	28	32	32	35
JSCC-School Resource Officer	0	0	0	2	1	1	0	0	0	0
Emergency Management	2	3	2	3	2	2	2	2	2	2
Fire Marshall	2	2	2	2	2	2	2	1	1	1
Building Inspections	4	3	4	4	4	3	4	4	4	4
Emergency Medical Services	68	73	74	73	69	70	74	74	74	74
E-911	1	1	1	0	0	0	0	0	0	0
E-911 Grant	0	0	0	0	0	0	0	0	0	0
Governor's Highway Commission Grant	0	0	0	0	0	0	0	0	0	0
Animal Services	3	3	3	3	3	3	3	3	3	4
Economic and Physical Development:										
Planning	2	1	1	1	1	1	1	1	1	1
Economic Development	2	2	3	2	2	2	2	2	2	2
Westpark Business Tech	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
Tourism Development	2	2	2	2	2	2	2	2	2	2
Duplin Commons Project	0	0	0	0	0	0	0	0	0	0
JCPC-Duplin Parenting	1	1	1	1	1	1	1	1	1	0
JCPC-4-H Outreach	1	1	1	1	1	1	1	1	1	1
Environmental Protection:										
Soil Conservation	6	6	6	6	6	6	6	6	6	6
Human Services:										
Health	34	32	36	35	35	34	32	32	34	35
Environmental Health	5	7	7	7	7	7	6	6	6	6

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

Table 13
 Page 2 of 2

Function/Program	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Keen on Teen Vaccine	0	0	0	0	0	0	0	0	0	0
Healthy Beginnings	0	0	0	0	0	0	1	1	1	0
Smart Start Child Care	1	1	1	1	1	1	0	0	0	0
Adolescent Pregnancy Prevention	0	0	0	0	0	0	0	0	0	0
Dental Program	2	0	2	0	2	3	4	4	5	2
Bioterrorism	1	0	1	0	0	0	0	0	0	0
Access East Grant	0	0	0	0	0	0	0	0	0	0
County Wellness	0	0	0	0	1	0	1	2	0	2
Health and Wellness Grant	2	1	2	2	2	2	2	0	2	0
Cap Fear Chronic Disease Grant	0	0	0	0	1	1	0	0	0	0
Community Health	0	0	0	1	1	1	1	0	0	0
Pregnancy Care Management	0	0	0	0	0	0	0	1	1	1
Maternal Care Coordination	0	0	0	0	0	0	1	0	0	0
Maternal Health	1	1	1	1	1	1	1	1	1	1
Family Planning	1	1	1	1	1	1	0	0	0	0
WIC	0	0	0	0	0	10	10	10	10	10
Child Health	2	2	2	2	2	2	2	2	2	2
Interpreter Grant	1	1	1	1	1	1	0	0	0	0
Social Services Administration	112	115	115	115	115	115	110	110	110	110
Social Services Security	0	0	0	2	1	1	0	0	0	0
Medicaid Transportation	0	1	0	0	0	0	0	0	0	0
Title IV-D Child Support	1	1	2	2	2	2	2	2	0	0
Social Services Building	2	2	2	2	2	1	1	1	1	1
County Aging	7	7	8	8	8	8	8	8	8	8
Aging In Home Aid Services	3	3	3	3	3	3	3	6	6	6
Adult Day Care/Adult Day Health	0	0	0	0	0	0	0	0	0	0
Senoir Center	1	1	1	1	1	1	0	0	0	0
Family Caregiver	1	1	1	1	1	1	1	1	1	1
Veteran's Service Officer	1	1	1	1	1	1	1	2	3	3
JCPC-Restitution/Teen Court	0	0	0	0	0	0	0	0	0	0
Nutrition Homebound Meals	1	1	1	1	1	1	1	1	1	1
Nutrition	6	6	6	6	5	5	5	5	5	5
Cultural and Recreational:										
Library	11	11	11	11	11	11	11	11	13	13
Parkes and Recreation	4	4	4	4	3	3	3	2	3	3
Events Center	2	0	2	0	0	3	3	3	3	2
Museum	1	1	1	1	1	1	1	0	1	1
Water:										
Albertson Water	0	0	0	0	0	0	0	0	0	0
County Water	12	13	13	13	13	13	13	13	13	13
Transportation	12	10	14	14	14	23	20	15	19	16
Airport	3	3	2	3	3	3	3	3	3	3
Solid Waste:										
Solid Waste Collections	23	19	26	26	26	27	27	27	29	29
Solid Waste Disposal	3	3	3	3	3	3	4	4	5	5
Solid Waste Recycling	3	3	3	3	2	2	2	2	3	3
Totals	520	527	551	554	548	571	562	559	585	582

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

Function Program	2006	2007	2008	2009	2010
Airport:					
Gallons-Aviation Gas Sold (yearly)	36,740.23	28,731.67	21,456.23	9,235.79	28,183.24
Gallons-Jet Fuel Sold (yearly)	128,449.81	80,128.76	105,303.58	89,930.33	97,545.11
EMS:					
Transports	4077	4480	4724	4800	5274
Environmental Health:					
Well Permits Issued	N/A	N/A	N/A	65	27
Food & Lodging Inspections	N/A	N/A	N/A	348	218
On Site Evaluations	N/A	N/A	N/A	222	109
Other Permits/Inspections	N/A	N/A	N/A	506	246
Inspections:					
Building Inspections	4432	6599	2529	4818	4311
Mobife/Modular Homes	412	484	155	341	279
New Dwellings (Residential)	94	127	36	69	67
Multi-Family Dwellings	1	3	0	1	0
Commercial	55	23	19	30	32
Other Inspections	1924	2733	1099	2240	2306
Health Department:					
Primary Care Physicals	N/A	N/A	N/A	207	122
Primary Care Treatments	N/A	N/A	N/A	2445	1335
Family Planning Physicals	N/A	N/A	N/A	510	325
Maternal Health Patients	N/A	N/A	N/A	1017	656
Maternal Health Patients (non-english speaking)	N/A	N/A	N/A	795	513
Maternal Health Visits	N/A	N/A	N/A	1273	875
Child Health Physicals	N/A	N/A	N/A	399	451
Medications Dispensed	N/A	N/A	N/A	2175	1340
Immunizations Provided	N/A	N/A	N/A	2204	2986
Dental Services Provided	N/A	N/A	N/A	N/A	N/A
WIC number seen	N/A	N/A	N/A	N/A	N/A
TB Cases/Suspects	N/A	N/A	N/A	25	12
TB Skin Test	N/A	N/A	N/A	624	412
STD/CD	N/A	N/A	N/A	166	88
HIV/AIDS	N/A	N/A	N/A	19	14

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

Function Program	2011	2012	2013	2014	2015
Airport:					
Gallons-Aviation Gas Sold (yearly)	27,568.94	39,071.59	26,674.61	21,962.31	19,206.19
Gallons-Jet Fuel Sold (yearly)	73,272.04	67,319.76	63,208.59	63,134.42	83,071.13
EMS:					
Transports	5510	5702	6097	9056	6875
Environmental Health:					
Well Permits Issued	31	N/A	44	83	37
Food & Lodging Inspections	202	N/A	146	731	472
On Site Evaluations	70	N/A	117	316	210
Other Permits/Inspections	203	N/A	407	423	740
Inspections:					
Building Inspections	6618	7589	7019	6511	6624
Mobile/Modular Homes	231	303	269	232	248
New Dwellings (Residential)	59	42	64	43	42
Multi-Family Dwellings	0	15	27	24	13
Commercial	33	N/A	N/A	N/A	N/A
Other Inspections	2203	2565	2526	N/A	N/A
Health Department:					
Primary Care Physicals	71	N/A	95	474	6702
Primary Care Treatments	1021	N/A	1279	5212	8299
Family Planning Physicals	184	N/A	255	686	1703
Maternal Health Patients	382	N/A	679	313	1189
Maternal Health Patients (non-english speaking)	281	N/A	479	219	0
Maternal Health Visits	486	N/A	700	1733	2166
Child Health Physicals	293	N/A	408	1035	1050
Medications Dispensed	1046	N/A	1262	2999	421
Immunizations Provided	1310	N/A	1965	3117	3211
Dental Services Provided	339	N/A	599	1258	572
WIC number seen	927	N/A	3913	20346	7987
TB Cases/Suspects	15	N/A	6	7	312
TB Skin Test	324	N/A	267	342	83
STD/CD	76	N/A	107	661	842
HIV/AIDS	2	N/A	10	N/A	0

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

Function Program	2006	2007	2008	2009	2010
(Continued)					
Register of Deeds:					
Marriage License Issued	326	376	343	310	331
Death Certificates Issued	2527	2654	2936	2379	2418
Birth Certificates Issued	1483	1549	2208	1823	2245
Sheriff:					
Number of Vehicles	80	72	65	72	71
Number of Officers/Jailers	69	71	78	82	80
Civil papers processed	N/A	6880	6621	6394	6497
Social Services:					
Child Support Collections	\$5,362,413	\$5,524,976	\$5,774,649	\$5,954,184	\$6,078,335
Solid Waste:					
MSW	16,569.64	18,892.43	17,317.30	20,740.14	21,401.27
C & D	4,696.93	3,093.92	2,770.54	2,684.83	2,355.02
Tires	690.71	782.54	780.65	816.07	766.17
Oil	9,983.00	12,760.00	6,866.00	11,143.00	6,582.00
Mixed Recycle	82.50	121.01	75.99	99.14	114.14
Glass	127.74	127.11	119.89	133.32	144.61
Cardboard	1,236.17	1,368.90	749.71	655.02	468.35
Plastics	77.30	66.23	62.93	72.37	165.53
Mixed Paper	249.83	264.97	207.14	220.29	222.88
Cans	34.14	33.31	27.65	34.22	35.96
Water:					
Residential Customers	5,568	5,933	6,051	6,167	6,279
Commerical Customers	90	97	104	103	100
Production	429,766,000	379,098,000	438,808,000	518,408,000	520,255,000
Residential Consumption	318,599,000	284,956,000	331,190,000	343,252,000	339,377,000
Commerical Consumption	100,827,000	99,726,000	150,314,000	139,930,000	150,791,000

Sources: Various County Departments
 N/A - Not Available

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

Function Program	2011	2012	2013	2014	2015
(Continued)					
Register of Deeds:					
Marriage License Issued	356	298	336	322	324
Death Certificates Issued	2404	2560	2306	2349	2200
Birth Certificates Issued	1980	2304	2183	2220	2097
Sheriff:					
Number of Vehicles	76	73	73	83	95
Number of Officers/Jailers	80	75	83	92	96
Civil papers processed	6525	6332	6137	6220	5795
Social Services:					
Child Support Collections	\$6,122,099	\$6,005,674	\$5,913,960	\$5,310,732	\$5,952,202
Solid Waste:					
MSW	22,234.40	22,828.02	21,256.50	20,774.99	24,114.38
C & D	1,751.70	2,087.54	1,787.94	1,927.24	1,950.82
Tires	738.58	595.00	579.23	613.27	746.50
Oil	9,088.00	10,489.00	8,531.00	16,913.00	6,046.00
Mixed Recycle	112.82	107.68	112.47	115.50	100.43
Glass	137.50	161.14	140.98	150.40	121.73
Cardboard	441.72	474.23	254.26	227.94	339.86
Plastics	87.89	73.04	60.95	55.52	51.57
Mixed Paper	202.70	184.85	174.97	173.11	157.12
Cans	34.48	29.06	26.14	25.50	22.56
Water:					
Residential Customers	6,363	6,460	6,541	6,667	6,850
Commerical Customers	110	115	115	115	113
Production	526,945,000	541,992,000	551,092,000	555,715,000	585,100,000
Residential Consumption	341,565,000	334,186,000	333,657,000	342,482,000	344,629,000
Commerical Consumption	141,698,000	160,345,000	162,608,000	162,068,000	171,031,000

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

Table 15

Function/Program	2006	2007	2008	2009	2010
General Government:					
Number of Buildings	9	9	9	9	9
Value of Buildings/contents	\$ 4,731,062	\$ 4,893,242	\$ 4,971,045	\$ 5,021,833	\$ 5,024,773
Public Safety:					
Number of patrol vehicles	79	69	61	69	68
Volunteer Fire Depts	24	24	24	24	24
Number of EMS stations	8	8	8	8	8
Number of ambulances	13	14	15	13	13
Number of jail beds	98	98	98	98	98
Cultural & Recreational:					
Number of Parks	1	1	1	1	1
Number of libraries	6	6	6	6	6
Enterprise Funds:					
Solid Waste convenience sites	15	15	15	15	15
Number of Water Tanks	9	9	12	12	12
Number of Water pumping sites	13	13	15	15	15
Number of Transportation vehicles	19	16	14	15	14

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

Function/Program	2011	2012	2013	2014	2015
General Government:					
Number of Buildings	9	9	9	9	9
Value of Buildings/contents	\$ 4,489,371	\$ 4,440,551	\$ 4,444,953	\$ 6,278,468	\$ 8,905,194
Public Safety:					
Number of patrol vehicles	73	69	69	74	77
Volunteer Fire Depts	24	24	24	24	24
Number of EMS stations	8	8	8	8	8
Number of ambulances	13	13	13	14	14
Number of jail beds	98	98	98	98	98
Cultural & Recreational:					
Number of Parks	1	1	1	1	1
Number of libraries	6	6	6	6	6
Enterprise Funds:					
Solid Waste convenience sites	15	15	15	15	15
Number of Water Tanks	12	12	12	12	12
Number of Water pumping sites	15	15	15	15	15
Number of Transportation vehicles	15	14	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, 2015, and the related notes to the financial statements, which collectively comprise the County's basic financial statements and have issued our report thereon dated December 17, 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 Duplin 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.

Cox, Riggs & Ingram, L.L.C.

La Grange, North Carolina
December 17, 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, 2015. 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, 2015.

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 2015-1. 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.

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. *A significant deficiency in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be significant deficiencies or material weaknesses and therefore, material weaknesses or significant deficiencies may exist that were not identified. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, we identified certain deficiencies in internal control over compliance, as described in the accompanying schedule of findings and questioned costs as items 2015-1 that we consider to be significant deficiencies.

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
December 17, 2015



**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 *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, 2015. 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, 2015.

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.

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 state program will not be prevented, or detected and corrected, on a timely basis. A significant deficiency in internal control over compliance with a type of compliance requirement of a state program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of OMB Circular A-133. Accordingly, this report is not suitable for any other purpose.

Carly Riggs & Ingram, LLC

La Grange, North Carolina
December 17, 2015

Duplin County, North Carolina
 Schedule of Findings and Questioned Costs
 For the Year Ended June 30, 2015

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 major federal programs:

- Material weaknesses identified? Yes X No
- Significant deficiencies identified that are not considered to be material weaknesses? X Yes 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:

CFDA Number	Name of Federal Program or Cluster
93.778	Medical Assistance
93.575	Subsidized Child Care Cluster
93.596	
93.558	
93.667	
93.658	Foster Care and Adoption Cluster
93.659	
93.767	State Children's Insurance Program

Duplin County, North Carolina
 Schedule of Findings and Questioned Costs
 For the Year Ended June 30, 2015

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

Dollar threshold used to distinguish between Type A and Type B programs: \$ 1,959,102

Auditee qualified as a low-risk auditee? Yes X No

State Awards

Internal control over major state programs:

- Material weaknesses identified? Yes X 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? Yes X 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, 2015

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: Medical Assistance
CFDA Numbers: 93.778

Finding: 2015-1

**Significant Deficiency
Immaterial to Noncompliance**

Criteria: When clients do not come in or return information in a proper time frame, the case should be closed.

Condition: One case was properly closed for failure to cooperate. When client came back in, case was reopened for a year instead of remainder of application period.

Question Costs: Amount was unavailable at audit report date.

Context: Sixty case files were examined and one was improperly reopened for incorrect period.

Effect: Individual received benefits when they were ineligible to receive.

Cause: Human error.

Recommendation: Reriew case files periodically.

Views of Responsible Official and Planned Corrective Action: The County agrees with this finding. Case was corrected in July 2015 with reapplication process.

Section IV - State Award Findings and Questioned Costs

None reported.

Section II - Financial Statement Findings

None reported.

Section III- Federal Award Findings and Questioned Costs

Finding: 2015-1

Name of contact person: Priscilla Bryant, Income Maintenance Administrator II

Corrective action: The case was corrected in July 2015 with reapplication process.

Proposed Completion Date: July 2015

Section IV - State Award Findings and Questioned Costs

None reported.

Duplin County, North Carolina
Summary Schedule of Prior Year Audit Findings
For the Year Ended June 30, 2015

Section II - Financial Statement Findings

None reported.

Section III - Federal Award Findings and Questioned Costs

Finding: 2014-1 - Corrected

Section IV - State Award Findings and Questioned Costs

Finding: 2014-2 - Corrected

Duplin County, North Carolina
 Schedule of Expenditures of Federal and State Awards
 For the Year Ended June 30, 2015
 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		\$ 562,266	\$ -	\$ 562,266
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		467,786	-	-
Direct Benefit Payments:					
Special Supplemental Nutrition Program for Women, Infants, and Children					
	10.557		1,599,309		
Total U.S. Department of Agriculture			2,629,361	-	562,266
<u>U.S. Institute of Museum and Library Services:</u>					
Passed through the NC Department of Cultural Resources:					
LSTA Planning Grant					
	45.310		11,482	-	-
<u>U.S. Environmental Protection Agency:</u>					
Passed through the NC Department of Environment and Natural Resources:					
Drinking Water State Revolving Funds					
	66.468		410,949	119,116	-

Duplin County, North Carolina
 Schedule of Expenditures of Federal and State Awards
 For the Year Ended June 30, 2015

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 Housing and Urban Development:</u>					
Passed through NC Department of Commerce:					
Community Development Block Grant	14.228	11-C-2292	\$ 42,515	\$ -	\$ -
Community Development Block Grant	14.228	12-C-2414	7,061	-	-
Community Development Block Grant	14.228	12-C-2494	9,764	-	-
Total U.S. Department of Housing and Urban Development			59,340	-	-
<u>U.S. Department of Homeland Security:</u>					
Passed through NC Department of Public Safety:					
Homeland Security Grant Program	97.067	2014-SS-00067-S01	519	-	-
Homeland Security Grant Program	97.067	T2-2015-31	1,104	-	-
Emergency Management Performance Grants	97.042	2014-37061	38,220	-	-
Total U.S. Department of Homeland Security			39,843	-	-
<u>U.S. Department of Transportation:</u>					
Passed through the NC Department of Transportation:					
Formula Grants For Rural Areas	20.509		177,422	11,088	-
Capital Assistance Program for Elderly Persons with Disabilities	20.513		27,599	-	-
Airport Improvement Program	20.106		106,526	-	-
Total U.S. Department of Transportation			311,547	11,088	-

Duplin County, North Carolina
 Schedule of Expenditures of Federal and State Awards
 For the Year Ended June 30, 2015

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:</u>					
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		\$ 60,426	\$ 3,554	\$ 7,110
Special Programs for the Aging - Title III C Nutrition Services	93.045		190,901	11,230	22,458
Nutrition Services Incentive Program	93.053		41,503	-	-
HCCBG - State	N/A		-	185,421	20,613
Total Aging Cluster			292,830	200,205	50,181
Social Service Block Grant (SSBG) - In Home Services	93.667		24,068	688	2,750
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		69,696	-	-
Passed through the NC Department of Health and Human Services					
Division of Social Services:					
Administration for Children and Families:					
Family Preservation	93.556		1,868	-	-
Temporary Assistance for Needy Families (TANF)/Work First	93.558		901,864	-	259,368
Temporary Assistance for Needy Families	93.558		7,349	-	-
TANF/Work First - Direct Benefit Payments	93.558		342,846	-	2,326
AFDC Payments - Direct Benefit Payments	93.560		(141)	(39)	(39)
Child Support Enforcement	93.563		456,040	-	234,930

Duplin County, North Carolina
 Schedule of Expenditures of Federal and State Awards
 For the Year Ended June 30, 2015

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		\$ 235,177	\$ -	\$ -
Administration	93.568		44,818	-	-
Energy Assistance Payments	93.568		338,067	-	-
Permanency Planning - Families for Kids	93.645		15,734	-	5,245
<u>Foster Care and Adoption Cluster:</u>					
Title IV-E CPS	93.658		86,820	85,947	58,551
Title IV-E Foster Care	93.658		71,962	-	71,962
Title IV-E Adoption	93.659		463	-	463
Foster Care	N/A		34,904	-	-
Adoption Assistance - Direct Benefit Payments	93.658		44,131	12,564	12,563
Foster Care - Direct Benefit Payments	93.659		162,559	42,144	42,144
Total Foster Care and Adoption Cluster			400,839	140,655	185,683
Adult Protective Services	93.667		20,332	-	6,777
Social Services Block Grant (SSBG)	93.667		215,331	23,518	79,616

Duplin County, North Carolina
 Schedule of Expenditures of Federal and State Awards
 For the Year Ended June 30, 2015

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		\$ 108,609	\$ -	\$ -
Division of Child Development:					
Child Care and Development Fund - Discretionary	93.575		1,211,529	-	-
Child Care and Development Fund - Mandatory	93.596		442,644	-	-
Child Care and Development Fund - Match	93.596		134,885	1,135	-
Total Child Care Cluster			1,897,667	1,135	-
Temporary Assistance for Needy Families	93.558		340,790	-	-
Foster Care Title IV-E	93.658		26,842	13,902	-
State Appropriations	N/A		-	462,757	-
TANF-MOE	N/A		-	11,136	-
Total Subsidized Child Care Cluster			2,265,299	488,930	-
Passed through the NC Department of Health and Human Services					
Division of Medical Assistance:					
Medical Assistance Program - Direct Benefit Payments	93.778		53,433,096	29,471,405	(25,023)
State Children's Insurance Program - Direct Benefit Payments	93.767		806,794	256,566	-
Passed through the NC Department of Health and Human Services					
Division of Social Services:					
Links	93.674		1,541	385	-
Medical Assistance Program Administration	93.778		1,725,592	7,412	661,911
State Children's Insurance Program - NC Health Choice	93.767		40,483	2,662	10,048

Duplin County, North Carolina
 Schedule of Expenditures of Federal and State Awards
 For the Year Ended June 30, 2015

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:					
Emergency Preparedness (PHEP) Aligned Cooperative Agreement Project Grants and Cooperative Agreements for Tuberculosis Control Programs	93.074		\$ 36,648	\$ -	\$ -
Immunization Grants	93.116		30,615	-	-
Preventive Health & Human Services Block Grant funded solely with Prevention & Public Health Funds (PPHF)	93.268		15,688	-	-
Preventive Health Services - Sexually Transmitted Diseases Control Grants	93.758		20,018	-	-
Statewide Health Promotion Program	93.977		192	-	-
	93.991		528	-	-
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		97,672	73,262	-
Total U.S. Department of Health and Human Services			61,840,884	30,665,649	1,473,773

Duplin County, North Carolina
 Schedule of Expenditures of Federal and State Awards
 For the Year Ended June 30, 2015

Grantor/Passthrough Grantor/Program Title	Federal CFDA Number	State/ Passthrough Grantor's Number	Federal (Direct & Passthrough) Expenditures	State Expenditures	Local Expenditures
State Awards:					
<u>NC Department of Health and Human Services:</u>					
Division of Social Services:					
County Funded Programs			\$ -	\$ -	\$ 307,542
Energy Assistance Private GRA			-	5,576	-
Non-Allocating County COS			-	-	45,397
AFDC Incentive/Program Integrity			-	1,973	-
Child Welfare/CPS/CS LD			-	51,697	-
Direct Benefit Payments:					
Child Welfare Services Adoption Subsidy			-	72,602	10,257
State/County Special Assistance Domiciliary Care			-	474,262	474,262
SFHF Maximization			-	14,050	14,050
State Foster Home			-	32,457	32,457
Other local expenditures			-	-	3,806,687
Total Division of Social Services			-	652,617	4,690,652
Division of Public Health:					
Food and Lodging Fees			-	10,059	-
HMHC - Family Planning			-	3,151	-
General Aid to Counties			-	80,554	-
General Communicable Disease Control			-	4,440	-
Risk Reduction/Health Promotion			-	6,285	-
Maternal Health (HMHC)			-	12,751	-
Women's Health Service Fund			-	8,661	-
Tuberculosis			-	31,604	-
Child Health			-	1,998	-
Total Division of Public Health			-	159,503	-
Total NC Department of Health and Human Services			-	812,120	4,690,652

Duplin County, North Carolina
 Schedule of Expenditures of Federal and State Awards
 For the Year Ended June 30, 2015

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 Transportation:</u>					
Rural Operating Assistance Program - Work First		DOT-16CL	\$ -	\$ 68,690	\$ -
Rural Operating Assistance Program - Rural General Public		DOT-16CL	-	16,820	-
Total NC Department of Transportation			-	85,510	-
<u>NC Department of Environmental and Natural Resources:</u>					
Division of Waste Management:					
Scrap Tire Fund			-	49,388	-
<u>NC Department of Public Safety:</u>					
Office of Juvenile Justice:					
4-H Outreach			-	46,744	-
Parenting			-	38,543	-
Administration			-	1,103	-
Juvenile Court			-	6,000	-
Gang Awareness			-	9,754	-
Restitution/Teen Court			-	67,006	-
Total NC Department of Public Safety			-	169,150	-
<u>NC Department of Public Instruction:</u>					
Public School Building Capital Fund			-	702,310	-
<u>NC Department of Commerce:</u>					
Rural Center Grants		G40431004115MUS	-	58,000	-
<u>NC Department of Cultural Resources:</u>					
Aid to Public Libraries			-	120,229	-
Total Awards			\$ 65,303,406	\$ 32,792,560	\$ 6,726,691

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, 2015:

Description	Balance Outstanding
USDA Loan for Duplin Commons Facility	\$ 10,012,316
ARRA – Drinking Water Revolving Loan for Water District D	347,548
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	Duplin County Board of Education	\$ 702,310

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