

# Comprehensive Annual Financial Report

For the Year Ended June 30, 2016

## Duplin County



## North Carolina

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# INTRODUCTORY SECTION



December 27, 2016

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, 2016.

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, 2016. 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 17<sup>th</sup> in the state and 26<sup>th</sup> in the nation for tobacco production and ranked 4<sup>th</sup> in the state for corn for grain production. The County also is a huge producer of livestock, poultry and their by-products – ranking 1<sup>st</sup> in the state and 11<sup>th</sup> in the nation for market value of livestock, poultry and by-products and also 1<sup>st</sup> 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 2016 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 2016 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 2016, the County received a long-term bond rating of "A+" 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

Doug Grady	District I
Dexter Edwards	District II
Kennedy Thompson	District III
Jesse Dowe	District IV
Jessie H. Ladson	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, 2016, 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, 2016, 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 75-79 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.

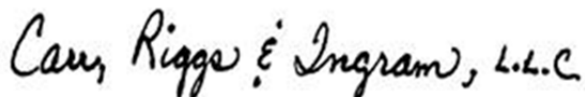
### *Supplementary Other Information*

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 *Title 2 U.S. Code of Federal Regulations (CFR) Part 200*, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining and individual fund financial statements, budgetary schedules, other schedules, and the Schedule of Expenditures of Federal and State Awards are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. 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 27, 2016, 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.



La Grange, North Carolina  
December 27, 2016

## 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, 2016. 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.

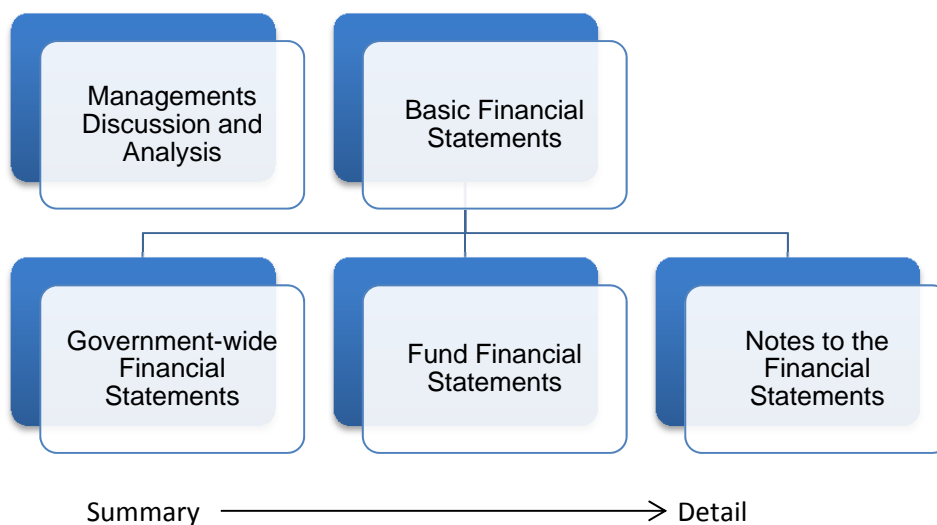
### Financial Highlights

- 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 \$79,493,627 (*net position*).
- The government's total net position decreased by \$1,816,609, primarily due to expenditures for the construction of County school system improvements.
- As of the close of the current fiscal year, Duplin County's governmental funds reported combined ending fund balances of \$83,263,643, after a net increase in fund balance of \$59,551,098. Approximately 86.4 percent of this total amount, or \$71,940,344, is either nonspendable, restricted, committed, or assigned.
- At the end of the current fiscal year, unassigned fund balance for the General Fund was \$7,226,747, or 13.7 percent of total general fund expenditures for the fiscal year.
- Total long-term debt increased by \$59,553,618 during the year ended June 30, 2016.

### Overview of the Financial Statements

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

Required Components of Annual Financial Report  
Figure 1





## Basic Financial Statements

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

The next statements (Exhibits 3 through 9) are **Fund Financial Statements**. These statements focus on the activities of the individual parts of the County's government. These statements provide more detail than the government-wide statements. There are four parts to the Fund Financial Statements: 1) the governmental funds statements; 2) the budgetary comparison statements; 3) the proprietary fund statements; and 4) the fiduciary fund statements.

The next section of the basic financial statements is the **notes**. The notes to the financial statements explain in detail some of the data contained in those statements. After the notes, **supplemental information** is provided to show details about the County's non-major governmental funds, all of which are added together in one column on the basic financial statements. Budgetary information required by North Carolina General Statutes also can be found in this part of the statements.

### Government-wide Financial Statements

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

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

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

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

### Fund Financial Statements

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

**Governmental Funds** – Governmental funds are used to account for those functions reported as governmental activities in the government-wide financial statements. Most of the County's basic services are accounted for in governmental funds. These funds focus on how assets can readily be converted into cash flow in and out, and

what monies are left at year-end that will be available for spending in the next year. Governmental funds are reported using an accounting method called *modified accrual accounting* which provides a current financial resources focus. As a result, the governmental fund financial statements give the reader a detailed short-term view that helps him or her determine if there are more or less financial resources available to finance the County's programs. The relationship between governmental activities (reported in the Statement of Net Position and the Statement of Activities) and governmental funds is described in a reconciliation that is a part of the fund financial statements.

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

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

**Fiduciary Funds** – Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Duplin County has six fiduciary funds - County Agency Fund, the 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 39 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 through A-4 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 \$79,493,627 as of June 30, 2016. The County's net position decreased by \$1,816,609 for the fiscal year ended June 30, 2016. A significant portion \$48,074,205 (60.5%) 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 \$71,044,800 represents resources that are subject to external restrictions on how they may be used. The remaining balance of \$(39,625,378) is unrestricted.

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

	Governmental Activities		Business-type Activities		Total	
	2016	2015	2016	2015	2016	2015
<b>Assets</b>						
Current and other assets	\$ 96,468,316	\$ 39,220,944	\$ 12,085,734	\$ 11,361,215	\$ 108,554,050	\$ 50,582,159
Capital assets	21,483,813	21,745,638	54,840,199	56,370,705	76,324,012	78,116,343
Total assets	117,952,129	60,966,582	66,925,933	67,731,920	184,878,062	128,698,502
<b>Total deferred outflows of resources</b>	1,360,457	1,395,709	347,189	366,814	1,707,646	1,762,523
<b>Liabilities</b>						
Current and other liabilities	3,224,278	1,622,720	1,365,850	1,463,316	4,590,128	3,086,036
Long-term liabilities	82,819,830	21,771,726	18,941,120	19,566,558	101,760,950	41,338,284
Total liabilities	86,044,108	23,394,446	20,306,970	21,029,874	106,351,078	44,424,320
<b>Total deferred inflows of resources</b>	675,723	4,327,449	65,280	-	741,003	4,327,449
<b>Net Position</b>						
Net investment in capital assets	11,636,291	11,733,322	36,437,914	37,172,581	48,074,205	48,905,903
Restricted	69,340,867	10,597,209	1,703,933	21,313	71,044,800	10,618,522
Unrestricted	(48,384,403)	12,309,865	8,759,025	9,475,946	(39,625,378)	21,785,811
Total net position	\$ 32,592,755	\$ 34,640,396	\$ 46,900,872	\$ 46,669,840	\$ 79,493,627	\$ 81,310,236

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	
	2016	2015	2016	2015	2016	2015
<b>Revenues</b>						
Program revenues:						
Charges for services	\$ 7,342,433	\$ 7,221,324	\$ 7,589,751	\$ 7,238,238	\$ 14,932,184	\$ 14,459,562
Operating grants and contributions	13,236,891	12,636,041	414,531	568,871	13,651,422	13,204,912
Capital grants and contributions	218,971	789,856	296,978	909,055	515,949	1,698,911
General revenues:						
Property taxes	30,694,864	30,948,358	-	-	30,694,864	30,948,358
Other taxes	8,827,413	8,378,214	136,548	131,116	8,963,961	8,509,330
Other revenue	392,610	229,291	68,362	123,983	460,972	353,274
Total revenues	60,713,182	60,203,084	8,506,170	8,971,263	69,219,352	69,174,347
<b>Expenses</b>						
General government	6,005,791	5,901,684	-	-	6,005,791	5,901,684
Public safety	18,234,164	17,884,866	-	-	18,234,164	17,884,866
Economic and physical development	2,212,425	1,157,204	-	-	2,212,425	1,157,204
Human services	15,893,046	16,123,169	-	-	15,893,046	16,123,169
Cultural and recreational	1,247,747	1,316,387	-	-	1,247,747	1,316,387
Environmental protection	820,683	784,371	-	-	820,683	784,371
Non-departmental	348,401	283,606	-	-	348,401	283,606
Education	17,458,221	12,370,800	-	-	17,458,221	12,370,800
Interest on long-term debt	407,858	399,966	-	-	407,858	399,966
Airport	-	-	1,171,327	1,178,655	1,171,327	1,178,655
Water	-	-	3,287,578	3,364,680	3,287,578	3,364,680
Transportation	-	-	893,886	982,263	893,886	982,263
Solid waste	-	-	3,054,834	2,937,828	3,054,834	2,937,828
Total expenses	62,628,336	56,222,053	8,407,625	8,463,426	71,035,961	64,685,479
Change in net position before transfers and special items	(1,915,154)	3,981,031	98,545	507,837	(1,816,609)	4,488,868
Special items	-	-	-	-	-	-
Transfers	(132,487)	(115,773)	132,487	115,773	-	-
Change in net position	(2,047,641)	3,865,258	231,032	623,610	(1,816,609)	4,488,868
Net position, beginning	34,640,396	32,902,920	46,669,840	48,990,308	81,310,236	81,893,228
Restatement	-	(2,127,782)	-	(208,836)	-	(2,336,618)
Prior period adjustment	-	-	-	(2,735,242)	-	(2,735,242)
Net position, ending	\$ 32,592,755	\$ 34,640,396	\$ 46,900,872	\$ 46,669,840	\$ 79,493,627	\$ 81,310,236

The County's net position decreased by \$1,816,609 during the fiscal year ended June 30, 2016. The governmental activities net position experienced a decrease of 5.9%, while the business-type activities experienced a increase of .5%.

**Governmental Activities:** Key elements of this decrease are as follows:

- Increase in spending for school capital projects.

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

- Overall increase in fund revenues.

## 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 \$7,226,747, while total fund balance was \$17,992,730 (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 13.7 percent of total General Fund expenditures, while total fund balance represents 34.05 percent of that same amount.

At June 30, 2016, the governmental funds of Duplin County reported a combined fund balance of \$83,263,643.

Figure 4  
Governmental Funds – Total Fund Balance  
June 30, 2016

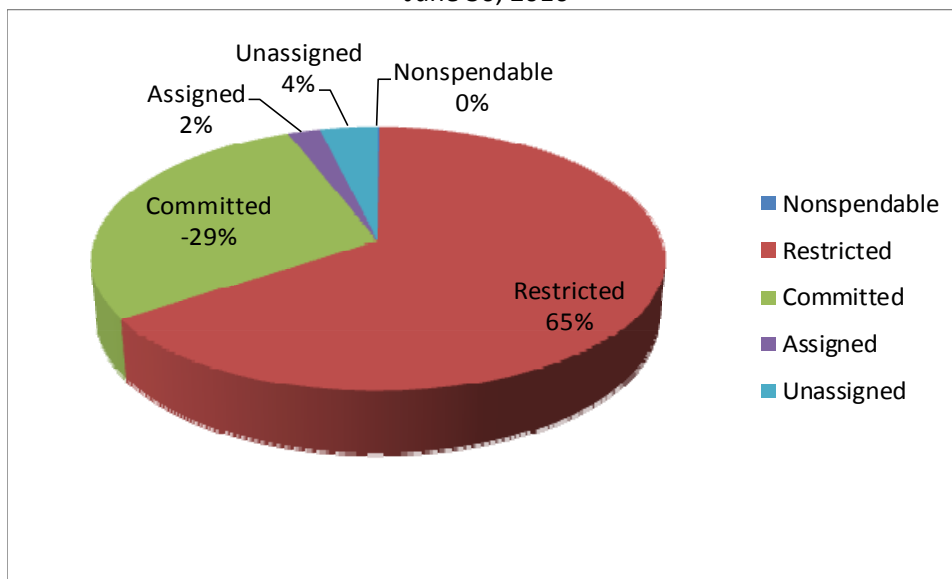


Figure 5  
Governmental Funds Revenue  
For the Years Ended June 30, 2016 and 2015

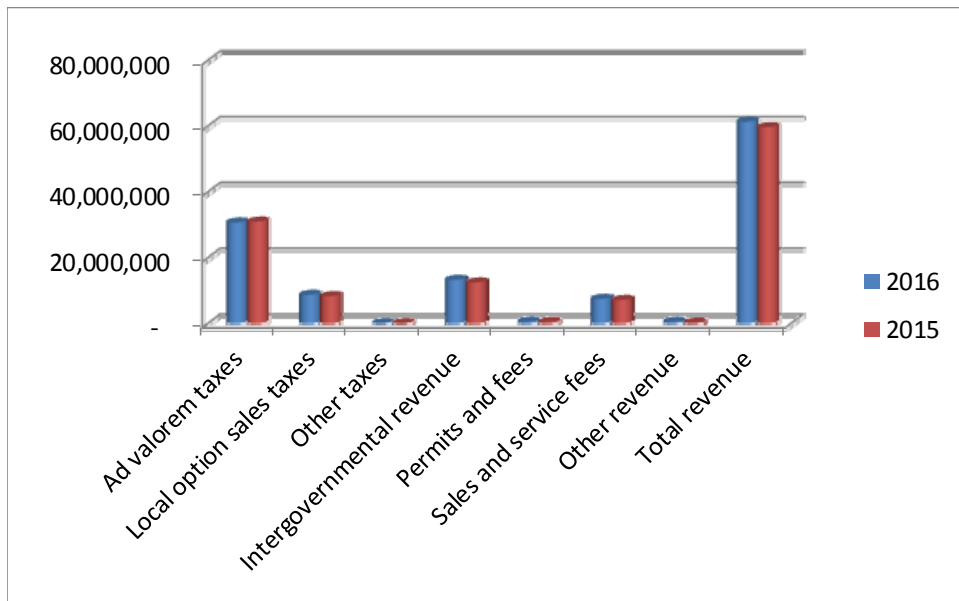
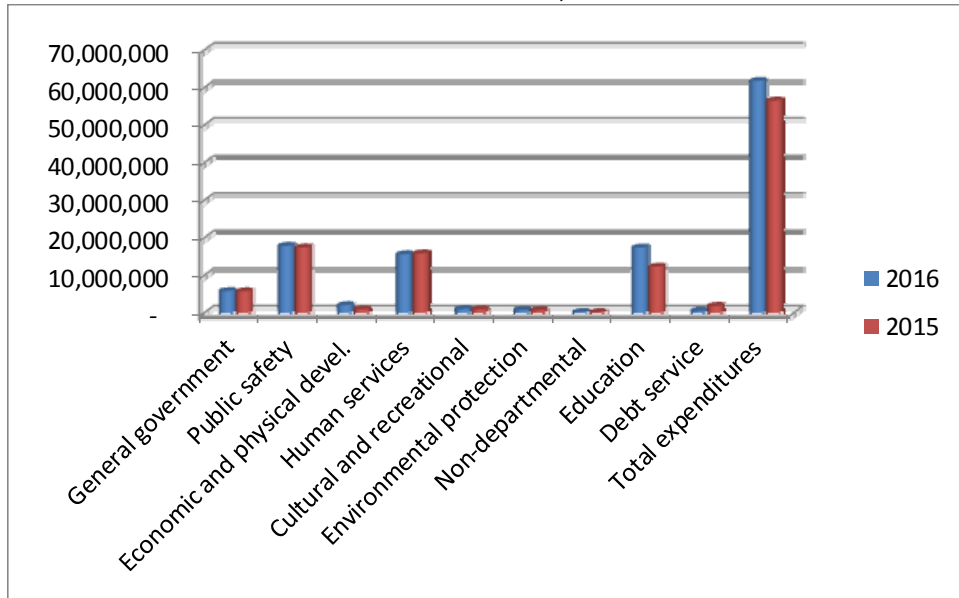


Figure 6  
Governmental Funds Expenditures  
For the Years Ended June 30, 2016 and 2015



**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 \$4.3 million. The largest increases were to intergovernmental revenues and sales and service revenues.

The actual operating revenues for the General Fund were slightly less than the revised budgeted amounts by \$580,353, most of which is attributed to intergovernmental 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 positive unrestricted net position. The Airport Commission Fund amounted to \$187,498, and the Water Fund equaled \$6,244,157. The non-major funds of the Solid Waste Fund and the Transportation Development Fund had a combined total of unrestricted net position of \$2,327,370. (Exhibit 6)

A total decrease in net position for the enterprise funds was reported by the Airport Commission Fund - \$(365,470) (Exhibit 7). The Water Fund had an increase in net position of \$178,864 and the non-major funds had a combined increase in net position totaling \$417,638. 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, 2016, totals \$76,324,012 (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:

- Purchase of vehicles and equipment for various departments.

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

	Governmental Activities		Business-type Activities		Total	
	2016	2015	2016	2015	2016	2015
Land	\$ 2,457,288	\$ 2,460,544	\$ 1,161,597	\$ 1,161,597	\$ 3,618,885	\$ 3,622,141
Construction in progress	-	-	-	5,276,638	-	5,276,638
Buildings	15,860,513	16,327,102	2,293,821	2,355,973	18,154,334	18,683,075
Water plants and distribution systems	-	-	43,015,992	38,932,905	43,015,992	38,932,905
Airport terminals and runways	-	-	7,336,102	7,595,797	7,336,102	7,595,797
Equipment	1,800,832	1,633,602	357,734	351,328	2,158,566	1,984,930
Vehicles	1,365,180	1,324,390	674,953	696,467	2,040,133	2,020,857
Total capital assets, net	\$ 21,483,813	\$ 21,745,638	\$ 54,840,199	\$ 56,370,705	\$ 76,324,012	\$ 78,116,343

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, 2016, Duplin County had total long-term debt outstanding of \$88,764,058.

	Governmental Activities		Business-type Activities		Total	
	2016	2015	2016	2015	2016	2015
Limited obligation bonds	\$ 60,514,251	\$ -	\$ 14,775,403	\$ 15,314,495	\$ 75,289,654	\$ 15,314,495
Notes payable	9,847,522	10,012,316	3,626,882	3,883,629	13,474,404	13,895,945
Certificates of participation	-	-	-	-	-	-
Total long-term debt	\$ 70,361,773	\$ 10,012,316	\$ 18,402,285	\$ 19,198,124	\$ 88,764,058	\$ 29,210,440

Duplin County's total debt has increased by \$59,553,618 during the past fiscal year. This increase is primarily due to financing for County school system improvements.

Duplin County maintains an AA- bond rating from Standard and Poor's Corporation and was assigned an A+ long-term rating on the 2016 Series Limited-Obligation Bonds that were issued for County school facility enhancements. 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 \$265,449,081.

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

### **Economic Factors and Next Year's Budgets and Rates**

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

- The unemployment rate for the county is 9.4% which is above the state average of 8.8%.
- The assessed value of real and personal property increased by \$46,835,205 or 1.1%.
- Our population of 60,084 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, 2017**

**Governmental Activities:** The County approved an original \$58.9 million general fund budget. This represents an increase over the original budget adopted for FY 2016 but a slight decrease over the final budget for FY 2016. The property rate for tax year FY 2017 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 2016-2017 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 15<sup>th</sup> of 3,079 U.S. counties in market value of Agricultural products sold.

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

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



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

Duplin County partnered with James Sprunt Community College to offer workforce development training in support of the local agricultural economy by establishing a Diesel Mechanics School in the county's industrial park near Warsaw. Construction of the facility was 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.

### **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**

Duplin County, North Carolina  
Statement of Net Position  
June 30, 2016  
Exhibit 1

	Primary Government			Component Unit
	Governmental	Business-type		Duplin County
	Activities	Activities	Total	Tourism
				Development
				Authority
<b>Assets</b>				
Current assets:				
Cash and cash equivalents	\$ 23,712,556	\$ 8,951,577	\$32,664,133	\$ 452,153
Receivables, net	13,120,790	1,390,333	14,511,123	22,382
Internal balances	2,829	(2,829)	-	-
Inventories	220,892	57,798	278,690	-
Restricted cash and cash equivalents	59,314,882	418,920	59,733,802	-
Total current assets	96,371,949	10,815,799	107,187,748	474,535
Noncurrent assets:				
Restricted cash and cash equivalents	-	1,269,935	1,269,935	-
Net pension asset	96,367	-	96,367	-
Capital assets:				
Land and construction in progress	2,457,288	1,161,597	3,618,885	-
Other capital assets, net of depreciation	19,026,525	53,678,602	72,705,127	-
Total capital assets	21,483,813	54,840,199	76,324,012	-
Total noncurrent assets	21,580,180	56,110,134	79,073,714	-
Total assets	117,952,129	66,925,933	186,261,462	474,535
<b>Deferred Outflows of Resources</b>	1,360,457	347,189	1,707,646	-
<b>Liabilities</b>				
Current liabilities:				
Accounts payable and accrued liabilities	1,277,218	192,757	1,469,975	2,871
Customer deposits	-	418,920	418,920	-
Notes payable - current	172,060	219,173	391,233	-
Limited obligation bonds - current	1,775,000	535,000	2,310,000	-
Total current liabilities	3,224,278	1,365,850	4,590,128	2,871
Long-term liabilities:				
Compensated absences	1,233,404	120,585	1,353,989	4,320
Other post-employment benefit	11,190,299	1,052,640	12,242,939	-
Net pension liability - LEO	621,430	-	621,430	-
Notes payable	68,414,713	17,648,112	86,062,825	-
Net pension liability - LGERS	1,359,984	119,783	1,479,767	-
Total long-term liabilities	82,819,830	18,941,120	101,760,950	4,320
Total liabilities	86,044,108	20,306,970	106,351,078	7,191
<b>Deferred Inflows of Resources</b>	675,723	65,280	741,003	-
<b>Net Position</b>				
Net investment in capital assets	11,636,291	36,437,914	48,074,205	-
Restricted	69,340,867	1,703,933	71,044,800	22,382
Unrestricted	(48,384,403)	8,759,025	(39,625,378)	444,962
Total net position	\$ 32,592,755	\$46,900,872	\$79,493,627	\$ 467,344

The accompanying notes are an integral part of this statement.

Duplin County, North Carolina  
Statement of Activities  
For the Year Ended June 30, 2016  
Exhibit 2

		Program Revenues			Net (Expense) Revenue and Changes in Net Position			Component Unit
Functions/Programs	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government		Duplin County	
					Governmental Activities	Business-type Activities	Tourism Development Authority	
Total								
<b>Primary Government</b>								
Governmental activities:								
General government	\$ 6,005,791	\$ 380,791	\$ 9,823	\$ -	\$ (5,615,177)	\$ -	\$ (5,615,177)	
Public safety	18,234,164	2,941,953	1,738,690	-	(13,553,521)	-	(13,553,521)	
Economic and physical development	2,212,425	2,563,454	242,222	218,971	812,222	-	812,222	
Human services	15,893,046	1,296,812	11,111,663	-	(3,484,571)	-	(3,484,571)	
Cultural and recreational	1,247,747	159,423	134,493	-	(953,831)	-	(953,831)	
Environmental protection	820,683	-	-	-	(820,683)	-	(820,683)	
Non-departmental	348,401	-	-	-	(348,401)	-	(348,401)	
Education	17,458,221	-	-	-	(17,458,221)	-	(17,458,221)	
Interest on long-term debt	407,858	-	-	-	(407,858)	-	(407,858)	
Total governmental activities	62,628,336	7,342,433	13,236,891	218,971	(41,830,041)	-	(41,830,041)	
Business-type activities:								
Airport	1,171,327	499,186	-	163,323	-	(508,818)	(508,818)	
Water and Sewer	3,287,578	3,298,641	-	133,655	-	144,718	144,718	
Transportation	893,886	739,667	414,531	-	-	260,312	260,312	
Solid waste	3,054,834	3,052,257	-	-	-	(2,577)	(2,577)	
Total business-type activities	8,407,625	7,589,751	414,531	296,978	-	(106,365)	(106,365)	
Total primary government	\$ 71,035,961	\$14,932,184	\$ 13,651,422	\$ 515,949	(41,830,041)	(106,365)	(41,936,406)	
Component unit:								
Tourism development authority	\$ 208,980	\$ 4,458	\$ -	\$ -				\$ (204,522)

General revenues:				
Property taxes, levied for general purposes	\$ 30,694,864	\$ -	\$ 30,694,864	\$ -
Local option sales taxes	8,721,257	-	8,721,257	-
Other taxes and licenses	106,156	136,548	242,704	253,751
Investment earnings, unrestricted	135,757	30,113	165,870	1,105
Miscellaneous, unrestricted	202,458	33,137	235,595	-
Gain on disposal of capital assets	54,395	5,112	59,507	-
Total general revenues excluding transfers & special items	39,914,887	204,910	40,119,797	254,856
Transfers	(132,487)	132,487	-	-
Total general revenues, special items, and transfers	39,782,400	337,397	40,119,797	254,856
Change in net position		(2,047,641)	231,032	(1,816,609)
Net position, beginning of year		34,640,396	46,669,840	81,310,236
Net position, end of year	\$ 32,592,755	\$ 46,900,872	\$ 79,493,627	\$ 467,344

The accompanying notes are an integral part of this statement.

Duplin County, North Carolina  
Balance Sheet  
Governmental Funds  
June 30, 2016  
Exhibit 3

	Major		Non-Major		Total
	General Fund	Capital Project Fund	Debt Service Fund	Other Governmental Funds	
<b>Assets</b>					
Cash and cash equivalents	\$15,362,352	\$ -	\$ 609,241	\$ 4,587,524	\$ 20,559,117
Restricted cash and cash equivalents	-	57,672,210	-	1,642,672	59,314,882
Receivables, net	10,912,384	-	-	2,208,056	13,120,440
Due from other funds	350	-	-	2,997	3,347
Inventories	220,892	-	-	-	220,892
<b>Total assets</b>	<b>\$26,495,978</b>	<b>\$57,672,210</b>	<b>\$ 609,241</b>	<b>\$ 8,441,249</b>	<b>\$ 93,218,678</b>
<b>Liabilities</b>					
Accounts payable and accrued liabilities	\$ 453,104	\$ -	\$ -	\$ 413,945	\$ 867,049
Due to other funds	7,336	-	-	602	7,938
<b>Total liabilities</b>	<b>460,440</b>	<b>-</b>	<b>-</b>	<b>414,547</b>	<b>874,987</b>
<b>Deferred Inflows of Resources</b>	<b>8,042,808</b>	<b>-</b>	<b>-</b>	<b>1,037,240</b>	<b>9,080,048</b>
<b>Fund Balances</b>					
Nonspendable - inventories	220,892	-	-	-	220,892
Restricted:					
Stabilization by state statute	3,994,052	-	-	765,828	4,759,880
Register of deeds	-	-	-	11,988	11,988
Federally seized assets	65,068	-	-	-	65,068
Grants and projects	107,977	-	-	-	107,977
Health	546,306	-	-	-	546,306
Sheriff	71,914	-	-	-	71,914
Daycare	167	-	-	-	167
Economic development	593,519	-	-	-	593,519
Inspections	50,509	-	-	-	50,509
Events Center	100,000	-	-	-	100,000
Schools	-	57,672,210	-	3,923,685	61,595,895
JSCC	-	-	-	211,679	211,679
E-911	-	-	-	395,042	395,042
Tax revaluation	-	-	-	830,923	830,923
Committed:					
Capital improvements	912,686	-	-	46,075	958,761
Debt service	-	-	609,241	-	609,241
Economic development	-	-	-	703,540	703,540
Various programs	-	-	-	107,043	107,043
Assigned:					
Subsequent year's expenditures	4,102,893	-	-	-	4,102,893
Unassigned	7,226,747	-	-	(6,341)	7,220,406
<b>Total fund balances</b>	<b>17,992,730</b>	<b>57,672,210</b>	<b>609,241</b>	<b>6,989,462</b>	<b>83,263,643</b>
<b>Total liabilities, deferred inflows of resource, and fund balances</b>	<b>\$26,495,978</b>	<b>\$57,672,210</b>	<b>\$ 609,241</b>	<b>\$ 8,441,249</b>	

The accompanying notes are an integral part of this statement.

Duplin County, North Carolina  
Balance Sheet  
Governmental Funds  
June 30, 2016  
Exhibit 3

Total  
Governmental  
Funds

Amounts reported for governmental activities in the Statement of Net Position (Exhibit 1) are different because:

Total fund balance - governmental funds	\$ 83,263,643
Net pension asset	96,367
Internal service fund activities to benefit governmental activities	3,055,694
Capital assets used in governmental activities are not financial resources and therefore are not reported in the fund statements.	21,483,813
Liabilities for deferred inflows of resources reported in the fund statements, but not the government-wide statements.	8,983,887
Contributions to pension plans in the current fiscal year are deferred outflows of resources on the Statement of Net Position	1,360,457
Pension related deferral	(579,562)
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.	(85,071,544)
<u>Net position of governmental activities</u>	<u>\$ 32,592,755</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, 2016  
Exhibit 4

	Major		Non-Major		
	General Fund	Capital Project Fund	Debt Service Fund	Other	Total
				Governmental Funds	
<b>Revenues</b>					
Ad valorem taxes	\$29,801,717	\$ -	\$ -	\$ 880,638	\$30,682,355
Local option sales taxes	6,879,495	-	-	1,841,762	8,721,257
Other taxes and licenses	106,156	-	-	-	106,156
Unrestricted intergovernmental	6,417,293	-	-	-	6,417,293
Restricted intergovernmental	4,493,990	160,942	-	2,164,666	6,819,598
Restricted grants	43,000	-	-	-	43,000
Permits and fees	564,286	-	-	-	564,286
Restricted revenue	74,630	-	-	-	74,630
Sales and services	7,463,901	-	-	-	7,463,901
Investment earnings	36,725	32,959	1,369	58,324	129,377
Contributions	48,271	-	-	53,070	101,341
Miscellaneous	83,552	-	-	114,817	198,369
<b>Total revenues</b>	<b>56,013,016</b>	<b>193,901</b>	<b>1,369</b>	<b>5,113,277</b>	<b>61,321,563</b>
<b>Expenditures</b>					
Current:					
General government	5,632,222	-	-	237,579	5,869,801
Public safety	16,927,501	-	-	999,134	17,926,635
Economic and physical development	761,718	-	-	1,361,302	2,123,020
Human services	15,680,629	-	-	-	15,680,629
Cultural and recreational	1,082,000	18,142	-	-	1,100,142
Environmental protection	647,415	160,058	-	-	807,473
Non-departmental	298,806	-	-	-	298,806
Intergovernmental:					
Education	11,803,324	2,875,884	-	2,779,013	17,458,221
Debt service:					
Principal retirement	-	-	164,794	-	164,794
Interest and fees	-	-	434,471	-	434,471
<b>Total expenditures</b>	<b>52,833,615</b>	<b>3,054,084</b>	<b>599,265</b>	<b>5,377,028</b>	<b>61,863,992</b>
Excess (deficiency) of revenues over expenditures	3,179,401	(2,860,183)	(597,896)	(263,751)	(542,429)
<b>Other financing sources (uses)</b>					
Proceeds from sale of capital assets	61,357	-	-	-	61,357
Proceeds from issuance of debt	-	60,514,251	-	-	60,514,251
Transfers from other funds	-	18,142	578,270	861,541	1,457,953
Transfers to other funds	(1,890,439)	-	-	-	(1,890,439)
<b>Total other financing sources (uses)</b>	<b>(1,829,082)</b>	<b>60,532,393</b>	<b>578,270</b>	<b>861,541</b>	<b>60,143,122</b>
 Net change in fund balances	 1,350,319	 57,672,210	 (19,626)	 597,790	 59,600,693
Fund balances, beginning of year	16,692,006	-	628,867	6,391,672	23,712,545
Decrease in inventory	(49,595)	-	-	-	(49,595)
<b>Fund balances, end of year</b>	<b>\$17,992,730</b>	<b>\$ 57,672,210</b>	<b>\$ 609,241</b>	<b>\$ 6,989,462</b>	<b>\$83,263,643</b>

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, 2016  
Exhibit 4

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

Net changes in fund balances - governmental funds	\$59,600,693
Change in fund balance due to change in reserve for inventory	(49,595)
Internal service fund activities to benefit governmental activities	253,096
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.	(261,825)
Revenues in the Statement of Activities that do not provide current financial resources are not reported as revenues in the funds.	(673,245)
Contributions to the pension plan in the current fiscal year are not included in the Statement of Activities	1,886,539
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.	(60,322,844)
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.	(2,480,460)
<u>Total changes in net position of governmental activities</u>	<u>\$ (2,047,641)</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, 2016  
Exhibit 5

	Original Budget	Final Budget	Actual	Variance With Final Positive (Negative)
<b>Revenues</b>				
Ad valorem taxes	\$ 29,453,168	\$ 29,453,168	\$ 29,801,717	\$ 348,549
Local option sales taxes	5,976,425	6,569,786	6,879,495	309,709
Other taxes and licenses	100,740	94,315	106,156	11,841
Unrestricted intergovernmental	7,604,693	6,895,260	6,417,293	(477,967)
Restricted intergovernmental	4,208,048	4,994,383	4,493,990	(500,393)
Restricted grants	-	43,000	43,000	-
Permits and fees	333,140	536,915	564,286	27,371
Restricted revenue	50,000	63,500	74,630	11,130
Sales and services	4,373,626	7,797,646	7,463,901	(333,745)
Investment earnings	-	24,968	34,703	9,735
Miscellaneous	155,104	118,406	131,823	13,417
Total revenues	52,254,944	56,591,347	56,010,994	(580,353)
<b>Expenditures</b>				
Current:				
General government	4,939,261	6,562,389	5,632,222	930,167
Public safety	16,150,369	18,221,521	16,927,501	1,294,020
Economic and physical development	1,305,370	1,477,292	761,718	715,574
Human services	16,631,830	18,173,060	15,680,629	2,492,431
Cultural and recreational	1,215,592	1,320,001	1,082,000	238,001
Environmental protection	664,602	922,125	647,415	274,710
Non-departmental	830,500	492,995	298,806	194,189
Intergovernmental:				
Education	12,484,920	11,949,579	11,803,324	146,255
Total expenditures	54,222,444	59,118,962	52,833,615	6,285,347
Revenues over (under) expenditures	(1,967,500)	(2,527,615)	3,177,379	5,704,994
<b>Other financing sources (uses)</b>				
Proceeds from sale of capital assets	-	53,486	61,357	7,871
Transfers to other funds	(592,629)	(1,969,258)	(1,872,298)	96,960
Total other financing uses	(592,629)	(1,915,772)	(1,810,941)	104,831
Appropriated fund balance	2,560,129	4,443,387	-	(4,443,387)
Net change in fund balance	<u>\$ -</u>	<u>\$ -</u>	1,366,438	<u>\$ 1,366,438</u>
Fund balance, beginning of year			15,763,201	
Increase in inventory			(49,595)	
Fund balance, end of year			<u>\$ 17,080,044</u>	

A legally budgeted Capital Reserve Fund is consolidated into the General Fund for reporting purposes:

Investment earnings	\$ 2,022
Transfers from other funds	24,620
Transfers to other funds	(42,761)
Fund balance, beginning of year	928,805
Fund balance, end of year (Exhibit 4)	<u>\$ 17,992,730</u>

The accompanying notes are an integral part of this statement.

Duplin County, North Carolina  
Statement of Fund Net Position  
Proprietary Funds  
June 30, 2016  
Exhibit 6

	Major		Nonmajor		
	Airport Commission Fund	Water Fund	Other Proprietary Funds	Total	Internal Service Fund
<b>Assets</b>					
Current assets:					
Cash and cash equivalents	\$ 155,291	6,419,216	\$ 2,377,070	\$ 8,951,577	\$ 3,153,439
Receivables, net	128,867	426,531	834,935	1,390,333	350
Inventories	22,432	35,366	-	57,798	-
Due from other funds	-	-	-	-	7,770
Restricted cash and cash equivalents	-	418,920	-	418,920	-
Total current assets	306,590	7,300,033	3,212,005	10,818,628	3,161,559
Noncurrent assets:					
Restricted cash and cash equivalents	-	197,525	1,072,410	1,269,935	-
Due from water districts - GO bonds					
Investment in water districts' refunding bonds					
Capital assets:					
Land and construction in progress	556,451	388,798	216,348	1,161,597	-
Other capital assets, net of depreciation	7,464,240	43,070,090	3,144,272	53,678,602	-
Total capital assets	8,020,691	43,458,888	3,360,620	54,840,199	-
Total noncurrent assets	8,020,691	43,656,413	4,433,030	56,110,134	-
Total assets	8,327,281	50,956,446	7,645,035	66,928,762	3,161,559
<b>Deferred Outflows of Resources</b>	8,803	265,088	73,298	347,189	-
<b>Liabilities</b>					
Current liabilities:					
Accounts payable and accrued liabilities	4,864	103,400	84,493	192,757	105,515
Customer deposits	-	418,920	-	418,920	-
Unearned revenue	-	-	-	-	-
Due to other funds	-	707	2,122	2,829	350
Notes payable - current	-	219,173	-	219,173	-
Due to the County-GO Bonds - current	-	535,000	-	535,000	-
Limited obligation bonds - current	-	-	-	-	-
Total current liabilities	4,864	1,277,200	86,615	1,368,679	105,865
Long-term liabilities:					
Compensated absences	10,355	42,947	67,283	120,585	-
Other post-employment benefit	83,728	280,235	688,677	1,052,640	-
Notes payable	-	3,407,709	-	3,407,709	-
Due to the County-GO Bonds	-	14,240,403	-	14,240,403	-
Net pension liability	8,860	37,455	73,468	119,783	-
Limited obligations bonds	-	-	-	-	-
Total long-term liabilities	102,943	18,008,749	829,428	18,941,120	-
Total liabilities	107,807	19,285,949	916,043	20,309,799	105,865
<b>Deferred Inflows of Resources</b>	5,010	18,380	41,890	65,280	-
<b>Net Position</b>					
Net investment in capital assets	8,020,691	25,056,603	3,360,620	36,437,914	-
Restricted	15,078	616,445	1,072,410	1,703,933	-
Unrestricted	187,498	6,244,157	2,327,370	8,759,025	3,055,694
Total net position	\$ 8,223,267	\$31,917,205	\$ 6,760,400	\$ 46,900,872	\$ 3,055,694

The accompanying notes are an integral part of this statement.

Duplin County, North Carolina  
Statement of Revenues, Expenses, and Changes in Fund Net Position  
Proprietary Funds  
June 30, 2016  
Exhibit 7

	Major		Nonmajor		
	Airport Commission Fund	Water Fund	Other Proprietary Funds	Total	Internal Service Fund
<b>Operating revenues</b>					
Water sales	\$ -	\$ 3,222,972	\$ -	\$ 3,222,972	\$ -
Administration fees	-	1,928	-	1,928	-
Sales and rentals	499,186	-	-	499,186	-
Miscellaneous	-	73,741	-	73,741	-
Charges for services	-	-	3,791,924	3,791,924	5,136,885
Total operating revenues	499,186	3,298,641	3,791,924	7,589,751	5,136,885
<b>Operating expenses</b>					
Operating expenses	1,171,327	2,661,333	3,948,720	7,781,380	5,194,258
Operating income (loss)	(672,141)	637,308	(156,796)	(191,629)	(57,373)
<b>Non-operating revenues (expenses)</b>					
Investment earnings	194	20,098	9,821	30,113	6,380
Federal grants	-	-	-	-	-
State grants	-	-	414,531	414,531	-
Disposal tax revenues	-	-	136,548	136,548	-
Interest expense	-	(626,245)	-	(626,245)	-
Gain (loss) on disposal of capital assets	-	1,504	3,608	5,112	-
Miscellaneous	10,667	12,544	9,926	33,137	4,089
Total non-operating revenue (expense)	10,861	(592,099)	574,434	(6,804)	10,469
Income (loss) before transfers and capital contributions	(661,280)	45,209	417,638	(198,433)	(46,904)
Transfers in (out)	132,487	-	-	132,487	300,000
Capital contributions	163,323	133,655	-	296,978	-
Change in net position	(365,470)	178,864	417,638	231,032	253,096
Net position, beginning of year	8,588,737	31,738,341	6,342,762	46,669,840	2,802,598
Restatement	-	-	-	-	-
Prior period adjustment	-	-	-	-	-
Net position, end of year	\$ 8,223,267	\$ 31,917,205	\$ 6,760,400	\$ 46,900,872	\$ 3,055,694

The accompanying notes are an integral part of this statement.

Duplin County, North Carolina  
Statement of Cash Flows  
Proprietary Funds  
June 30, 2016  
Exhibit 8

	Major		Nonmajor		
	Airport Commission Fund	Water Fund	Other Proprietary Funds	Total	Internal Service Fund
<b>Cash flows from operating activities</b>					
Cash received from customers	\$ 404,422	\$ 3,521,252	\$ 3,765,166	\$ 7,690,840	\$ 5,138,035
Cash paid for goods and services	(387,738)	(636,060)	(1,913,095)	(2,936,893)	(5,161,700)
Cash paid to employees for services	(202,607)	(525,598)	(1,763,511)	(2,491,716)	-
Net cash provided (used) by operating activities	(185,923)	2,359,594	88,560	2,262,231	(23,665)
<b>Cash flows from non-capital financing activities</b>					
Transfers in (out)	132,487	-	-	132,487	300,000
Miscellaneous	10,667	12,544	561,005	584,216	4,089
Net cash provided by non-capital financing activities	143,154	12,544	561,005	716,703	304,089
<b>Cash flows from capital and related financing activities</b>					
Capital contributions	163,323	133,655	-	296,978	-
Proceeds from sale of capital assets	-	1,504	18,058	19,562	-
Advances from (to) other funds, net	-	707	-	707	(6,170)
Acquisition and construction of capital assets	(246,766)	(154,899)	(132,898)	(534,563)	-
Proceeds from notes payable	-	-	-	-	-
Principal paid on bond maturities and notes payable	-	(776,747)	-	(776,747)	-
Interest paid on bond maturities and notes payable	-	(663,138)	-	(663,138)	-
Net cash provided (used) by capital and related financing activities	(83,443)	(1,458,918)	(114,840)	(1,657,201)	(6,170)
<b>Cash flows from investing activities</b>					
Interest on investments	\$ 194	\$ 20,098	\$ 9,821	\$ 30,113	\$ 6,380
Principal received on water district bonds	-	-	-	-	-
Net cash provided (used) by investing activities	194	20,098	9,821	30,113	6,380
Net increase (decrease) in cash and cash equivalents	(126,018)	933,318	544,546	1,351,846	280,634
Cash and cash equivalents, beginning of year	281,309	6,102,343	2,904,934	9,288,586	2,872,805
Cash and cash equivalents, end of year	\$ 155,291	\$ 7,035,661	\$ 3,449,480	\$ 10,640,432	\$ 3,153,439
<b>Reconciliation of operating income (loss) to net cash provided (used) by operating activities:</b>					
Operating income (loss)	\$ (672,141)	\$ 637,308	\$ (156,796)	\$ (191,629)	\$ (57,373)
Adjustments to reconcile operating income (loss) to net cash provided by operating activities:					
Depreciation	579,732	1,214,576	322,144	2,116,452	-
Pension expense	21,965	80,759	180,777	261,536	-
Changes in assets and liabilities:					
(Increase) decrease in accounts receivable	(94,764)	201,376	(27,558)	79,054	1,150
(Increase) decrease in deferred outflows of resources for pensions	(2,158)	197,584	53,813	249,239	-
(Increase) decrease in inventory	(5,738)	(9,428)	-	(15,166)	-
Increase (decrease) in accounts payable	2,419	55,510	11,123	69,052	32,557
Increase (decrease) in deferred inflows	(31,940)	(105,542)	(407,083)	(544,565)	-
Increase (decrease) in customer deposits	-	21,235	800.00	22,035.00	-
Increase (decrease) in net pension obligation	8,860	37,455	73,468	119,783	-
Increase (decrease) in OPEB obligation	6,970	25,567	57,267	89,804	-
Increase (decrease) in compensated absences	872	3,194	(19,395)	(15,329)	-
Total adjustments	486,218	1,722,286	245,356	2,431,895	33,707
Net cash provided (used) by operating activities	\$ (185,923)	\$ 2,359,594	\$ 88,560	\$ 2,240,266	\$ (23,666)

The accompanying notes are an integral part of this statement.

Duplin County, North Carolina  
Statement of Fiduciary Net Position  
Fiduciary Funds  
June 30, 2016  
Exhibit 9

Agency Funds	
<b>Assets</b>	
Cash and cash equivalents	\$ 165,257
Miscellaneous receivables	36,590
Total assets	<u>\$ 201,847</u>
<b>Liabilities</b>	
Miscellaneous liabilities	\$ 198,512
Due to other funds	3,335
Total liabilities	<u>\$ 201,847</u>

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 five-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 30<sup>th</sup> 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.

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**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.

*Capital Projects Fund -* This fund accounts for various capital projects undertaken by the County, including the capital improvement projects for the County school system.

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 Fund:* This fund is used to account for the operations of the County water districts.

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

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

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 2015-I-Project 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.

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 30<sup>th</sup>, 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,



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

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.

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.

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)*****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. The securities of the NCCMT Cash Portfolio, an SEC-registered (2a-7) external investment pool, is measured at amortized cost, which is the NCCMT's share price. The NCCMT Term Portfolio's securities are valued at fair value.

***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.

***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, 2016:

**Governmental Activities:**

Revaluation Fund - G.S. 153A-150	\$ 830,923
Capital Project Fund	57,672,210
School Planning Allocation Fund - Public School	
Building Capital Fund	811,749
<b>Total governmental activities</b>	<b>59,314,882</b>

**Business-type Activities:**

Customer Deposits:	
Water Fund	616,445
Solid Waste Fund	-
<b>Total restricted to customer deposits</b>	<b>616,445</b>
 Solid Waste Fund - environmental contingencies	 1,072,410
<b>Total business-type activities</b>	<b>\$ 1,688,855</b>

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)*****Ad Valorem Taxes Receivable***

In accordance with State law [G.S. 105-347 and G.S. 159-13(a)], the County levies ad valorem taxes on property other than motor vehicles on July 1<sup>st</sup>, the beginning of the fiscal year. The taxes are due on September 1<sup>st</sup> (lien date); however, penalties and interest do not accrue until the following January 6<sup>th</sup>. These taxes are based on the assessed values as of January 1, 2015.

***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.

***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:

	Useful Life
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..

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

***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.

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

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 Inspections – portion of fund balance that is restricted by revenue source for inspection expenditures.

Restricted for Event Center – portion of fund balance that is restricted by revenue source for event center expenditures.

Restricted for JSCC – portion of fund balance that can only be used for community college capital outlay 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.

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, 2016, the Fire District Fund had a deficit fund balance of \$1,378. 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 \$(50,670,888) consists of several elements as follows:

Description	Amount
Total fund balances - governmental funds	\$ 83,263,643
Internal service fund activities to benefit governmental activities	3,055,694
Capital assets used in governmental activities are not financial resources and are therefore not reported in the fund statements.	
Historical cost of capital assets	40,696,664
Accumulated depreciation	(19,212,851)
Capital assets, net	21,483,813
Net pension asset	96,367
Deferred inflows of resources reported in the fund statements but not the government-wide statements.	
Unavailable taxes receivable, net	1,535,830
Unavailable accounts receivable, net	7,448,057
Total	8,983,887
Contributions to pension plans in the current fiscal year are deferred outflows of resources on the Statement of Activities	1,360,457
Pension related deferrals	(579,562)
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.	
Limited obligation bonds	(60,514,251)
Compensated absences	(1,233,404)
Net pension liability	(1,359,981)
Other post-employment benefits	(11,190,299)
Law enforcement officers' special separation allowance	(621,430)
Notes payable	(9,847,522)
Accrued interest payable	(304,657)
Total	(85,071,544)
Total adjustment	(50,670,888)
Net position of governmental activities	\$ 32,592,755

**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 \$(61,648,334) is comprised of the following:

Description	Amount
Net change in fund balances - governmental funds	\$ 59,600,693
Internal service fund activities to benefit governmental activities	253,096
Cost of disposed capital asset not recorded in fund statements	(6,962)
Capital outlay expenditures recorded in the fund statements but capitalized as assets in the government-wide statements	1,264,361
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	(1,519,224)
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.	164,794
Decrease in inventory on hand	(49,595)
Contributions to the pension plan in the current fiscal year are not included in the Statement of Activities	1,886,539
Proceeds from issuance of debt	(60,514,251)
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	(56,453)
Other post-employment benefits	(980,035)
Law enforcement officers' special separation allowance	(83,991)
County portion of collective pension expense	(1,359,981)
Interest expense	26,613
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	12,509
Unavailable revenue related to public safety	(586,486)
Unavailable revenue related to economic and physical development	151,740
Unavailable revenue related to human services	(251,008)
Total adjustments	(61,648,334)
Change in net position of governmental activities	\$ (2,047,641)

**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, 2016 the carrying amount of the County's deposits was \$2,121,544 and the bank balance was \$2,788,745. Of the bank balance, \$250,000 was covered by federal depository insurance and \$2,538,745 was covered by collateral held under the Pooling Method.

At June 30, 2016 the County had \$10,014 cash on hand.

At June 30, 2016 the carrying amount of the Tourism Development Authority's deposits was \$5,000 and the bank balance was \$15,745. The entire bank balance was covered by federal depository insurance at June 30, 2016.

**NOTE 5 – INVESTMENTS**

At June 30, 2016, the County's investment balances consisted of \$91,701,569 held in the North Carolina Capital Management Cash Portfolio, which carried a credit rating of AAAM by Standard and Poor's. 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. The County has no policy regarding credit risk.

At June 30, 2016, the Tourism Development Authority's investments consisted of \$447,153 in the North Carolina Capital Management Trust's Cash Portfolio, which carried a credit rating of AAAM by Standard and Poor's. The Authority has no policy on credit risk.



## Notes to Financial Statements

**NOTE 6 – PROPERTY TAX – USE VALUE ASSESSMENT ON CERTAIN LANDS**

In accordance with the general statutes, agriculture, horticulture, and forestland may be taxed by the County at the present-use value as opposed to market value. When the property loses its eligibility for use-value taxation, the property tax is recomputed at market value for the current year and the three preceding fiscal years, along with the accrued interest from the original due date. This tax is immediately due and payable. The following are property taxes that could become due if present use-value eligibility is lost. These amounts have not been recorded in the financial statements.

Year Levied	Tax	Interest	Total
2015	\$ 3,579,194	\$ 205,805	\$ 3,784,999
2012-2014	10,466,213	78,498	10,544,711
Totals	\$ 14,045,407	\$ 284,303	\$14,329,710

**NOTE 7 – RECEIVABLES**

Receivables at the government-wide level at June 30, 2016, were as follows:

Governmental Activities:	Accounts	Taxes	Due from Other Governments	Other	Total
General	\$ 10,529,279	\$ 2,239,354	\$ 1,901,214	\$ -	\$ 14,669,847
Other funds	196,483	44,540	975,712	991,321	2,208,056
Totals	10,725,762	2,283,894	2,876,926	991,321	16,877,903
Allowance for doubtful accounts	(3,009,312)	(748,151)	-	-	(3,757,463)
Receivables, net	\$ 7,716,450	\$ 1,535,743	\$ 2,876,926	\$ 991,321	\$ 13,120,440

Business-type Activities:	Accounts	Taxes	Due from Other Governments	Other	Total
Airport	\$ 128,867	\$ -	\$ -	\$ -	\$ 128,867
County Water Fund	426,531	-	-	-	426,531
Solid Waste Fund	738,822	-	32,946	-	771,768
Transportation	63,167	-	-	-	63,167
Totals	1,357,387	-	32,946	-	1,390,333
Allowance for doubtful accounts	-	-	-	-	-
Receivables, net	\$ 1,357,387	\$ -	\$ 32,946	\$ -	\$ 1,390,333

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.

Due from other governments at June 30, 2016 consists of the following:

Description	Governmental Activities	Business-type Activities
Sales tax refunds	\$ 264,972	\$ -
Local option sales taxes	2,196,642	-
Video programming distribution	5,948	-
White goods disposal taxes	-	4,293
Scrap tire disposal taxes	-	20,385
Solid waste disposal taxes	-	8,268
Grants	409,364	-
Totals	\$ 2,876,926	\$ 32,946

## Notes to Financial Statements

**NOTE 8 – CAPITAL ASSETS**

Governmental capital asset activity for the year ended June 30, 2016, was as follows:

Governmental Activities	Beginning Balances	Increases	Decreases	Ending Balances
Capital assets not being depreciated:				
Land	\$ 2,460,544	\$ -	\$ (3,256)	\$ 2,457,288
Capital assets being depreciated:				
Buildings	25,718,434	108,015	-	25,826,449
Equipment	6,914,501	545,722	(68,846)	7,391,377
Vehicles	4,818,844	610,624	(407,918)	5,021,550
Total capital assets being depreciated	37,451,779	1,264,361	(476,764)	38,239,376
Less accumulated depreciation for:				
Buildings	9,391,332	574,604	-	9,965,936
Equipment	5,280,899	375,435	(65,789)	5,590,545
Vehicles	3,494,454	569,185	(407,269)	3,656,370
Total accumulated depreciation	18,166,685	1,519,224	(473,058)	19,212,851
Total capital assets being depreciated, net	19,285,094			19,026,525
Governmental activities capital assets, net	\$ 21,745,638			\$ 21,483,813

**Primary Government Depreciation Expense**

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

General government	\$ 104,668
Public safety	876,124
Economic and physical development	113,777
Human services	157,179
Cultural and recreational	260,921
Environmental protection	6,555
Total depreciation expense	\$ 1,519,224

## Notes to Financial Statements

**NOTE 8 – CAPITAL ASSETS (continued)**

Business-type capital asset activity for the year ended June 30, 2016, was as follows:

Water Activities	Beginning Balances	Increases	Decreases	Ending Balances
Capital assets not being depreciated:				
Land	\$ 388,798	\$ -	\$ -	\$ 388,798
Construction in progress	5,140,101	136,069	(5,276,170)	-
Total capital assets not being depreciated	5,528,899	136,069	(5,276,170)	388,798
Capital assets being depreciated:				
Plants and distribution systems	54,378,017	5,276,170	-	59,654,187
Equipment	132,649	-	-	132,649
Vehicles	176,808	18,831	(19,839)	175,800
Total capital assets being depreciated	54,687,474	5,295,001	(19,839)	59,962,636
Less accumulated depreciation for:				
Plants and distribution systems	15,445,112	1,193,083	-	16,638,195
Equipment	124,523	3,363	-	127,886
Vehicles	128,174	18,130	(19,839)	126,465
Total accumulated depreciation	15,697,809	1,214,576	(19,839)	16,892,546
Total capital assets being depreciated, net	38,989,665			43,070,090
Water activities capital assets, net	\$ 44,518,564			\$ 43,458,888

Transportation Activities	Beginning Balances	Increases	Decreases	Ending Balances
Capital assets being depreciated:				
Equipment	\$ 102,498	\$ -	\$ (84,994)	\$ 17,504
Vehicles	648,096	95,182	(88,114)	655,164
Total capital assets being depreciated	750,594	95,182	(173,108)	672,668
Less accumulated depreciation for:				
Equipment	79,405	9,672	(72,619)	16,458
Vehicles	316,526	101,579	(84,932)	333,173
Total accumulated depreciation	395,931	111,251	(157,551)	349,631
Transportation activities capital assets, net	\$ 354,663			\$ 323,037

## Notes to Financial Statements

**NOTE 8 – CAPITAL ASSETS (continued)**

Airport Activities	Beginning Balances	Increases	Decreases	Ending Balances
Capital assets not being depreciated:				
Land	\$ 556,451	\$ -	\$ -	\$ 556,451
Construction in progress	136,537	174,099	(310,636)	-
Total capital assets not being depreciated	692,988	174,099	(310,636)	556,451
Capital assets being depreciated:				
Terminal and runways	14,680,319	310,636	-	14,990,955
Equipment	461,447	72,667	(8,371)	525,743
Vehicles	29,787	-	-	29,787
Total capital assets being depreciated	15,171,553	383,303	(8,371)	15,546,485
Less accumulated depreciation for:				
Terminal and runways	7,084,522	570,331	-	7,654,853
Equipment	396,575	9,401	(8,371)	397,605
Vehicles	29,787	-	-	29,787
Total accumulated depreciation	7,510,884	579,732	(8,371)	8,082,245
Total capital assets being depreciated, net	7,660,669			7,464,240
Airport activities capital assets, net	\$ 8,353,657			\$ 8,020,691

Solid Waste Activities	Beginning Balances	Increases	Decreases	Ending Balances
Capital assets not being depreciated:				
Land	\$ 216,348	\$ -	\$ -	\$ 216,348
Capital assets being depreciated:				
Buildings	3,554,423	-	-	3,554,423
Equipment	1,111,184	25,176	(22,900)	1,113,460
Vehicles	1,444,307	78,373	-	1,522,680
Total capital assets being depreciated	6,109,914	103,549	(22,900)	6,190,563
Less accumulated depreciation for:				
Buildings	1,198,450	62,152	-	1,260,602
Equipment	854,841	57,732	(22,900)	889,673
Vehicles	1,128,045	91,008	-	1,219,053
Total accumulated depreciation	3,181,336	210,892	(22,900)	3,369,328
Total capital assets being depreciated, net	2,928,578			2,821,235
Solid Waste activities capital assets, net	\$ 3,144,926			\$ 3,037,583

## Notes to Financial Statements

**NOTE 9 – CONSTRUCTION COMMITMENTS**

The County has active construction projects at June 30, 2016. 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
Kenansville School Project	\$ 8,878,830	\$ 8,505,603
Warsaw School Project	10,795,205	10,483,652
Wallace School Project	12,729,241	12,729,241
Rose Hill - Magnolia School Project	13,689,620	13,351,044
BF Grady School Project	9,107,700	9,107,700
North Duplin School Project	1,508,282	1,495,424
School Construction Administration	5,038,282	3,694,803

**NOTE 10 - PAYABLES**

Payables at the government-wide level at June 30, 2016, were as follows:

Governmental Activities	Vendors	Salaries and Employee Benefits	Accrued Interest	Total
General	\$ 123,882	\$ 24,564	\$ 304,658	\$ 453,104
Other governmental funds	413,945	-	-	413,945
Total governmental activities	\$ 537,827	\$ 24,564	\$ 304,658	\$ 867,049

Business-type Activities	Vendors	Salaries and Employee Benefits	Accrued Interest	Total
Airport	\$ 4,864	\$ -	\$ -	\$ 4,864
County Water Fund	7,357	-	96,043	103,400
Solid Waste Fund	83,602	-	-	83,602
Transportation	891	-	-	891
Total business-type activities	\$ 96,714	\$ -	\$ 96,043	\$ 192,757

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

*Plan Description:* Duplin County contributes to the statewide Local Governmental Employees' Retirement System (LGERS), a cost-sharing multi-employer defined benefit pension plan administered by the State of North Carolina. LGERS 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

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

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](http://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.

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, 2016 was 7.15% of compensation for law enforcement officers and 6.8% 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 \$1,360,457 for the year ended June 30, 2016.

*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, 2016, the County reported a liability of \$1,479,764 for its proportionate share of the net pension asset. The net pension asset was measured as of June 30, 2015. The total pension liability used to calculate the net pension asset was determined by an actuarial valuation as of December 31, 2014. The total pension liability was then rolled forward to the measurement date of June 30, 2015 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, 2015 the County's proportion was .32972%, which was an increase of .0767% from its proportion measured as of June 30, 2014.

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

For the year ended June 30, 2016, the County recognized pension expense of \$733,076. At June 30, 2016, 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	\$ -	\$ 289,501
Net differences between projected and actual earnings on pension plan investments	-	350,638
Changes in proportion and differences between County contributions and proportionate share of contributions	188,283	-
Employer contributions subsequent to the measurement date	1,284,520	-
<b>Total</b>	<b>\$ 1,472,803</b>	<b>\$ 640,139</b>

\$1,355,637 reported as deferred outflows of resources related to pensions resulting from County contributions subsequent to the measurement date will be recognized as an decrease of the net pension liability in the year ended June 30, 2017. Other amounts reported as deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended June 30:	
2017	(433,396)
2018	(433,396)
2019	(433,241)
2020	719,204
<b>Total</b>	<b>\$ (580,829)</b>

*Actuarial Assumptions:* The total pension liability in the December 31, 2014 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, 2014 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.

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.

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

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, 2015 are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Fixed Income	29.0%	2.2%
Global Equity	42.0%	5.8%
Real Estate	8.0%	5.2%
Alternatives	8.0%	9.8%
Credit	7.0%	6.8%
Inflation Protection	6.0%	3.4%
Total	100.0%	

The information above is based on 30 year expectations developed with the consulting actuary for the 2014 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 3.00%. All rates of return and inflation are annualized.

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

*Sensitivity of the County's proportionate share of the net pension 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:

	1% Decrease (6.25%)	Discount Rate (7.25%)	1% Increase (8.25%)
County's proportionate share of the net pension liability (asset)	\$ 10,318,601	\$ 1,479,764	\$ (5,966,760)

*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



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

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, 2015, the Separation Allowance's membership consisted of:

Retirees receiving benefits	6
Active plan members	76
<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. Benefits and refunds are recognized when due and payable in accordance with the terms of the plan.

The Separation Allowance has no assets accumulated in a trust that meets the following criteria which are outlines in GASB Statements 67 and 68:

- Contributions to the pension plan and earnings on those contributions are irrevocable
- Pension plan assets are dedicated to providing benefits to plan members
- Pension plan assets are legally protected from the creditors or employers, nonemployer contributing entities, the plan administrator, and plan members

*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, 2015 actuarial valuation using the projected unit credit actuarial cost method. The actuarial assumptions included (a) 5.00% investment rate of return (net of administrative expenses) and (b) projected salary increase ranging from 4.25% to 7.85% per year. Both (a) and (b) included an inflation component of 3.00%. The assumptions did not include post-retirement benefit increases.

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

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

Employer annual required contribution	\$ 148,435
Interest on net pension obligation	26,872
Adjustment to annual required contribution	(47,228)
Annual pension cost	128,079
Employer contributions made	(44,088)
Increase in net pension obligation	83,991
Net pension obligation, beginning of year	537,439
Net pension obligation, end of year	\$ 621,430

**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, 2016	\$ 128,079	34.42%	\$ 621,430
June 30, 2015	123,180	35.56%	537,439
June 30, 2014	93,189	58.74%	458,067

As of December 31, 2015, the most recent valuation date, the plan was not funded. The actuarial accrued liability for benefits was \$1,481,357, and the actuarial value of assets was zero, resulting in an unfunded actuarial accrued liability (UAAL) of \$1,481,357.

The covered payroll (annual payroll of active employees covered by the plan) was \$3,399,215, and the ratio of the UAAL to the covered payroll was 43.58%.

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, 2016 were \$284,967, which includes \$156,767 from the County and \$50,738 from the law enforcement officers. In addition, \$77,462 was contributed to the plan by employees who were not law enforcement officers and were ineligible for the County's five percent contribution.

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**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](http://www.osc.nc.gov).

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

*Contributions:* Benefits and administrative expenses are funded by investment income and 1.5% of the receipts collected by each County Commission under Article 1 of Chapter 161 of the North Carolina General Statutes. The statutory contribution currently has no relationship to the actuary's required contribution. The actuarially determined contribution this year and for the foreseeable future is zero. Registers of Deeds do not contribute. Contribution provisions are established by General Statute 161-50 and may be amended only by the North Carolina General Assembly. Contributions to the pension plan from the County were \$3,473 for the year ended June 30, 2016.

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

At June 30, 2016, the County reported an asset of \$96,367 for its proportionate share of the net pension asset. The net pension asset was measured as of June 30, 2015. The total pension liability used to calculate the net pension asset was determined by an actuarial valuation as of December 31, 2014. The total pension liability was then rolled forward to the measurement date of June 30, 2015 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, 2015, the County's proportion was .41471%, which is an increase of .02761% from its proportion measured as of June 30, 2014.

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

For the year ended June 30, 2016, the County recognized pension expense of \$(4,006). At June 30, 2016, 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	\$ 472	\$ 1,595
Net differences between projected and actual earnings on pension plan investments	4,779	-
Changes in proportion and differences between County contributions and proportionate share of contributions	-	2,388
County contributions subsequent to measurement date	4,820	-
<b>Total</b>	<b>\$ 10,071</b>	<b>\$ 3,983</b>

\$4,820 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:	
2017	(1,092)
2018	68
2019	1,002
2020	1,290
<b>Total</b>	<b>\$ 1,268</b>

*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, 2014 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, 2015 is 2.5%.

The information above is based on 30 year expectations developed with the consulting actuary for the 2014 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)	\$ (86,944)	\$ (96,367)	\$ (104,476)

*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 were full-time employees and 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 of non-continuous service with Duplin County at the time of retirement if hired between August 18, 2008 and September 30, 2014 (or, if hired before August 18, 2008, ten years of continuous full-time employment with Duplin County immediately preceding retirement). For full-time employees hired on or after October 1, 2014, they must have participated in the health insurance plan for twelve months and have at least twenty-five years of continuous service with Duplin County at the time of retirement. 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, 2015, the date of the latest actuarial valuation:

Retirees and dependents receiving benefits	100
Active plan members - general	443
Active plan members - law enforcement officers	76
<u>Total</u>	<u>619</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 \$570,417 or 2.94% 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	\$ 1,620,281
Interest on net OPEB obligation	446,924
Adjustment to annual required contribution	(426,951)
Annual OPEB cost	1,640,254
Employer contributions made	(570,417)
Increase in net OPEB obligation	1,069,837
Net OPEB obligation, beginning of year	11,173,099
Net OPEB obligation, end of year	\$ 12,242,936

**3 Year Trend Information**

Fiscal Year Ended	Annual OPEB Cost	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation
June 30, 2016	\$ 1,640,254	34.80%	\$ 12,242,936
June 30, 2015	1,665,095	20.63%	11,173,099
June 30, 2014	1,578,280	21.10%	9,851,432

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**NOTE 12 – OTHER POST-EMPLOYMENT BENEFIT (continued)**

*Funded Status and Funding Progress.* As of December 31, 2015, 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 \$17,401,161. The covered payroll (annual payroll of active employees covered by the plan) was \$19,377,499 and the ratio of the UAAL to the covered payroll was 89.8%.

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, 2015 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, 2015, 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.

## Notes to Financial Statements

**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	\$ -	\$ 260,304
Register of Deeds	472	1,595
Pensions - difference between projected and actual investment earnings		
LGERS		315,275
Register of Deeds	4,779	-
Pensions - change in proportion and difference between employer contributions and proportionate share of contributions		
LGERS	172,478	
Register of Deeds		2,388
Pensions - County contributions subsequent to the measurement date		
LGERS	1,177,908	
Register of Deeds	4,820	
Prepaid taxes not yet earned (General)		94,782
Prepaid taxes not yet earned (Special Revenue)		1,379
Totals	\$ 1,360,457	\$ 675,723

Business-type Activities	Deferred Outflows of Resources	Deferred Inflows of Resources
Deferred loss on refunding of debt	\$ 224,772	\$ -
Prepaid revenues		720
Pensions - difference between expected and actual experience		
LGERS (Water)		8,312
LGERS (Transportation)		5,809
LGERS (Airport)		2,266
LGERS (Solid Waste)		12,810
Pensions - difference between projected and actual investment earnings		
LGERS (Water)		10,068
LGERS (Transportation)		7,035
LGERS (Airport)		2,744
LGERS (Solid Waste)		15,516
Pensions - change in proportion and difference between employer contributions and proportionate share of contributions		
LGERS (Water)	4,500	
LGERS (Transportation)	3,144	
LGERS (Airport)	1,227	
LGERS (Solid Waste)	6,934	
Pensions - County contributions subsequent to the measurement date		
LGERS (Water)	35,816	
LGERS (Transportation)	22,018	
LGERS (Airport)	7,576	
LGERS (Solid Waste)	41,202	
Totals	\$ 347,189	\$ 65,280



**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, 2016, 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)

In April, 2016, the County issued \$52,640,000 in Limited Obligation Bonds to finance various school improvement projects. The bonds were issued at a premium of \$7,874,251.

The County's limited obligation bonds payable at June 30, 2016 are comprised of the following individual issues:

Limited obligation bonds serviced by the General Fund:

\$52,640,000 Limited Obligation Bonds, requiring annual payments ranging from \$1,775,000 due in 2017 up to \$3,875,000 in the final year of 2036. Interest is payable semiannually at rates ranging from 3-5% through the life of the debt issue.	<u>\$ 52,640,000</u>
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**NOTE 17 – LONG-TERM OBLIGATIONS (continued)**

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.	\$ 1,625,000
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.	3,310,000
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.	3,185,000
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.	3,760,000
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.	2,500,000
<b>Total general obligation bonds</b>	<b>\$ 14,380,000</b>

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

Fiscal Year Ending June 30,	Governmental-type Activities		Business-type Activities	
	Principal	Interest	Principal	Interest
2017	\$ 1,775,000	\$ 2,220,425	\$ 535,000	\$ 559,081
2018	1,705,000	2,290,894	570,000	537,681
2019	1,775,000	2,222,694	585,000	514,881
2020	1,845,000	2,151,694	585,000	503,181
2021	1,935,000	2,059,444	600,000	489,288
2022-2026	11,245,000	8,743,970	3,340,000	2,131,913
2027-2031	14,340,000	5,638,220	3,800,000	1,507,200
2032-2036	18,020,000	1,969,570	3,690,000	702,050
2036-2037	-	-	675,000	33,750
	52,640,000	\$ 27,296,911	14,380,000	\$ 6,979,025
Unamortized premiums on general obligation bonds	7,874,251		395,403	
<b>Total carrying amount of debt</b>	<b>\$ 60,514,251</b>		<b>\$ 14,775,403</b>	

As June 30, 2016, Duplin County had a legal debt margin of \$257,574,830.

**NOTE 17 – LONG-TERM OBLIGATIONS (continued)****Notes Payable**

As authorized by state law [G.S. 160A-20 and 153A-158.1], the County has financed various property acquisitions and improvements through notes payable with the United States Department of Agriculture and the North Carolina Department of Environment and Natural Resources. The County's notes payable at June 30, 2016 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.	\$ 9,847,522
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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.	\$ 15,000
Water District F - \$490,199 1998 North Carolina Clean Water Revolving Loan to finance water system improvements; due in annual installments of \$24,510 plus interest through 2020; interest at 2.60 percent.	98,040
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.	128,839
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.	324,378
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.	140,859
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.	2,113,586
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.	160,181
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
<b>Total business-type activities notes payable</b>	<b>\$ 3,626,882</b>

## 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 \$7,494,154 for governmental activities and \$913,489 for business-type activities:

Fiscal Year Ending June 30,	Governmental Activities		Business-type Activities	
	Principal	Interest	Principal	Interest
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	202,255	376,015	188,372	54,413
2022-2026	1,143,519	1,747,831	891,768	225,200
2027-2031	1,399,647	1,491,703	841,315	154,995
2032-2036	1,709,145	1,178,205	486,531	87,067
2037-2041	2,096,857	794,493	89,595	59,665
2042-2046	2,564,092	324,834	105,131	44,129
2047-2051	-	-	123,362	25,898
2052-2054	-	-	37,351	5,494
Totals	\$ 9,847,522	\$ 7,494,154	\$ 3,626,882	\$ 913,489

**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.

**Debt Related to Capital Activities** – Of the total Governmental Activities debt listed, only \$9,847,522 relates to assets the County holds title. Unspent restricted cash related to this debt amounts to \$57,672,210.

**Long-Term Obligation Activity**

The following is a summary of changes in the County's long-term obligations for the year ended June 30, 2016:

Governmental Activities	Beginning Balances	Increases	Decreases	Ending Balances	Current Portion of Balance
Limited obligation bonds	\$ -	\$ 60,514,251	\$ -	\$ 60,514,251	\$ 1,775,000
Notes payable	10,012,316	-	(164,794)	9,847,522	172,060
Net pension liability (LGERS)	-	1,359,981	-	1,359,981	-
Other post-employment benefit	10,210,264	980,035	-	11,190,299	-
Compensated absences	1,176,951	56,453	-	1,233,404	-
LEO Special Separation Allowance	537,439	83,991	-	621,430	-
Total governmental activities	\$ 21,936,970	\$ 62,994,711	\$ (164,794)	\$ 84,766,887	\$ 1,947,060

## Notes to Financial Statements

**NOTE 17 – LONG-TERM OBLIGATIONS (continued)**

Water Activities	Beginning Balances	Increases	Decreases	Ending Balances	Current Portion of Balance
Limited obligation bonds	\$ 15,314,495	\$ -	\$ (539,092)	\$ 14,775,403	\$ 535,000
Notes payable	3,883,629	-	(256,747)	3,626,882	219,173
Net pension liability (LGERS)	-	37,455	-	37,455	-
Other post-employment benefit	254,668	25,567	-	280,235	-
Compensated absences	39,753	3,194	-	42,947	-
<b>Total water activities</b>	<b>\$ 19,492,545</b>	<b>\$ 66,216</b>	<b>\$ (795,839)</b>	<b>\$ 18,762,922</b>	<b>\$ 754,173</b>

Airport Activities	Beginning Balances	Increases	Decreases	Ending Balances	Current Portion of Balance
Notes payable	\$ -	\$ -	\$ -	\$ -	\$ -
Net pension liability (LGERS)	-	8,860	-	8,860	-
Other post-employment benefit	76,758	6,970	-	83,728	-
Compensated absences	9,483	872	-	10,355	-
<b>Total airport activities</b>	<b>\$ 86,241</b>	<b>\$ 16,702</b>	<b>\$ -</b>	<b>\$ 102,943</b>	<b>\$ -</b>

Solid Waste Activities	Beginning Balances	Increases	Decreases	Ending Balances	Current Portion of Balance
Other post-employment benefit	\$ 442,857	\$ 39,401	\$ -	\$ 482,258	\$ -
Net pension liability (LGERS)	-	49,136	-	49,136	-
Compensated absences	60,078	-	(15,137)	44,941	-
<b>Total solid waste activities</b>	<b>\$ 502,935</b>	<b>\$ 88,537</b>	<b>\$ (15,137)</b>	<b>\$ 576,335</b>	<b>\$ -</b>

Transportation Activities	Beginning Balances	Increases	Decreases	Ending Balances	Current Portion of Balance
Other post-employment benefit	\$ 188,553	\$ 17,866	\$ -	\$ 206,419	\$ -
Net pension liability (LGERS)	-	24,332	-	24,332	-
Compensated absences	26,600	-	(4,258)	22,342	-
<b>Total transportation activities</b>	<b>\$ 215,153</b>	<b>\$ 42,198</b>	<b>\$ (4,258)</b>	<b>\$ 253,093</b>	<b>\$ -</b>

<b>Total business-type activities</b>	<b>\$ 20,296,874</b>	<b>\$ 213,653</b>	<b>\$ (815,234)</b>	<b>\$ 19,695,293</b>	<b>\$ 754,173</b>
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The LGERS plan had a net pension asset as of June 30, 2015; however, the plan had a net pension liability at the end 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, 2016, there were no industrial revenue bonds outstanding.

**NOTE 19 – INTERFUND BALANCES AND ACTIVITY**

Transfers to/from other funds during the year ended June 30, 2016, consist of the following:

Transfer Out	Transfer In	Amount
General Fund	Capital Project Fund - School Fund	\$ 839,629
	Automation Enhancement and	
General Fund	Preservation Fund	21,912
General Fund	Debt Service Fund	578,270
General Fund	Hospital Insurance Fund	300,000
General Fund	Airport Commisison Fund	132,487
General Fund	Capital Project Fund	18,142
		<u>\$ 1,890,440</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 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 General Fund to the Capital Project Fund was made to release funds previously committed by the Board of County Commissioners.

Amounts due to/from other funds at June 30, 2016 consist of the following:

Due To	Due From	Balance
General Fund	Emergency Telephone System Fund	\$ 2,395
General Fund	Hospital Insurance Fund	350
Hospital Insurance Fund	General Fund	4,940
Hospital Insurance Fund	County Water Fund	707
Hospital Insurance Fund	Solid Waste Fund	2,122
		<u>\$ 10,514</u>

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, 2016.

**NOTE 20 – NET INVESTMENT IN CAPITAL ASSETS**

	Governmental Activities	Business-type Activities
Capital assets	\$ 21,483,813	\$ 54,840,199
Notes payable	(9,847,522)	(14,775,403)
Limited obligation bonds	-	(3,626,882)
Net investment in capital assets	<u>\$ 11,636,291</u>	<u>\$ 36,437,914</u>

## Notes to Financial Statements

**NOTE 21 – FUND BALANCE**

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

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

Total fund balance - General Fund	\$ 17,992,730
Less:	
Inventories	220,892
Stabilization by state statute	3,994,052
Appropriated fund balance in 2016 budget	4,102,893
Inspections	50,509
Event Center	100,000
Federally seized assets	65,068
Grants/projects	107,977
Health	546,306
Sheriff	71,914
Daycare	167
Economic development	593,519
Capital improvements	912,686
Remaining fund balance	<u>\$ 7,226,747</u>

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>	2016
Encumbrances:	
General Fund	<u>\$ 1,029,344</u>

**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, 2016. 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, 2016. Complete financial statements for Eastpointe Human Services can be obtained from their office in Beulaville, North Carolina.

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 \$1,680,000 and \$270,000 to the community college for operating and capital purposes, respectively, during the fiscal year ended June 30, 2016. 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, 2016. 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	\$ 54,102,962	\$ 29,029,582
State Children's Insurance Program	1,002,530	83,298
Food stamps	14,718,176	-
Women, infants, and children	1,481,117	-
IV-E Adopt Subsidy and Vendor	183,572	48,736
IV-E Admin County Paid to CCI	8,250	4,085
IV-E Foster Care	38,247	9,806
IV-E Foster Care In Excess	-	2,050
TANF Payments and Penalties	318,293	-
CWS Adopt Subsidy and Vendor	-	76,589
SC/SA Domicillary Care Payment	-	469,634
Special Children Adoption	50,400	-
State Foster Home	-	28,240
Totals	\$ 71,903,547	\$ 29,752,020



**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.

# **REQUIRED SUPPLEMENTARY INFORMATION**

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

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## **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**

### 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, 2015	-	1,481,357	1,481,357	0.00%	3,399,215	43.58%
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%

### Schedule of Employer Contributions

Fiscal Year Ended	Annual Required Contribution *	Percentage Contributed *
June 30, 2015	\$ 148,435	29.70%
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%

\* 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, 2015
Actuarial cost method	Projected unit credit
Amortization method	Level dollar closed
Remaining amortization period	15 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

### 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, 2015	\$ -	\$17,401,161	\$17,401,161	0.00%	\$19,377,499	89.80%
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, 2016	\$ 1,620,281	35.20%
June 30, 2015	1,573,088	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, 2015
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	2022
* Includes inflation at	3.00%

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

	2016	2015	2014
County's proportion of the net pension liability (asset) %	0.330%	0.322%	0.312%
County's proportionate share of the net pension liability (asset) \$	\$ 1,479,764	\$ (1,899,277)	\$ 3,762,003
County's covered-employee payroll	\$ 19,241,121	\$ 16,399,727	\$ 16,399,727
County's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	7.691%	-7.124%	22.939%
Plan fiduciary net position as a percentage of the total pension liability	102.64%	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	2015	2014
Contractually required contribution	\$ 1,373,736	\$ 1,370,791	\$ 1,339,314
Contributions in relation to the contractually required contribution	1,373,736	1,370,791	1,339,314
Contribution deficiency (excess)	\$ -	\$ -	\$ -
County's covered-employee payroll	\$ 19,977,306	\$ 19,241,121	\$ 16,399,727
Contributions as a percentage of covered-employee payroll	6.876%	7.124%	8.167%

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

	2015	2015	2014
County's proportion of the net pension liability (asset) %	0.416%	0.415%	-0.387%
County's proportionate share of the net pension liability (asset) \$	\$ (96,367)	\$ (93,996)	\$ (82,685)
County's covered-employee payroll	\$ 68,983	\$ 57,721	\$ 57,721
County's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	-139.697%	-162.845%	-143.249%
Plan fiduciary net position as a percentage of the total pension liability	193.88%	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	2015	2014
Contractually required contribution	\$ 3,328	\$ 4,877	\$ 3,386
Contributions in relation to the contractually required contribution	3,328	4,877	3,386
<u>Contribution deficiency (excess)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
County's covered-employee payroll	\$ 70,882	\$ 68,983	\$ 57,721
Contributions as a percentage of covered-employee payroll	4.695%	7.070%	5.866%

## **COMBINING AND INDIVIDUAL FUND STATEMENTS AND SCHEDULES**



## GENERAL FUND

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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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	General Fund	Capital Reserve Fund	Total
<b>Assets</b>			
Cash and cash equivalents	\$ 14,449,666	\$ 912,686	\$ 15,362,352
Receivables, net	10,912,384	-	10,912,384
Due from other funds	350	-	350
Inventories	220,892	-	220,892
<b>Total assets</b>	<b>\$ 25,583,292</b>	<b>\$ 912,686</b>	<b>\$ 26,495,978</b>
<b>Liabilities</b>			
Accounts payable and accrued liabilities	\$ 453,104	\$ -	\$ 453,104
Due to other funds	7,336	-	7,336
<b>Total liabilities</b>	<b>460,440</b>	<b>-</b>	<b>460,440</b>
<b>Deferred Inflows of Resources</b>	<b>8,042,808</b>	<b>-</b>	<b>8,042,808</b>
<b>Fund Balances</b>			
Nonspendable - inventories	220,892	-	220,892
Restricted by state statute	3,994,052	-	3,994,052
Restricted for federally seized assets	65,068	-	65,068
Restricted for health	546,306	-	546,306
Restricted for grants/projects	107,977	-	107,977
Restricted for sheriff	71,914	-	71,914
Restricted for daycare	167	-	167
Restricted for economic development	593,519	-	593,519
Restricted for inspections	50,509	-	50,509
Restricted for Events Center	100,000	-	100,000
Committed for capital improvements	-	912,686	912,686
Assigned for subsequent year's expenditures	4,102,893	-	4,102,893
Unassigned	7,226,747	-	7,226,747
<b>Total fund balances</b>	<b>17,080,044</b>	<b>912,686</b>	<b>17,992,730</b>
<b>Total liabilities, deferred inflows of resources, and fund balances</b>	<b>\$ 25,583,292</b>	<b>\$ 912,686</b>	<b>\$ 26,495,978</b>

Duplin County, North Carolina  
General Fund  
Combining Schedule of Revenues, Expenditures,  
and Changes in Fund Balances  
For the Year Ended June 30, 2016  
Exhibit B-2

	General Fund	Capital Reserve Fund	Total
<b>Revenues</b>			
Ad valorem taxes	\$ 29,801,717	\$ -	\$ 29,801,717
Local option sales taxes	6,879,495	-	6,879,495
Other taxes and licenses	106,156	-	106,156
Unrestricted intergovernmental	6,417,293	-	6,417,293
Restricted intergovernmental	4,493,990	-	4,493,990
Restricted grants	43,000	-	43,000
Permits and fees	564,286	-	564,286
Restricted revenue	74,630	-	74,630
Sales and services	7,463,901	-	7,463,901
Investment earnings	34,703	2,022	36,725
Contributions	48,271	-	48,271
Miscellaneous	83,552	-	83,552
Total revenues	56,010,994	2,022	56,013,016
<b>Expenditures</b>			
General government	5,632,222	-	5,632,222
Public safety	16,927,501	-	16,927,501
Economic and physical development	761,718	-	761,718
Human services	15,680,629	-	15,680,629
Cultural and recreational	1,082,000	-	1,082,000
Environmental protection	647,415	-	647,415
Education	11,803,324	-	11,803,324
Non-departmental	298,806	-	298,806
Total expenditures	52,833,615	-	52,833,615
Excess (deficiency) of revenues over expenditures	3,177,379	2,022	3,179,401
<b>Other financing sources (uses)</b>			
Transfers from other funds	-	24,620	24,620
Transfers to other funds	(1,872,298)	(42,761)	(1,915,059)
Proceeds from sale of capital assets	61,357	-	61,357
Total other financing sources (uses)	(1,810,941)	(18,141)	(1,829,082)
Net change in fund balance	1,366,438	(16,119)	1,350,319
Fund balances, beginning of year	15,763,201	928,805	16,692,006
Decrease in inventory	(49,595)	-	(49,595)
Fund balances, end of year	\$ 17,080,044	\$ 912,686	\$ 17,992,730

Duplin County, North Carolina  
General Fund  
Schedule of Revenues, Expenditures, and Changes in Fund Balance  
Budget and Actual  
For the Year Ended June 30, 2016  
Exhibit B-3

	Final Budget	Actual	Variance Positive (Negative)
<b>Revenues</b>			
Ad Valorem Taxes:			
Taxes		\$29,468,326	
Penalties and interest		333,391	
Total	\$29,453,168	29,801,717	\$ 348,549
Local Option Sales Taxes:			
Article 39 and 44		2,555,543	
Article 40 one-half of one percent		2,476,594	
Article 42 one-half of one percent		850,185	
Article 46 one-quarter of one percent		885,583	
Article 44-524		111,590	
Total	6,569,786	6,879,495	309,709
Other Taxes and Licenses:			
Deed stamp excise tax		91,787	
Other taxes and licenses		14,369	
Total	94,315	106,156	11,841
Unrestricted Intergovernmental:			
Video programing distribution		22,943	
Medicaid hold harmless distribution		492,160	
State grants		5,902,190	
Total	6,895,260	6,417,293	(477,967)
Restricted Intergovernmental:			
State grants		4,125,633	
Federal grants		212,287	
Court facility fees		125,014	
Grants-Other		31,056	
Total	4,994,383	4,493,990	(500,393)
Restricted Grants:			
Vidant 4-H EFNEP		20,000	
Vidant - Pediatric Obesity		11,000	
Vidant - Diabetic Management grant		12,000	
Total	43,000	43,000	-
Permits and Fees:			
Building permit fees		165,274	
Building inspection fees		154,340	
Fire inspection fees		40,475	
Marriage license fees		18,540	
Register of deeds fees		185,657	
Total	536,915	564,286	27,371

Duplin County, North Carolina  
General Fund  
Schedule of Revenues, Expenditures, and Changes in Fund Balance  
Budget and Actual  
For the Year Ended June 30, 2016  
Exhibit B-3

	Final Budget	Actual	Variance Positive (Negative)
Restricted Revenue:			
Social services fraud collections		62,531	
ABC profit distribution (10%)		12,099	
Total	63,500	74,630	11,130
Sales and Services:			
Ambulance and rescue squad fees		2,695,342	
Health department fees		1,300,657	
Medicaid EMR incentive revenue		38,042	
Nutrition fees		28,596	
Police protection/School resource officers		1,038,865	
Sheriff and jail fees		732,678	
Animal control fees		31,978	
Cabin Lake fees		52,825	
Library fees		12,171	
Event Center revenue		88,956	
Rental income		131,678	
Social services fees		39,973	
Aging department fees		31,114	
Other fees and services		1,241,026	
Total	7,797,646	7,463,901	(333,745)
Investment Earnings	24,968	34,703	9,735
Miscellaneous:			
Various contributions		22,661	
In-kind contributions		25,610	
ABC profit distribution (35%)		42,348	
Other revenues		41,204	
Total	118,406	131,823	13,417
Total revenues	56,591,347	56,010,994	(580,353)

## Expenditures

### General Government:

Governing Body:			
Salaries and employee benefits		87,131	
Other operating expenditures		144,651	
Total		231,782	

Duplin County, North Carolina  
General Fund  
Schedule of Revenues, Expenditures, and Changes in Fund Balance  
Budget and Actual  
For the Year Ended June 30, 2016  
Exhibit B-3

	Final Budget	Actual	Variance Positive (Negative)
County Manager:			
Salaries and employee benefits		193,394	
Other operating expenditures		1,448	
Total		194,842	
Personnel:			
Salaries and employee benefits		213,958	
Other operating expenditures		14,873	
Total		228,831	
Finance:			
Salaries and employee benefits		469,272	
Other operating expenditures		26,896	
Total		496,168	
Information Technology:			
Salaries and employee benefits		333,234	
Other operating expenditures		20,638	
Total		353,872	
Elections:			
Salaries and employee benefits		218,497	
Other operating expenditures		97,476	
Total		315,973	
Tax Administration:			
Salaries and employee benefits		723,555	
Other operating expenditures		303,614	
Capital outlay		5,982	
Total		1,033,151	
Central Supply:			
Purchases		1,045,952	
Register of Deeds:			
Salaries and employee benefits		283,061	
Other operating expenditures		63,750	
Total		346,811	
Housekeeping:			
Salaries and employee benefits		222,900	
Other operating expenditures		13,477	
Total		236,377	

Duplin County, North Carolina  
General Fund  
Schedule of Revenues, Expenditures, and Changes in Fund Balance  
Budget and Actual  
For the Year Ended June 30, 2016  
Exhibit B-3

	Final Budget	Actual	Variance Positive (Negative)
Building Maintenance:			
Salaries and employee benefits		413,116	
Other operating expenditures		129,256	
Capital outlay		9,915	
Total		552,287	
Garage:			
Salaries and employee benefits		185,549	
Other operating expenditures		37,289	
Capital outlay		6,873	
Total		229,711	
Attorney:			
Salaries and employee benefits		250,988	
Other operating expenditures		67,095	
Total		318,083	
Hardison Building Renovation Project			
Other operating expenditures		43,622	
Capital outlay		4,760	
Total		48,382	
<b>Total general government</b>	<b>6,562,389</b>	<b>5,632,222</b>	<b>930,167</b>
<u>Public Safety:</u>			
Sheriff:			
Salaries and employee benefits		3,072,861	
Other operating expenditures		563,269	
Capital outlay		211,463	
Total		3,847,593	
Court Facilities:			
Salaries and employee benefits		60,923	
Other operating expenditures		120,463	
Capital outlay		5,243	
Total		186,629	
Jury Commission:			
Other operating expenditures		4,688	
Adult Probation:			
Other operating expenditures		4,943	
Mental Health Transportation:			
Salaries and employee benefits		43,803	

Duplin County, North Carolina  
General Fund  
Schedule of Revenues, Expenditures, and Changes in Fund Balance  
Budget and Actual  
For the Year Ended June 30, 2016  
Exhibit B-3

	Final Budget	Actual	Variance Positive (Negative)
Special Separation Allowance:			
Salaries and employee benefits		47,460	
Fingerprinting:			
Other operating expenditures		12,350	
Communications:			
Salaries and employee benefits		1,170,488	
Other operating expenditures		103,719	
Total		1,274,207	
Special Response Team:			
Other operating expenditures		8,492	
School Resource Officer:			
Salaries and employee benefits		814,007	
Other operating expenditures		48,022	
Total		862,029	
Federally Seized Assets - Customs:			
Other operating expenditures		3,709	
Capital outlay		56,036	
Total		59,745	
Federally Seized Assets - Justice Department:			
Other operating expenditures		2,388	
Total		2,388	
GIS-911 Functions:			
Salaries and employee benefits		8,202	
Addressing-911 Functions:			
Salaries and employee benefits		5,278	
Jail:			
Salaries and employee benefits		1,684,141	
Other operating expenditures		870,426	
Capital outlay		5,885	
Total		2,560,452	
Emergency Management:			
Salaries and employee benefits		66,010	
Other operating expenditures		41,482	
Capital outlay		610	
Total		108,102	



Duplin County, North Carolina  
General Fund  
Schedule of Revenues, Expenditures, and Changes in Fund Balance  
Budget and Actual  
For the Year Ended June 30, 2016  
Exhibit B-3

	Final Budget	Actual	Variance Positive (Negative)
State Public Safety Grant - 2014 SS00069:			
Other operating expenditures		684	
Capital outlay		110,537	
Total		111,221	
Department of Justice 2015 Alien Grant - APBX0215			
Other operating expenditures		6,199	
Jail Annex - State Prison Facility			
Salaries and employee benefits		480,233	
Other operating expenditures		124,549	
Capital outlay		16,890	
Total		621,672	
Department of Justice 2014 Alien Grant - APBX054:			
Other operating expenditures		11,788	
Emergency Medical Services:			
Salaries and employee benefits		4,089,011	
Other operating expenditures		526,246	
Capital outlay		296,888	
Total		4,912,145	
Fire Marshall:			
Salaries and employee benefits		90,690	
Operating expenditures		22,208	
Contracted services		1,370,548	
Total		1,483,446	
Faison Substation:			
Salaries and employee benefits		85,619	
Operating expenditures		12,486	
Total		98,105	
Building Inspections:			
Salaries and employee benefits		222,787	
Other operating expenditures		29,703	
Capital outlay		16,700	
Total		269,190	
Medical Examiner:			
Contracted services		33,200	

Duplin County, North Carolina  
General Fund  
Schedule of Revenues, Expenditures, and Changes in Fund Balance  
Budget and Actual  
For the Year Ended June 30, 2016  
Exhibit B-3

	Final Budget	Actual	Variance Positive (Negative)
Animal Control:			
Salaries and employee benefits		159,389	
Other operating expenditures		86,650	
Capital outlay		416	
Total		246,455	
Concealed Handgun:			
Operating expenditures		25,618	
Capital outlay		11,340	
Total		36,958	
State Public Safety LEPC-T2-2015-31			
Other operating expenditures		1,104	
Third Courtroom Renovation			
Other operating expenditures		18,373	
State Public Safety EMW-214-55-0006			
Other operating expenditures		24	
Animal Shelter Renovation			
Other operating expenditures		41,260	
<b>Total public safety</b>	<b>18,221,521</b>	<b>16,927,501</b>	<b>1,294,020</b>
<u>Economic and Physical Development:</u>			
Planning:			
Salaries and employee benefits		59,136	
Other operating expenditures		4,364	
Capital outlay		207	
Total		63,707	
Central Plant - Duplin Commons:			
Other operating expenditures		21,672	
Westpark Business Technology Center:			
Other operating expenditures		35,588	
Economic Development :			
Salaries and employee benefits		119,118	
Other operating expenditures		79,737	
Total		198,855	

Duplin County, North Carolina  
General Fund  
Schedule of Revenues, Expenditures, and Changes in Fund Balance  
Budget and Actual  
For the Year Ended June 30, 2016  
Exhibit B-3

	Final Budget	Actual	Variance Positive (Negative)
N.C. Cooperative Extension Service:			
Salaries and employee benefits		3,645	
Other operating expenditures		271,636	
Capital outlay		30,327	
Total		305,608	
N.C. Cooperative Extension 4-H Prevention Program:			
Salaries and employee benefits		23,165	
Other operating expenditures		10,001	
Total		33,166	
Industrial Park:			
Other operating expenditures		3,143	
JCPC - 4-H Outreach:			
Salaries and employee benefits		39,783	
Other operating expenditures		7,080	
Total		46,863	
Vidant 4-H EFNET Grant:			
Operating expenditures		13,439	
Livestock Facility:			
Operating expenditures		17,728	
Farm Services Agency:			
Other operating expenditures		15,449	
JCPC Juvenile Court Psychological Service:			
Operating expenditures		6,500	
<b>Total economic and physical development</b>	<b>1,477,292</b>	<b>761,718</b>	<b>715,574</b>
<u>Human Services:</u>			
Health:			
Salaries and employee benefits		350	
Other operating expenditures		112,039	
Total		112,389	
Environmental Health:			
Salaries and employee benefits		320,129	
Other operating expenditures		32,127	
Capital outlay		35,361	
Total		387,617	

Duplin County, North Carolina  
General Fund  
Schedule of Revenues, Expenditures, and Changes in Fund Balance  
Budget and Actual  
For the Year Ended June 30, 2016  
Exhibit B-3

	Final Budget	Actual	Variance Positive (Negative)
Food & Lodging			
Salaries and employee benefits		35,063	
Other operating expenditures		769	
Total		35,832	
Communicable Disease:			
Salaries and employee benefits		121,893	
Other operating expenditures		28,240	
Total		150,133	
Immunization Action Plan:			
Salaries and employee benefits		112,574	
Other operating expenditures		104,974	
Total		217,548	
WIC - General Administration:			
Salaries and employee benefits		7,580	
WIC - Nutrition Education:			
Salaries and employee benefits		87,385	
WIC - Breastfeeding Promotion:			
Salaries and employee benefits		10,069	
WIC - Client Services:			
Salaries and employee benefits		287,800	
Other operating expenditures		58,321	
Total		346,121	
Dental Program:			
Salaries and employee benefits		9,272	
Other operating expenditures		18,951	
Total		28,223	
Bioterrorism:			
Salaries and employee benefits		11,301	
Other operating expenditures		27,287	
Total		38,588	
Tuberculosis:			
Salaries and employee benefits		62,618	
Other operating expenditures		6,761	
Total		69,379	
March of Dimes - Centering Pregnancy:			
Other operating expenditures		217	

Duplin County, North Carolina  
General Fund  
Schedule of Revenues, Expenditures, and Changes in Fund Balance  
Budget and Actual  
For the Year Ended June 30, 2016  
Exhibit B-3

	Final Budget	Actual	Variance Positive (Negative)
Primary Care:			
Salaries and employee benefits		692,718	
Other operating expenditures		57,696	
Total		750,414	
Community Health Promotion:			
Salaries and employee benefits		34,799	
Other operating expenditures		270	
Total		35,069	
Pregnancy Care Management:			
Salaries and employee benefits		106,262	
Other operating expenditures		3,986	
Total		110,248	
Pregnancy Care Management - Non Medicaid:			
Salaries and employee benefits		34,635	
Other operating expenditures		9	
Total		34,644	
Maternal Health:			
Salaries and employee benefits		230,932	
Other operating expenditures		49,604	
Capital outlay		16,344	
Total		296,880	
Family Planning:			
Salaries and employee benefits		169,707	
Other operating expenditures		58,745	
Capital outlay		16,344	
Total		244,796	
Child Health:			
Salaries and employee benefits		289,217	
Other operating expenditures		14,529	
Capital outlay		16,344	
Total		320,090	
CC4C:			
Salaries and employee benefits		153,866	
Other operating expenditures		6,045	
Total		159,911	

Duplin County, North Carolina  
General Fund  
Schedule of Revenues, Expenditures, and Changes in Fund Balance  
Budget and Actual  
For the Year Ended June 30, 2016  
Exhibit B-3

	Final Budget	Actual	Variance Positive (Negative)
Social Services Administration:			
Salaries and employee benefits		5,451,879	
Other operating expenditures		422,534	
Capital outlay		79,505	
Total		5,953,918	
Social Services Building Expense:			
Salaries and employee benefits		39,014	
Other operating expenditures		168,251	
Total		207,265	
Work First/TANF:			
Operating expenditures		3,441	
Assistance payments		4,169	
Total		7,610	
Title - IV D:			
Other operating expenditures		151,239	
Special Assistance for Adults:			
Assistance payments		471,367	
Foster Children:			
Assistance payments		184,090	
Medicaid Program:			
Assistance payments		500,644	
Aid to the Blind Program:			
Assistance payments		5,826	
Adoption Assistance:			
Assistance payments		52,179	
Crisis Intervention Program:			
Assistance payments		195,365	
Low Income Home Energy Assistance		241,236	
General Assistance:			
Assistance payments		42,464	
Daycare:			
Assistance payments		2,302,913	

Duplin County, North Carolina  
General Fund  
Schedule of Revenues, Expenditures, and Changes in Fund Balance  
Budget and Actual  
For the Year Ended June 30, 2016  
Exhibit B-3

	Final Budget	Actual	Variance Positive (Negative)
Seniors' Health Insurance Information Program:			
Salaries and employee benefits		1,988	
Other operating expenditures		2,410	
Total		4,398	
Aging Program:			
Salaries and employee benefits		287,520	
Other operating expenditures		88,265	
Total		375,785	
Aging - Fan Program:			
Other operating expenditures		466	
Aging - In-Home Aid Services:			
Salaries and employee benefits		112,301	
Other operating expenditures		17,968	
Total		130,269	
Aging - Title III Transportation:			
Other operating expenditures		106,927	
Aging - Title III-F Health Promotion:			
Salaries and employee benefits		2,526	
Other operating expenditures		3,222	
Total		5,748	
UHS Diabetes Management Grant:			
Other operating expenditures		12,421	
Aging - Housing & Home Improvements:			
Other operating expenditures		5,601	
Senior Center General Purpose			
Other operating expenditures		5,067	
Family Caregiver:			
Salaries and employee benefits		3,410	
Other operating expenditures		8,601	
Total		12,011	
Peer Breastfeeding:			
Salaries and employee benefits		17,956	

Duplin County, North Carolina  
General Fund  
Schedule of Revenues, Expenditures, and Changes in Fund Balance  
Budget and Actual  
For the Year Ended June 30, 2016  
Exhibit B-3

	Final Budget	Actual	Variance Positive (Negative)
Nutrition - Home Bound Meals			
Salaries and employee benefits		35,847	
Other operating expenditures		77,242	
Total		113,089	
Nutrition :			
Salaries and employee benefits		60,589	
Other operating expenditures		155,137	
Total		215,726	
JCPC Restitution/Teen Court:			
Other operating expenditures		66,890	
JCPC - Building Peace in Schools:			
Other operating expenditures		41,421	
JCPC - Administration:			
Other operating expenditures		1,232	
JCPC - Gang Awareness:			
Other operating expenditures		1,908	
Veteran's Service Officer:			
Salaries and employee benefits		119,044	
Other operating expenditures		10,117	
Total		129,161	
County Wellness Program:			
Salaries and employee benefits		232,991	
Other operating expenditures		107,959	
Total		340,950	
Cape Fear Obesity Clinic Grant:			
Salaries and employee benefits		4,714	
Other operating expenditures		13,469	
Total		18,183	
Vital Records:			
Salaries and employee benefits		6,470	
Total		6,470	
Duke Energy Low Income Program			
Assistance payments		49,965	
Contributions:			
Mental Health - Eastpointe Human Services		224,474	



Duplin County, North Carolina  
General Fund  
Schedule of Revenues, Expenditures, and Changes in Fund Balance  
Budget and Actual  
For the Year Ended June 30, 2016  
Exhibit B-3

	Final Budget	Actual	Variance Positive (Negative)
STD Drugs:			
Other operating expenditures		1,538	
Senior Center Operations			
Salaries and employee benefits		8,680	
Operating expenditures		7,381	
Total		16,061	
EBOLA			
Salaries and employee benefits		8,139	
Operating expenditures		9,524	
Total		17,663	
<b>Total human services</b>	<b>18,173,060</b>	<b>15,680,629</b>	<b>2,492,431</b>
<u>Cultural and Recreational</u>			
Museum:			
Salaries and employee benefits		21,568	
Other operating expenditures		9,238	
Total		30,806	
Library:			
Salaries and employee benefits		320,647	
Other operating expenditures		134,224	
Capital outlay-books		121,145	
Total		576,016	
Law Library			
Capital outlay		5,243	
Event Center:			
Salaries and employee benefits		81,438	
Other operating expenditures		179,627	
Total		261,065	
Parks and Recreation:			
Salaries and employee benefits		106,921	
Other operating expenditures		47,275	
Total		154,196	
State Department of Commerce Grant Museum:			
Salaries and employee benefits		27,123	
Other operating expenditures		20,051	
Total		47,174	

Duplin County, North Carolina  
General Fund  
Schedule of Revenues, Expenditures, and Changes in Fund Balance  
Budget and Actual  
For the Year Ended June 30, 2016  
Exhibit B-3

	Final Budget	Actual	Variance Positive (Negative)
Contribution to Veterans Museum		2,500	
Contribution to Historical Society		2,000	
Contribution to Dixie Girls World Series		2,000	
Contribution to Calypso Park		500	
Contribution to Spring Restor Eagle Project		500	
<b>Total cultural and recreational</b>	<b>1,320,001</b>	<b>1,082,000</b>	<b>238,001</b>
<u>Environmental Protection:</u>			
Soil Conservation			
Salaries and employee benefits		292,717	
Operating expenditures		35,837	
Watershed maintenance		216,502	
Total		545,056	
Contributions:			
Forestry service		102,359	
<b>Total environmental protection</b>	<b>922,125</b>	<b>647,415</b>	<b>274,710</b>
<u>Education:</u>			
Public schools - current expenditures		9,553,920	
Public schools - capital outlay		297,704	
Community colleges - current expenditures		1,680,000	
Community colleges - capital outlay		270,000	
Contribution to Beulaville Elementary Beta Club		500	
Contribution to Charity Middle Beta Club		500	
Contribution to Chinquapin Beta Club		500	
Contribution to EE Smith Beta Club		200	
<b>Total education</b>	<b>11,949,579</b>	<b>11,803,324</b>	<b>146,255</b>
<u>Non-Departmental:</u>			
Post-employment healthcare benefits		292,209	
Other expenditures		6,597	
<b>Total non-departmental</b>	<b>492,995</b>	<b>298,806</b>	<b>194,189</b>
Total expenditures	59,118,962	52,833,615	6,285,347
Revenues over (under) expenditures	(2,527,615)	3,177,379	5,704,994

Duplin County, North Carolina  
General Fund  
Schedule of Revenues, Expenditures, and Changes in Fund Balance  
Budget and Actual  
For the Year Ended June 30, 2016  
Exhibit B-3

	Final Budget	Actual	Variance Positive (Negative)
<b>Other financing sources (uses)</b>			
Transfers to other funds	(1,969,258)	(1,872,298)	96,960
Proceeds from sale of capital assets	53,486	61,357	7,871
Total other financing sources (uses)	(1,915,772)	(1,810,941)	104,831
Appropriated fund balance	4,443,387	-	(4,443,387)
Net change in fund balance	<u>\$ -</u>	1,366,438	<u>\$1,366,438</u>
Fund balance, beginning of year		15,763,201	
Decrease in inventory		(49,595)	
Fund balance, end of year		<u>\$17,080,044</u>	

Duplin County, North Carolina  
Capital Reserve Fund  
Schedule of Revenues, Expenditures, and Changes in Fund Balance  
Budget and Actual  
From Inception and for the Year Ended June 30, 2016  
Exhibit B-4

		Actual			Variance
	Project	Prior Years	Current Year	Total to Date	Positive
	Authorization				(Negative)
<b>Revenues</b>					
Investment earnings	\$ 30,842	\$ 173,173	\$ 2,022	\$ 175,195	\$144,353
<b>Expenditures</b>					
Capital reserve	750,346	-	-	-	750,346
Revenues over (under) expenditures	(719,504)	173,173	2,022	175,195	894,699
<b>Other financing sources (uses)</b>					
Transfers from other funds	755,633	798,394	(42,761)	755,633	-
Transfers to other funds	(36,129)	(42,762)	24,620	(18,142)	17,987
Total other financing sources (uses)	719,504	755,632	(18,141)	737,491	17,987
Net change in fund balance	\$ -	\$ 928,805	(16,119)	\$ 912,686	\$912,686
Fund balance, beginning of year			928,805		
Fund balance, end of year			\$ 912,686		

## **NONMAJOR GOVERNMENTAL FUNDS**

Duplin County, North Carolina  
Non-Major Governmental Funds  
Combining Balance Sheet  
June 30, 2016  
Exhibit C-1

	Special Revenue Funds	Capital Project Funds	Total
<b>Assets</b>			
Cash and cash equivalents	\$ 1,217,834	\$ 3,369,690	\$ 4,587,524
Restricted cash and cash equivalents	1,642,672	-	1,642,672
Receivables, net	1,483,421	724,635	2,208,056
Due from other funds	2,997	-	2,997
Total assets	\$ 4,346,924	\$ 4,094,325	\$ 8,441,249
<b>Liabilities</b>			
Accounts payable and accrued liabilities	\$ 413,945	\$ -	\$ 413,945
Due to other funds	602	-	602
Total liabilities	414,547	-	414,547
<b>Deferred Inflows of Resources</b>	1,037,240	-	1,037,240
<b>Fund Balances</b>			
Restricted by state statute	41,193	724,635	765,828
Restricted for schools	811,749	3,111,936	3,923,685
Restricted for E-911	395,042	-	395,042
Restricted for JSCCE-911	-	211,679	211,679
Restricted for register of deeds	11,988	.	11,988
Restricted for tax revaluation and mapping	830,923	-	830,923
Committed for economic development	703,540	-	703,540
Committed for capital projects	-	46,075	46,075
Committed for various programs	107,043	-	107,043
Unassigned	(6,341)	-	(6,341)
Total fund balances	2,895,137	4,094,325	6,989,462
Total liabilities, deferred inflows of resources, and fund balances	\$ 4,346,924	\$ 4,094,325	\$ 8,441,249

Duplin County, North Carolina  
Non-Major Governmental Funds  
Combining Schedule of Revenues, Expenditures,  
and Changes in Fund Balance  
For the Year Ended June 30, 2016  
Exhibit C-2

	Special Revenue Funds	Capital Project Funds	Total
<b>Revenues</b>			
Ad valorem taxes	\$ 880,638	\$ -	\$ 880,638
Local option sales taxes	-	1,841,762	1,841,762
Investment earnings	52,490	5,834	58,324
Restricted intergovernmental	1,700,488	464,178	2,164,666
Contributions	20,050	33,020	53,070
Miscellaneous revenues	114,817	-	114,817
Total revenues	2,768,483	2,344,794	5,113,277
<b>Expenditures</b>			
General government	237,579	-	237,579
Public safety	999,134	-	999,134
Economic and Physical Development	874,104	487,198	1,361,302
Education	2,172,691	606,322	2,779,013
Total expenditures	4,283,508	1,093,520	5,377,028
Revenues over (under) expenditures	(1,515,025)	1,251,274	(263,751)
<b>Other financing sources (uses)</b>			
Transfers from other funds	21,912	839,629	861,541
Transfers to other funds	-	-	-
Total other financing sources (uses)	21,912	839,629	861,541
Net change in fund balances	(1,493,113)	2,090,903	597,790
Fund balances, beginning of year	4,388,250	2,003,422	6,391,672
Fund balances, end of year	\$ 2,895,137	\$ 4,094,325	\$ 6,989,462

# SPECIAL REVENUE FUNDS

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

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

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

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

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



Duplin County, North Carolina  
Non-Major Governmental Funds  
Special Revenue Funds  
Combining Balance Sheet  
June 30, 2016  
Exhibit D-1

	Emergency Telephone System Fund	Automation Enhancement and Preservation Fund	Revaluation Fund	Community Development Revolving Loan Fund	School Planning Allocation Fund	Community Development Block Grant 12-C-2494	Community Development Block Grant 2015-I- Project	Fire District Fund	County Trust Fund	Total
<b>Assets</b>										
Cash and cash equivalents	\$ 395,263	\$ 11,988	\$ -	\$ 703,540	\$ -	\$ -	\$ -	\$ -	\$107,043	\$1,217,834
Restricted cash and cash equivalents	-	-	830,923	-	811,749	-	-	-	-	1,642,672
Due from other funds	2,395	-	-	602	-	-	-	-	-	2,997
Receivables, net	29,607	3,626	-	991,321	-	343,886	65,478	49,503	-	1,483,421
Total assets	\$ 427,265	\$ 15,614	\$ 830,923	\$1,695,463	\$ 811,749	\$ 343,886	\$ 65,478	\$ 49,503	\$107,043	\$4,346,924
<b>Liabilities</b>										
Accounts payable and accrued liabilities	\$ 221	\$ -	\$ -	\$ -	\$ -	\$ 343,886	\$ 64,900	\$ 4,938	\$ -	\$ 413,945
Due to other funds	-	-	-	-	-	-	578	24	-	602
Total liabilities	221	-	-	-	-	343,886	65,478	4,962	-	414,547
<b>Deferred Inflows of Resources</b>	-	-	-	991,321	-	-	-	45,919	-	1,037,240
<b>Fund Balances</b>										
Restricted by state statute	32,002	3,626	-	602	-	-	-	4,963	-	41,193
Restricted for schools	-	-	-	-	811,749	-	-	-	-	811,749
Restricted for E-911	395,042	-	-	-	-	-	-	-	-	395,042
Restricted for register of deeds	-	11,988	-	-	-	-	-	-	-	11,988
Restricted for tax revaluation and mapping	-	-	830,923	-	-	-	-	-	-	830,923
Committed for economic development	-	-	-	703,540	-	-	-	-	-	703,540
Committed for various programs	-	-	-	-	-	-	-	-	107,043	107,043
Unassigned	-	-	-	-	-	-	-	(6,341)	-	(6,341)
Total fund balances	427,044	15,614	830,923	704,142	811,749	-	-	(1,378)	107,043	2,895,137
Total liabilities, deferred inflows of resources, and fund balances	\$ 427,265	\$ 15,614	\$ 830,923	\$1,695,463	\$ 811,749	\$ 343,886	\$ 65,478	\$ 49,503	\$107,043	\$4,346,924

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, 2016  
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	Community Development Block Grant 12-C-2414	Community Development Block Grant 2015-I- Project	County Trust Fund	Total
<b>Revenues</b>											
Ad valorem taxes	\$ -	\$ -	\$ 117,564	\$ -	\$ -	\$ 763,074	\$ -	\$ -	\$ -	\$ -	\$ 880,638
Investment earnings	796	22	1,939	37,915	11,605	-	-	-	-	213	52,490
Restricted intergovernmental	355,286	-	-	-	668,295	-	549,089	59,537	65,478	2,803	1,700,488
Contributions	-	-	-	-	-	-	-	-	-	20,050	20,050
Miscellaneous revenues	-	-	-	85,317	-	-	-	-	-	29,500	114,817
Total revenues	356,082	22	119,503	123,232	679,900	763,074	549,089	59,537	65,478	52,566	2,768,483
<b>Expenditures</b>											
General government	-	23,322	183,575	-	-	-	-	-	-	30,682	237,579
Public safety	235,718	-	-	-	-	763,416	-	-	-	-	999,134
Economic and physical development	-	-	-	200,000	-	-	549,089	59,537	65,478	-	874,104
Education	-	-	-	-	2,172,691	-	-	-	-	-	2,172,691
Total expenditures	235,718	23,322	183,575	200,000	2,172,691	763,416	549,089	59,537	65,478	30,682	4,283,508
Revenues over (under) expenditures	120,364	(23,300)	(64,072)	(76,768)	(1,492,791)	(342)	-	-	-	21,884	(1,515,025)
<b>Other financing sources (uses)</b>											
Transfers from other funds	-	21,912	-	-	-	-	-	-	-	-	21,912
Net change in fund balances	120,364	(1,388)	(64,072)	(76,768)	(1,492,791)	(342)	-	-	-	21,884	(1,493,113)
Fund balances, beginning of year	306,680	17,002	894,995	780,910	2,304,540	(1,036)	-	-	-	85,159	4,388,250
Fund balances, end of year	\$ 427,044	\$ 15,614	\$ 830,923	\$ 704,142	\$ 811,749	\$ (1,378)	-	-	-	\$ 107,043	\$2,895,137

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, 2016  
Exhibit D-3

	Final Budget	Actual	Variance Positive (Negative)
<b>Revenues</b>			
Restricted intergovernmental:			
Emergency telephone fee	274,078	355,286	\$ 81,208
Investment earnings	-	796	796
Miscellaneous	-	-	-
Total revenues	274,078	356,082	82,004
<b>Expenditures</b>			
Public safety:			
Emergency telephone services:			
Operating expenditures	274,078	235,718	38,360
Capital outlay	303,485	-	303,485
Total expenditures	577,563	235,718	341,845
Revenues over (under) expenditures	(303,485)	120,364	423,849
Appropriated fund balance	303,485	-	(303,485)
Net change in fund balance	<u>\$ -</u>	120,364	<u>\$ 120,364</u>
Fund balance, beginning of year		306,680	
Fund balance, end of year		<u>\$ 427,044</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, 2016  
Exhibit D-4

	Final Budget	Actual	Variance Positive (Negative)
<b>Revenues</b>			
Investment earnings	\$ -	\$ 22	\$ 22
<b>Expenditures</b>			
General government			
Operating expenditures	29,732	15,326	14,406
Capital outlay	7,996	7,996	-
Total expenditures	37,728	23,322	14,406
Revenues over (under) expenditures	(37,728)	(23,300)	14,428
<b>Other financing sources</b>			
Transfers from other funds	22,500	21,912	(588)
Revenues and other financing sources over (under) expenditures	(15,228)	(1,388)	13,840
Appropriated fund balance	15,228	-	(15,228)
Net change in fund balance	<u>\$ -</u>	(1,388)	<u>\$ (1,388)</u>
Fund balance, beginning of year		17,002	
Fund balance, end of year		\$ 15,614	

Duplin County, North Carolina  
Revaluation Fund  
Schedule of Revenues, Expenditures, and Changes in Fund Balance  
Budget and Actual  
For the Year Ended June 30, 2016  
Exhibit D-5

	Final Budget	Actual	Variance Positive (Negative)
<b>Revenues</b>			
Ad valorem taxes	\$ 117,564	\$ 117,564	\$ -
Investment earnings	-	1,939	1,939
Total revenues	117,564	119,503	1,939
<b>Expenditures</b>			
General Government:			
Salaries and employee benefits	137,650	137,649	1
Operating expenditures	69,869	26,157	43,712
Capital outlay	35,670	19,769	15,901
Total expenditures	243,189	183,575	59,614
Revenues over (under) expenditures	(125,625)	(64,072)	61,553
Appropriated fund balance	125,625	-	(125,625)
Net change in fund balance	<u>\$ -</u>	(64,072)	<u>\$ (64,072)</u>
Fund balance, beginning of year		894,995	
Fund balance, end of year		<u>\$ 830,923</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, 2016  
Exhibit D-6

	Final Budget	Actual	Variance Positive (Negative)
<b>Revenues</b>			
Investment earnings	\$ -	\$ 37,915	\$ 37,915
Loan / lease payments	-	85,317	85,317
Total revenues	-	123,232	123,232
<b>Expenditures</b>			
Economic and physical development:			
Community development loans	200,000	200,000	-
Revenues over (under) expenditures	(200,000)	(76,768)	(123,232)
Appropriated fund balance	200,000	-	200,000
Net change in fund balance	<u>\$ -</u>	(76,768)	<u>\$ (76,768)</u>
Fund balance, beginning of year		780,910	
Fund balance, end of year		<u>\$ 704,142</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, 2016  
Exhibit D-7

	Final Budget	Actual	Variance Positive (Negative)
<b>Revenues</b>			
Restricted intergovernmental:			
Education Lottery	\$ -	\$ 668,295	\$ 668,295
Investment earnings	-	11,605	11,605
Total revenues	-	679,900	679,900
<b>Expenditures</b>			
Education:			
Capital outlay:			
Wallace - new traffic		84,994	
2016 School project design		1,038,217	
High School Renovations		1,049,480	
Total expenditures	2,172,691	2,172,691	-
Revenues over (under) expenditures	(2,172,691)	(1,492,791)	679,900
Appropriated fund balance	2,172,691	-	(2,172,691)
Net change in fund balance	<u>\$ -</u>	(1,492,791)	<u>\$ (1,492,791)</u>
Fund balance, beginning of year		2,304,540	
Fund balance, end of year		\$ 811,749	

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, 2016  
Exhibit D-8

	Final Budget	Actual	Variance Positive (Negative)
<b>Revenues</b>			
Ad valorem taxes	\$ 789,996	\$ 763,074	\$ (26,922)
<b>Expenditures</b>			
Public Safety:			
Commission to General Fund	21,776	20,971	805
Payment to State - motor vehicle collections	14,433	13,000	1,433
Oak Wolfe Fire District	58,230	54,182	4,048
Glisson Fire District	121,775	117,302	4,473
Sarecta Fire District	94,317	90,714	3,603
East Duplin Fire District	85,497	82,368	3,129
Albertson Fire District	70,423	69,451	972
Stacy Britt Fire District	121,864	123,034	(1,170)
Franklin Fire District	22,755	19,777	2,978
Northeast Fire District	178,926	172,617	6,309
Total expenditures	789,996	763,416	26,580
Net change in fund balance	<u>\$ -</u>	(342)	<u>\$ (342)</u>
Fund balance, beginning of year		(1,036)	
Fund balance, end of year		<u>\$ (1,378)</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, 2016  
Exhibit D-9

		Actual			Variance
	Project	Prior Years	Current	Total to Date	Positive
	Authorization		Year		(Negative)
<b>Revenues</b>					
Restricted intergovernmental:					
State grants	\$ 1,147,851	\$ 18,600	<b>\$549,089</b>	\$ 567,689	\$(580,162)
<b>Expenditures</b>					
Economic and physical development:					
Community development block grant	1,153,031	18,600	<b>549,089</b>	567,689	585,342
Revenues over (under) expenditures	(5,180)	-	-	-	5,180
<b>Other Financing Sources</b>					
Transfer from General Fund	5,180	-	-	-	(5,180)
Net change in fund balance	<u>\$ -</u>	<u>\$ -</u>		<u>\$ -</u>	<u>\$ -</u>
Fund balance, beginning of year			-		
Fund balance, end of year			<u><b>\$ -</b></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, 2016  
Exhibit D-10

		Actual			Variance
	Project		Current		Positive
	Authorization	Prior Years	Year	Total to Date	(Negative)
<b>Revenues</b>					
Restricted intergovernmental:					
State grants	\$ 225,000	\$ 14,696	\$ 59,537	\$ 74,233	\$(150,767)
<b>Expenditures</b>					
Economic and physical development:					
Community development block grant	225,000	14,696	59,537	74,233	150,767
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 (2015-I-Project)  
Schedule of Revenues, Expenditures, and Changes in Fund Balance  
Budget and Actual  
From Inception and for the Year Ended June 30, 2016  
Exhibit D-11

		Actual			Variance
	Project	Prior Years	Current	Total to Date	Positive
	Authorization		Year		(Negative)
<b>Revenues</b>					
Restricted intergovernmental:					
State grants	\$ 3,000,000	\$ -	\$ 65,478	\$ 65,478	\$ (2,934,522)
<b>Expenditures</b>					
Economic and physical development:					
Community development block grant	3,005,000	-	65,478	65,478	2,939,522
Revenues over (under) expenditures	(5,000)	-	-	-	5,000
<b>Other Financing Sources</b>					
Transfer from General Fund	5,000	-	-	-	(5,000)
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

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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.

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**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 various capital projects undertaken by the County, including the capital improvement projects for the County school system.

**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.

Duplin County, North Carolina  
Non-Major Governmental Funds  
Capital Project Funds  
Combining Balance Sheet  
June 30, 2016  
Exhibit E-1

	Capital Project Fund - School Fund	Capital Project Fund - JSCC	Industrial Expansion Capital Project Fund	Total
<b>Assets</b>				
Cash and cash equivalents	\$ 3,111,936	\$ 211,679	\$ 46,075	\$ 3,369,690
Due from other funds	-	-	-	-
Receivables, net	724,635	-	-	724,635
Total assets	\$ 3,836,571	\$ 211,679	\$ 46,075	\$ 4,094,325
<b>Liabilities</b>				
Due to other funds	\$ -	\$ -	\$ -	\$ -
<b>Fund Balances</b>				
Restricted by state statute	724,635	-	-	724,635
Restricted for schools	3,111,936	-	-	3,111,936
Restricted for JSCC	-	211,679	-	211,679
Committed for capital projects	-	-	46,075	46,075
Total fund balances	3,836,571	211,679	46,075	4,094,325
Total liabilities and fund balances	\$ 3,836,571	\$ 211,679	\$ 46,075	\$ 4,094,325

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, 2016  
Exhibit E-2

	Capital Project Fund - School Fund	Capital Project Fund - JSCC	Industrial Expansion Capital Project Fund	Total
<b>Revenues</b>				
Local option sales taxes	\$ 1,841,762	\$ -	\$ -	\$ 1,841,762
Restricted intergovernmental	-	-	464,178	464,178
Investment earnings	5,290	464	80	5,834
Contributions	-	-	33,020	33,020
Total revenues	1,847,052	464	497,278	2,344,794
<b>Expenditures</b>				
Economic and physical development	-	-	487,198	487,198
Education	606,322	-	-	606,322
Total expenditures	606,322	-	487,198	1,093,520
Revenues over (under) expenditures	1,240,730	464	10,080	1,251,274
<b>Other financing sources (uses)</b>				
Proceeds from debt issuance	-	-	-	-
Interest	-	-	-	-
Transfers from other funds	839,629	-	-	839,629
Transfers to other funds	-	-	-	-
Total other financing sources (uses)	839,629	-	-	839,629
Net change in fund balances	2,080,359	464	10,080	2,090,903
Fund balances, beginning of year	1,756,212	211,215	35,995	2,003,422
Fund balances, end of year	\$ 3,836,571	\$ 211,679	\$ 46,075	\$ 4,094,325

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, 2016  
Exhibit E-3

	Final Budget	Actual	Variance Positive (Negative)
<b>Revenues</b>			
Local Option Sales Taxes:			
Article 40 one-half of one percent	\$ 719,821	\$ 893,797	\$ 173,976
Article 42 one-half of one percent	750,000	947,965	197,965
Total	1,469,821	1,841,762	371,941
Investment earnings	-	5,290	5,290
Total revenues	1,469,821	1,847,052	377,231
<b>Expenditures</b>			
Education:			
Capital reserve	-	-	-
Capital outlay - Improvements to sites	430,095	430,095	-
Capital outlay - Equipment and furniture	176,234	176,227	7
Capital outlay - Vehicles	-	-	-
Capital outlay - Architect fees	36,997	-	36,997
Total expenditures	643,326	606,322	37,004
Revenues over (under) expenditures	826,495	1,240,730	414,235
<b>Other financing sources (uses)</b>			
Transfers from other funds	731,000	839,629	108,629
Transfers to other funds	(1,747,160)	-	1,747,160
Total other financing sources (uses)	(1,016,160)	839,629	1,855,789
Appropriated fund balance	189,665	-	(189,665)
Net change in fund balance	<u>\$ -</u>	2,080,359	<u>\$2,080,359</u>
Fund balance, beginning of year		1,756,212	
Fund balance, end of year		<u>\$ 3,836,571</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, 2016  
Exhibit E-4

	Final Budget	Actual	Variance Positive (Negative)
<b>Revenues</b>			
Investment earnings	\$ -	\$ 464	\$ 464
<b>Expenditures</b>			
Education:			
Capital outlay	-	-	-
Net change in fund balance	<u>\$ -</u>	464	<u>\$ 464</u>
Fund balance, beginning of year		211,215	
Fund balance, end of year		\$ 211,679	



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, 2016  
Exhibit E-5

			Actual		Variance
	Project	Prior Years	Current	Total to	Positive
	Authorization		Year	Date	(Negative)
<b>Revenues</b>					
Restricted intergovernmental					
State grants	\$ 63,603	\$ -	\$ -	\$ -	\$ (63,603)
Other grants	441,218	-	441,218	441,218	-
Sales tax	22,960	-	22,960	22,960	-
Total	527,781	-	464,178	464,178	(63,603)
Contributions	33,020	-	33,020	33,020	-
Investment earnings	-	859	80	939	939
Total revenues	560,801	859	497,278	498,137	(62,664)
<b>Expenditures</b>					
Economic and physical development:					
National Spinning	10,000	-	-	-	10,000
Economic Development Reserve	35,136	-	-	-	35,136
Villari Building Reuse Grant	66,783	-	3,180	3,180	63,603
Refrigeration project	377,800	-	377,800	377,800	-
Building renovation	106,218	-	106,218	106,218	-
Total expenditures	595,937	-	487,198	487,198	108,739
Revenues over (under) expenditures	(35,136)	859	10,080	10,939	46,075
<b>Other financing sources (uses)</b>					
Transfers from other funds	35,136	35,136	-	35,136	-
Net change in fund balance	<u>\$ -</u>	<u>\$ 35,995</u>	10,080	<u>\$ 46,075</u>	<u>\$ 46,075</u>
Fund balance, beginning of year			35,995		
Fund balance, end of year			<u>\$ 46,075</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, 2016  
Exhibit E-6

			Actual		Variance
	Project	Prior	Current Year	Total to Date	Positive
	Authorization	Years			(Negative)
<b>Revenues</b>					
Restricted intergovernmental:					
State grants	\$ 429,538	\$ 9,377	\$ 83,958	\$ 93,335	\$ (336,203)
Federal grants	95,000	-	76,050	76,050	(18,950)
Sales tax refund	-	-	934	934	934
Total	524,538	9,377	160,942	170,319	(354,219)
Contributions	98,200	-	-	-	(98,200)
Total revenues	622,738	9,377	160,942	170,319	(452,419)
<b>Expenditures</b>					
Environmental Protection					
Farmland preservation	622,738	9,377	160,058	169,435	453,303
Cultural and Recreational					
Upgrades/repairs	36,129	-	18,142	18,142	17,987
Education					
School construction	62,261,411	-	2,875,884	2,875,884	59,385,527
Total expenditures	62,920,278	9,377	3,054,084	3,063,461	59,856,817
Revenues over (under) expenditures	(62,297,540)	-	(2,893,142)	(2,893,142)	59,404,398
<b>Other financing sources (uses)</b>					
Proceeds from debt issuance	60,514,251	-	60,514,251	60,514,251	-
Interest	-	-	32,959	32,959	32,959
Transfers from other funds	1,783,289	-	18,142	18,142	(1,765,147)
Net change in fund balance	\$ -	\$ -	57,672,210	\$57,672,210	\$ 57,672,210
Fund balance, beginning of year			-		
Fund balance, end of year			\$ 57,672,210		

## ENTERPRISE FUNDS

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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.

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**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.

Duplin County, North Carolina  
Non-Major Proprietary Funds – Enterprise Funds  
Combining Statement of Fund Net Position  
June 30, 2016  
Exhibit F-1

	Solid Waste Fund	Transportation Development Plan Fund	Total
<b>Assets</b>			
Current assets:			
Cash and cash equivalents	\$ 1,802,577	\$ 574,493	\$ 2,377,070
Receivables, net	771,768	63,167	834,935
Due from other funds	-	-	-
Restricted cash and cash equivalents	-	-	-
Total current assets	2,574,345	637,660	3,212,005
Noncurrent assets:			
Restricted cash and cash equivalents	1,072,410	-	1,072,410
Capital assets:			
Land and construction in progress	216,348	-	216,348
Other capital assets, net of depreciation	2,821,235	323,037	3,144,272
Total capital assets	3,037,583	323,037	3,360,620
Total noncurrent assets	4,109,993	323,037	4,433,030
Total assets	6,684,338	960,697	7,645,035
<b>Deferred Outflows of Resources</b>	48,136	25,162	73,298
<b>Liabilities</b>			
Current liabilities:			
Accounts payable and accrued liabilities	83,602	891	84,493
Due to other funds	2,122	-	2,122
Customer deposits	-	-	-
Deferred revenue	-	-	-
Total current liabilities	85,724	891	86,615
Long-term liabilities:			
Compensated absences	44,941	22,342	67,283
Net pension liability	49,136	24,332	73,468
Other post-employment benefit	482,258	206,419	688,677
Total long-term liabilities	576,335	253,093	829,428
Total liabilities	662,059	253,984	916,043
<b>Deferred Inflows of Resources</b>	29,046	12,844	41,890
<b>Net Position</b>			
Net investment in capital assets	3,037,583	323,037	3,360,620
Restricted	1,072,410	-	1,072,410
Unrestricted	1,931,376	395,994	2,327,370
Total net position	\$ 6,041,369	\$ 719,031	\$ 6,760,400

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, 2016  
Exhibit F-2

	Solid Waste Fund	Transportation Development Plan Fund	Total
<b>Operating revenues</b>			
Charges for services/sale of goods	\$ 3,052,257	\$ 739,667	\$ 3,791,924
<b>Operating expenses</b>			
Operating expenses	3,054,834	893,886	3,948,720
Operating income (loss)	(2,577)	(154,219)	(156,796)
<b>Non-operating revenues (expenses)</b>			
Investment earnings	8,886	935	9,821
State grants	-	414,531	414,531
Disposal tax revenues	136,548	-	136,548
Gain (loss) on disposal of capital assets	8,021	(4,413)	3,608
Miscellaneous	9,574	352	9,926
Total non-operating revenue (expense)	163,029	411,405	574,434
Change in net position	160,452	257,186	417,638
Net position, beginning of year	5,880,917	461,845	6,342,762
Restatement	-	-	-
Net position, end of year	\$ 6,041,369	\$ 719,031	\$ 6,760,400

Duplin County, North Carolina  
Non-Major Proprietary Funds – Enterprise Funds  
Combining Statement of Cash Flows  
For the Year Ended June 30, 2016  
Exhibit F-3

	Solid Waste Fund	Transportation Development Plan Fund	Total
<b>Cash flows from operating activities</b>			
Cash received from customers	\$ 3,056,124	\$ 709,042	\$ 3,765,166
Cash paid for goods and services	(1,629,795)	(283,300)	(1,913,095)
Cash paid to employees for services	(1,204,189)	(559,322)	(1,763,511)
Net cash (used) provided by operating activities	222,140	(133,580)	88,560
<b>Cash flows from non-capital financing activities</b>			
Miscellaneous	146,122	414,883	561,005
<b>Cash flows from capital and related financing activities</b>			
Proceeds from sale of capital assets	8,021	10,037	18,058
Acquisition and construction of capital assets	(103,550)	(29,348)	(132,898)
Net cash provided (used) by capital and related financing activities	(95,529)	(19,311)	(114,840)
<b>Cash flows from investing activities</b>			
Interest on investments	8,886	935	9,821
Net increase (decrease) in cash and cash equivalents	281,619	262,927	544,546
Cash and cash equivalents, beginning of year	2,593,368	311,566	2,904,934
Cash and cash equivalents, end of year	\$ 2,874,987	\$ 574,493	\$ 3,449,480
<b>Reconciliation of operating income (loss) to net cash provided (used) by operating activities:</b>			
Operating income (loss)	\$ (2,577)	\$ (154,219)	\$ (156,796)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:			
Depreciation	210,893	111,251	322,144
Pension expense	124,347	56,430	180,777
Changes in assets and liabilities:			
(Increase) decrease in accounts receivable	3,067	(30,625)	(27,558)
(Increase) decrease in deferred outflows of resources for pensions	40,425	13,388	53,813
Increase (decrease) in accounts payable	10,473	650	11,123
Increase (decrease) in deferred inflows	(238,688)	(168,395)	(407,083)
Increase (decrease) in customer deposits	800	-	800
Increase (decrease) in net pension obligation	49,136	24,332	73,468
Increase (decrease) in OPEB obligation	39,401	17,866	57,267
Increase (decrease) in compensated absences	(15,137)	(4,258)	(19,395)
Total adjustments	224,717	20,639	245,356
Net cash provided (used) by operating activities	\$ 222,140	\$ (133,580)	\$ 88,560

Duplin County, North Carolina  
Water Fund  
Schedule of Revenues and Expenditures – Budget and Actual (Non-GAAP)  
For the Year Ended June 30, 2016  
Exhibit F-4

	Final Budget	Actual	Variance Positive (Negative)
<b>Operating revenues</b>			
Water sales	\$ 2,556,617	\$3,060,704	\$ 504,087
Water taps	133,700	162,268	28,568
Administration fees	-	1,928	1,928
Other operating revenues	75,000	73,741	(1,259)
Total operating revenues	2,765,317	3,298,641	533,324
<b>Non-operating revenues</b>			
Investment earnings	452	20,098	19,646
Miscellaneous	4,700	12,544	7,844
Total operating revenues	5,152	32,642	27,490
Total revenues	2,770,469	3,331,283	560,814
<b>Expenditures</b>			
Administration expenditures:			
Salaries and employee benefits		683,856	
Other administration expenditures		127,812	
Capital outlay		20,151	
Total	912,956	831,819	81,137
County operating expenditures:			
Repairs		2,748	
Other operating expenditures		85,823	
Total	104,060	88,571	15,489
Albertson operating expenditures:			
Repairs		26,580	
Other operating expenditures		31,517	
Total	76,071	58,097	17,974
B water operating expenditures:			
Repairs		61,320	
Other operating expenditures		54,981	
Total	118,828	116,301	2,527
D water operating expenditures:			
Repairs		25,846	
Other operating expenditures		48,485	
Total	78,411	74,331	4,080
E water operating expenditures:			
Repairs		39,016	
Other operating expenditures		27,671	
Total	92,698	66,687	26,011

Duplin County, North Carolina  
Water Fund  
Schedule of Revenues and Expenditures – Budget and Actual (Non-GAAP)  
For the Year Ended June 30, 2016  
Exhibit F-4

	Final Budget	Actual	Variance Positive (Negative)
F water operating expenditures:			
Repairs		42,581	
Other operating expenditures		84,428	
Total	144,694	127,009	17,685
G water operating expenditures:			
Repairs		37,007	
Other operating expenditures		58,530	
Total	138,941	95,537	43,404
Debt Service:			
Principal retirements		776,747	
Interest and fees		581,185	
Total	1,420,110	1,357,932	62,178
Total expenditures	3,086,769	2,816,284	270,485
Revenues over (under) expenditures	(316,300)	514,999	831,299
<b>Other financing sources (uses)</b>			
Proceeds from sale of capital assets	-	1,504	1,504
Transfer from other funds	-	-	-
Transfer to other funds	0	0	-
Total	-	1,504	1,504
Revenues and other financing sources over (under) expenditures and other financing uses	(316,300)	516,503	832,803
Appropriated fund balance	316,300	-	(316,300)
Revenues, other financing sources, and appropriated fund balance over (under) expenditures and other financing uses	\$ -	\$ 516,503	\$ 516,503
<b>Reconciliation from budgetary basis (modified accrual) to full accrual:</b>			
Revenues, other financing sources, and appropriated fund balance over expenditures and other financing uses		\$ 516,503	
Reconciling items:			
Capital outlay		20,151	
Depreciation		(1,214,576)	
Increase in accrued interest payable		(45,060)	
Principal debt retirement		776,747	
Amortization of premium on refunding bonds		19,092	
Amortization of deferred loss on refunding		(10,925)	
Capital contributions		133,655	
Transfer from water capital project		-	
Increase in compensated absences		(3,194)	
Contributions to the pension plan in the current fiscal year		92,797	
Pension expense		(80,759)	
Increase in OPEB obligation		(25,567)	
Total reconciling items		(337,639)	
Change in net position		\$ 178,864	



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, 2016  
Exhibit F-5

	Final Budget	Actual	Variance Positive (Negative)
<b>Non-operating revenues</b>			
Investments earnings	\$ 577,681	\$ 577,681	\$ -
<b>Expenditures</b>			
Debt Service:			
Principal retirements		520,000	
Interest and fees		577,681	
Total expenditures	1,097,681	1,097,681	-
Revenues over (under) expenditures	(520,000)	(520,000)	-
<b>Other financing sources</b>			
Transfer from water districts	-	-	-
Principal received from water district GO bonds	520,000	520,000	-
Revenues and other financing sources over expenditures	\$ -	\$ -	\$ -
<b>Reconciliation from budgetary basis (modified accrual) to full accrual basis:</b>			
Revenues and other financing sources over expenditures		\$ -	
Reconciling items			
Principal received from water districts		(520,000)	
Debt principal payment		520,000	
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, 2016  
Exhibit F-6

	Final Budget	Actual	Variance Positive (Negative)
<b>Operating revenues</b>			
Charges for services	\$ 544,553	\$ 739,667	\$ 195,114
<b>Non-operating revenues</b>			
Investments earnings	-	935	935
Federal grants	0	0	-
State grants	528,307	414,531	(113,776)
Contributions	-	-	-
Miscellaneous	-	352	352
Total non-operating revenues	528,307	415,818	(112,489)
Total revenues	1,072,860	1,155,485	82,625
<b>Expenditures</b>			
Salaries and employee benefits		442,255	
Operating expenditures		170,195	
Capital outlay		95,181	
DOT Rural General Public Grant		86,755	
Workfirst transportation assistance		15,820	
Elderly/Disabled transportation assistance		62,415	
NCDOT 5310 grant expenditures		-	
Feasibility study		0	
Total expenditures	1,076,827	872,621	204,206
Revenues over (under) expenditures	(3,967)	282,864	286,831
<b>Other financing sources</b>			
Proceeds from sale of capital assets	-	10,038	10,038
Appropriated fund balance	3,967	-	(3,967)
Revenues, other financing sources and appropriated fund balance over expenditures	\$ -	\$ 292,902	\$ 292,902

**Reconciliation from budgetary basis (modified accrual) to full accrual:**

Revenues, other financing sources and appropriated fund balance over expenditures	\$ 292,902
Reconciling items:	
Depreciation	(111,251)
Decrease in compensated absences	4,258
Increase in OPEB obligation	(17,866)
Contributions to the pension plan in the current fiscal year	64,842
Pension expense	(56,430)
Basis in retired assets	(14,450)
Capital outlay	95,181
Total reconciling items	(35,716)
Change in net position	\$ 257,186

Duplin County, North Carolina  
 Airport Commission Fund  
 Schedule of Revenues and Expenditures – Budget and Actual (Non-GAAP)  
 For the Year Ended June 30, 2016  
 Exhibit F-7

	Final Budget	Actual	Variance Positive (Negative)
<b>Operating revenues</b>			
Sales and rentals	\$ 476,050	\$ 499,186	\$ 23,136
<b>Non-operating revenues</b>			
Rental income	7,447	7,447	-
Investment earnings	-	194	
Miscellaneous	3,158	3,220	62
Total non-operating revenues	10,605	10,861	256
Total revenues	486,655	510,047	23,392
<b>Expenditures</b>			
Operating expenditures:			
Salaries and employee benefits		185,211	
Purchases		296,273	
Capital outlay		72,667	
Other operating expenditures		105,542	
Total operating expenditures	670,638	659,693	10,945
Revenues over (under) expenditures	(183,983)	(149,646)	34,337
<b>Other financing sources (uses)</b>			
Transfers from other funds	132,487	132,487	-
Transfers to other funds	(25,437)	(25,437)	-
Total other financing sources (uses)	107,050	107,050	-
Appropriated fund balance	76,933	-	(76,933)
Revenues, other financing sources, and appropriated fund balance under expenditures and other financing uses	\$ -	\$ (42,596)	\$ (42,596)

**Reconciliation from budgetary basis (modified accrual to full accrual:**

Revenues, other financing sources, and appropriated fund balance under expenditures and other financing uses	\$ (42,596)
Reconciling items:	
Depreciation	(579,732)
Increase in compensated absences	(872)
Increase in OPEB obligation	(6,970)
Contributions to the pension plan in the current fiscal year	25,238
Pension expense	(21,965)
Capital outlay	72,667
From Airport Commission Capital Project Fund:	
Capital contribution	163,323
Transfers to Airport Commission Capital Project Fund	25,437
Total reconciling items	(322,874)
Change in net position	\$ (365,470)

Duplin County, North Carolina  
Solid Waste Fund  
Schedule of Revenues and Expenditures – Budget and Actual (Non-GAAP)  
For the Year Ended June 30, 2016  
Exhibit F-8

	Final Budget	Actual	Variance Positive (Negative)
<b>Operating revenues</b>			
Disposal fees	\$ 1,688,382	\$ 1,500,738	\$ (187,644)
User fees	1,167,754	1,320,803	153,049
Landfill fees	102,700	139,322	36,622
Sale of recyclables	100,000	91,394	(8,606)
Total operating revenues	3,058,836	3,052,257	(6,579)
<b>Non-operating revenues</b>			
Investments earnings	800	8,886	8,086
State grants	12,000	-	(12,000)
Disposal tax revenues	110,000	136,548	26,548
Miscellaneous	-	9,574	9,574
Total non-operating revenues	122,800	155,008	32,208
Total revenues	3,181,636	3,207,265	25,629
<b>Expenditures</b>			
Collections:			
Salaries and employee benefits		714,945	
Operating expenditures		574,634	
Capital outlay		78,373	
Disposals:			
Salaries and employee benefits		175,894	
Operating expenditures		987,101	
Capital outlay		25,176	
Recycling:			
Salaries and employee benefits		179,597	
Operating expenditures		60,124	
Tire collection:			
Salaries and employee benefits		4,386	
Operating expenditures		76,708	
White goods:			
Salaries and employee benefits		4,504	
Operating expenditures		60,320	
Total expenditures	3,583,773	2,941,762	642,011
Revenues under expenditures	(402,137)	265,503	667,640
<b>Other financing sources</b>			
Proceeds from sale of capital assets	-	8,021	8,021
Appropriated fund balance	402,137	-	(402,137)
Revenues, other financing sources, and appropriated fund balance under expenditures	\$ -	\$ 273,524	\$ 273,524

**Reconciliation from budgetary basis (modified accrual) to full accrual:**

Revenues, other financing sources, and appropriated fund balance under expenditures	\$ 273,524
Reconciling items:	
Depreciation	(210,893)
Decrease in compensated absences	15,137
Increase in OPEB obligation	(39,401)
Contributions to the pension plan in the current fiscal year	142,883
Pension expense	(124,347)
Capital outlay	103,549
Total reconciling items	(113,072)
Change in net position	\$ 160,452

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, 2016  
 Exhibit F-9

		Actual			Variance
	Project	Prior Years	Current	Total to Date	Positive
	Authorization		Year		(Negative)
<b>Revenues</b>					
State grants	\$ 1,701,539	\$1,383,846	\$163,250	\$1,547,096	\$(154,443)
Local option sales taxes	29,724	29,656	68	29,724	-
Contributions	-	-	430	430	430
Investment earnings	2,214	2,227	1	2,228	14
Total revenues	1,733,477	1,415,729	163,749	1,579,478	(153,999)
<b>Expenditures</b>					
Terminal project	1,649,507	1,564,347	85,160	1,649,507	-
Precision Approach Path Indicator Light project	136,316	136,106	210	136,316	-
Terminal area plan	92,000	-	89,160	89,160	2,840
Contingency	166,667	-	-	-	166,667
Total expenditures	2,044,490	1,700,453	174,530	1,874,983	169,507
Revenues over (under) expenditures	(311,013)	(284,724)	(10,781)	(295,505)	15,508
<b>Other financing sources</b>					
Transfers from other funds	311,013	285,146	25,437	310,583	(430)
Revenues and other financing sources over (under) expenditures	\$ -	\$ 422	\$ 14,656	\$ 15,078	\$ 15,078

Duplin County, North Carolina  
Water District G Clean Water (GHSRGW99063) Project Fund  
Schedule of Revenues and Expenditures – Budget and Actual (Non-GAAP)  
From Inception and for the Year Ended June 30, 2016  
Exhibit F-10

		Actual			Variance
	Project	Prior Years	Current	Total to Date	Positive
	Authorization		Year		(Negative)
<b>Revenues</b>					
State grants	\$ 3,179,577	\$ 3,179,577	\$ -	\$ 3,179,577	\$ -
Local option sales taxes	51,383	51,383	-	51,383	-
Total revenues	3,230,960	3,230,960	-	3,230,960	-
<b>Expenditures</b>					
Project expenditures	3,230,960	3,032,344	1,091	3,033,435	197,525
Revenues over (under) expenditures	\$ -	\$ 198,616	\$(1,091)	\$ 197,525	\$ 197,525

## DEBT SERVICE FUND

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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, 2016  
Exhibit G-1

	Final Budget	Actual	Variance Positive (Negative)
<b>Revenues</b>			
Investment earnings	\$ -	\$ 1,369	\$ 1,369
<b>Expenditures</b>			
Debt service:			
Principal retirement		164,794	
Interest and fees		434,471	
Total expenditures	608,124	599,265	8,859
Revenues over (under) expenditures	(608,124)	(597,896)	10,228
<b>Other financing sources (uses)</b>			
Transfers from other funds	608,124	578,270	(29,854)
Net change in fund balance	<u>\$ -</u>	(19,626)	<u>\$ (19,626)</u>
Fund balance, beginning of year		628,867	
Fund balance, end of year		<u>\$ 609,241</u>	

# TRUST AND AGENCY FUNDS

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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.

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**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.

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, 2016  
Exhibit H-1

	Final Budget	Actual	Variance Positive (Negative)
<b>Revenues</b>			
Restricted Intergovernmental:			
Unauthorized substance tax	\$ -	\$ 2,803	\$ 2,803
Investment earnings	-	213	213
Miscellaneous revenue:			
Fees and commissions	28,574	29,500	926
Donations	14,689	20,050	5,361
Total	43,263	49,550	6,287
Total revenues	43,263	52,566	9,303
<b>Expenditures</b>			
Public Safety			
Sheriff/Jail		3,124	
Human Services			
General aging trust		14	
Senior games		574	
Senior citizens trips		26,756	
Cultural and Recreational			
Library programs		214	
Total expenditures	128,421	30,682	97,739
Revenues over (under) expenditures	(85,158)	21,884	107,042
Appropriated fund balance	85,158	-	(85,158)
Net change in fund balance	<u>\$ -</u>	21,884	<u>\$ 21,884</u>
Fund balance, beginning of year		85,159	
Fund balance, end of year		\$ 107,043	

Duplin County, North Carolina  
Agency Funds  
Combining Statement of Fiduciary Net Position  
June 30, 2016  
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
<b>Assets</b>						
Cash and cash equivalents	\$ -	\$ 78,199	\$ 75,623	\$ 11,435	\$ -	\$ 165,257
Miscellaneous receivables	35,901	513	-	151	25	36,590
Total assets	\$ 35,901	\$ 78,712	\$ 75,623	\$ 11,586	\$ 25	\$ 201,847
<b>Liabilities</b>						
Miscellaneous liabilities	\$ 35,901	75,377	\$ 75,623	11,586	\$ 25	\$ 198,512
Due to other funds	-	3,335	-	-	-	3,335
Total liabilities	\$ 35,901	\$ 78,712	\$ 75,623	\$ 11,586	\$ 25	\$ 201,847

Duplin County, North Carolina  
Agency Funds  
Combining Statement of Changes in Assets and Liabilities  
For the Year Ended June 30, 2016  
Exhibit H-3

	Balance July 1, 2015	Additions	Deductions	Balance June 30, 2016
<b><u>Motor Vehicle Tax Fund</u></b>				
<b>Assets</b>				
Cash and cash equivalents	\$ -	\$ 419,191	\$ 419,191	\$ -
Miscellaneous receivables	29,540	35,901	29,540	35,901
Due from other governmental funds	-	548	548	-
Total assets	\$ 29,540	\$ 455,640	\$ 449,279	\$ 35,901
<b>Liabilities</b>				
Miscellaneous liabilities	\$ 29,540	\$ 454,278	\$ 447,917	\$ 35,901
Due to other governmental funds	-	1,362	1,362	-
Total liabilities	\$ 29,540	\$ 455,640	\$ 449,279	\$ 35,901
<b><u>County Agency Fund</u></b>				
<b>Assets</b>				
Cash and cash equivalents	\$ 77,259	\$ 693,179	\$ 692,239	\$ 78,199
Miscellaneous receivables	673	513	673	513
Total assets	\$ 77,932	\$ 693,692	\$ 692,912	\$ 78,712
<b>Liabilities</b>				
Miscellaneous liabilities	\$ 76,031	\$ 651,846	\$ 652,200	\$ 75,377
Due to other governmental funds	1,901	41,846	40,412	3,335
Total liabilities	\$ 77,932	\$ 693,692	\$ 692,612	\$ 78,712
<b><u>Social Services Fund</u></b>				
<b>Assets</b>				
Cash and cash equivalents	\$ 62,001	\$ 96,512	\$ 82,890	\$ 75,623
<b>Liabilities</b>				
Miscellaneous liabilities	\$ 62,001	\$ 96,512	\$ 82,890	\$ 75,623
<b><u>Register of Deeds Trust Fund:</u></b>				
<b>Assets</b>				
Cash and cash equivalents	8,918	118,635	116,118	11,435
Miscellaneous receivables	-	151	-	151
Cash and cash equivalents	\$ 8,918	\$ 118,786	\$ 116,118	\$ 11,586
<b>Liabilities</b>				
Miscellaneous liabilities	\$ 8,918	\$ 118,773	\$ 116,105	\$ 11,586
Due to other governmental funds	-	13	13	-
Total liabilities	\$ 8,918	\$ 118,786	\$ 116,118	\$ 11,586

Duplin County, North Carolina  
Agency Funds  
Combining Statement of Changes in Assets and Liabilities  
For the Year Ended June 30, 2016  
Exhibit H-3

	Balance July 1, 2015	Additions	Deductions	Balance June 30, 2016
<b><u>Board of Education Fines and Forfeitures Fund</u></b>				
<b>Assets</b>				
Cash and cash equivalents	\$ 13	\$ 46,440	\$ 46,453	\$ -
Miscellaneous receivables	-	25	-	25
Due from other governmental funds	-	1,732	1,732	-
Total assets	\$ 13	\$ 48,197	\$ 48,185	\$ 25
<b>Liabilities</b>				
Miscellaneous liabilities	\$ 13	\$ 44,190	\$ 44,178	\$ 25
Due to other governmental funds	-	4,007	4,007	-
Total liabilities	\$ 13	\$ 48,197	\$ 48,185	\$ 25
<b><u>Totals - All Agency Funds:</u></b>				
<b>Assets</b>				
Cash and cash equivalents	\$ 148,191	\$ 1,374,108	\$ 1,356,891	\$ 165,257
Miscellaneous receivables	30,213	36,439	30,213	36,590
Due from other governmental funds	-	2,280	2,280	-
Total assets	\$ 178,404	\$ 1,412,827	\$ 1,389,384	\$ 201,847
<b>Liabilities</b>				
Miscellaneous liabilities	\$ 176,503	\$ 1,365,599	\$ 1,343,290	\$ 198,512
Due to other governmental funds	1,901	47,228	45,794	3,335
Total liabilities	\$ 178,404	\$ 1,412,827	\$ 1,389,084	\$ 201,847

# INTERNAL SERVICE FUND

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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.

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**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.

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, 2016  
Exhibit I-1

	Final Budget	Actual	Variance Positive (Negative)
<b>Revenues</b>			
Operating revenues:			
Charges for services	\$ 5,034,000	\$ 5,136,885	\$ 102,885
Non-operating revenues:			
Investment earnings	-	6,380	6,380
Other revenue	-	4,089	4,089
Total	-	10,469	10,469
Total revenues	5,034,000	5,147,354	113,354
<b>Expenditures</b>			
Operating expenditures	5,334,000	5,194,258	139,742
Revenues over (under) expenditures	(300,000)	(46,904)	253,096
<b>Other financing sources</b>			
Transfer from other funds	300,000	300,000	-
Appropriated fund balance	-	-	-
Net change in fund balance	<u>\$ -</u>	253,096	<u>\$ 253,096</u>
Fund balance, beginning of year		2,802,598	
Fund balance, end of year		<u>\$ 3,055,694</u>	



## COMPONENT UNIT

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

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

**Assets**

Current assets:

Cash and cash equivalents	\$ 452,153
Accounts receivable	22,382
Total current assets	474,535
<hr/>	
Total assets	\$ 474,535

**Liabilities**

Current liabilities:

Accounts payable	2,871
Total current liabilities	2,871

Long-term liabilities:

Compensated absences	4,320
Total liabilities	7,191

**Net Position**

Restricted:

Stabilization by state statute	22,382
Unrestricted	444,962
Total net position	\$ 467,344

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, 2016  
Exhibit J-2

Functions/Programs	Expenses	Net (Expense) Revenue and Changes in Net Position
		Governmental Activities
<b>Governmental Activities:</b>		
Economic and physical development	\$ 208,980	\$ (208,980)
 <b>General Revenues:</b>		
Occupancy taxes		\$ 253,751
Sales and services		4,458
Investment earnings		1,105
 Total general revenues		259,314
 Change in net position		50,334
 Net position, beginning of year		417,010
 Net position, ending of year		\$ 467,344

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

**Assets**

Cash and cash equivalents	\$ 452,153
Accounts receivable	22,382
<b>Total assets</b>	<b>\$ 474,535</b>

**Liabilities**

Accounts payable and accrued liabilities	\$ 2,871
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**Fund Balances**

Restricted:	
Stabilization by state statute	22,382
Unassigned	449,282
<b>Total fund balances</b>	<b>471,664</b>
<b>Total liabilities and fund balances</b>	<b>\$ 474,535</b>

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

Total fund balances - General Fund	\$ 471,664
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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	(4,320)
<b>Net position of governmental activities</b>	<b>\$ 467,344</b>

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  
June 30, 2016  
Exhibit J-4

**Revenues**

Occupancy taxes	\$ 253,751
Sales and services	4,458
Investment earnings	1,079
Other revenue	26
<b>Total revenues</b>	<b>259,314</b>

**Expenditures**

Salaries and employee benefits	105,602
Advertising	58,612
Promotion and entertainment	8,934
Travel, training, and meals	5,935
Other operating expenditures	29,321
<b>Total expenditures</b>	<b>208,404</b>

Net change in fund balance	50,910
Fund balance, beginning of year	420,754
<b>Fund balance, end of year</b>	<b>\$ 471,664</b>

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

Net changes in fund balance - General Fund	\$ 50,910
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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	(576)
<b>Total changes in governmental activities</b>	<b>\$ 50,334</b>

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, 2016  
Exhibit J-5

	Original Budget	Final Budget	Actual	Variance with Final Positive (Negative)
<b>Revenues</b>				
Occupancy taxes	\$ 211,434	\$ 211,434	\$ 253,751	\$ 42,317
Sales and services	-	-	4,458	4,458
Investment earnings	-	-	1,079	1,079
Other revenue	-	-	26	26
Total revenues	211,434	211,434	259,314	47,880
<b>Expenditures</b>				
Salaries and employee benefits			105,602	
Advertising			58,612	
Promotion and entertainment			8,934	
Travel, training, and meals			5,935	
Other operating expenditures			29,321	
Total expenditures	211,434	226,438	208,404	18,034
Revenues over (under) expenditures	-	(15,004)	50,910	65,914
Fund balance appropriated	-	15,004	-	(15,004)
Net change in fund balance	<u>\$ -</u>	<u>\$ -</u>	50,910	<u>\$ 50,910</u>
Fund balance, beginning of year			420,754	
Fund balance, end of year			<u>\$ 471,664</u>	

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

## OTHER SCHEDULES

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

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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

Duplin County, North Carolina  
General Fund  
Schedule of Ad Valorem Taxes Receivable  
June 30, 2016  
Exhibit K-1

Fiscal Year	Uncollected Balance June 30, 2015	Additions	Collections and Credits	Uncollected Balance June 30, 2016
2014-2015	\$ -	\$ 30,067,023	\$ 29,221,259	\$ 845,764
2014-2015	776,917	-	432,617	344,300
2013-2014	424,264	-	194,918	229,346
2012-2013	272,127	-	105,032	167,095
2011-2012	175,707	-	57,698	118,009
2010-2011	132,411	-	32,378	100,033
2009-2010	107,856	-	20,454	87,402
2008-2009	105,140	-	17,042	88,098
2007-2008	110,631	-	15,502	95,129
2006-2007	104,590	-	12,205	92,385
2005-2006	74,334	-	74,334	-
<b>Totals</b>	<b>\$ 2,283,977</b>	<b>\$ 30,067,023</b>	<b>\$ 30,183,439</b>	<b>2,167,561</b>

Prior year property taxes being collected through garnishments	42,761
Prior year vehicle taxes being collected through garnishments	1,244
Discoveries due to business personal property tax audits	27,788

Less allowance for uncollectible accounts (748,151)

**Ad valorem taxes receivable, net \$ 1,491,203**

Reconcilement with revenues:

Ad valorem taxes	\$ 29,801,717
Reconciling items:	
Returned checks	(72,780)
Interest and penalties collected	(333,391)
Adjustments	4,143
Underpayments	129
Fines and forfeitures	31,892
Discounts allowed	275,966
Property taxes allocated to the Revaluation Fund	117,564
Taxes written off	42,761
Prior years releases	315,438
<b>Total collections and credits</b>	<b>\$ 30,183,439</b>



Duplin County, North Carolina  
Analysis of Current Tax Levy  
County-wide Levy  
For the Year Ended June 30, 2016  
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	\$4,083,226,712	0.73	\$29,829,455	\$26,710,746	\$3,118,709
Penalties			34,209	34,209	-
Total	4,083,226,712		29,863,664	26,744,955	3,118,709
Discoveries:					
Current year taxes	15,980,822	0.73	116,660	116,660	-
Prior year's taxes	-		86,699	86,699	-
Total	15,980,822		203,359	203,359	-
Total property valuation	\$4,099,207,534				
Net levy			30,067,023	26,948,314	3,118,709
Uncollected taxes at June 30, 2016			(845,764)	(845,742)	(22)
Current year's taxes collected			\$29,221,259	\$26,102,572	\$3,118,687
Current levy collection percentage			97.19%	96.86%	100.00%

Assessed Valuation:

Assessment ratio*	100.00%
Real property	\$3,482,054,637
Personal property	484,707,825
Public service companies**	132,445,072
Total assessed valuation	4,099,207,534
Tax rate per \$100	0.73
Tax levy (including discoveries, releases, and abatements)	29,946,115
Penalties	34,209
Prior year's taxes	86,699
Net levy	\$ 30,067,023

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, 2016:

Fire Protection District	Levy
Oak Wolfe	\$ 51,981
Glisson	117,122
Sarecta	89,949
East Duplin	75,218
Albertson	63,271
Stacy Britt	112,215
Franklin	19,406
Northeast	173,121
Total	\$ 702,283

\* 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, 2016  
 Exhibit K-4

Assessed value of taxable property	\$ 4,099,207,534
Debt limit per G.S. 159-55	8.00%
<u>Total</u>	<u>327,936,603</u>
Gross debt:	
Limited obligation bonds	75,289,654
Notes payable	13,474,404
<u>Total gross debt</u>	<u>88,764,058</u>
Less: Debt incurred for water activities	
Limited obligation bonds	(14,775,403)
Notes payable	(3,626,882)
<u>Total debt incurred for water activities</u>	<u>(18,402,285)</u>
<u>Total amount of debt applicable to debt limit (net debt)</u>	<u>70,361,773</u>
<u>Legal debt margin</u>	<u>\$ 257,574,830</u>

# 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>	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
<b>Governmental Activities:</b>										
Net investment in capital assets	\$11,117,491	\$10,921,097	\$11,791,248	\$10,708,021	\$12,393,238	\$11,798,823	\$ 9,963,445	\$10,917,432	\$11,733,322	\$11,636,291
Restricted	-	-	-	-	8,197,122	9,542,550	8,512,963	9,561,211	10,597,209	69,340,867
Unrestricted	18,582,516	21,701,648	19,993,963	15,312,312	9,018,185	5,559,432	11,414,280	12,424,277	12,309,865	(48,384,403)
Total governmental activities	29,700,007	32,622,745	31,785,211	26,020,333	29,608,545	26,900,805	29,890,688	32,902,920	34,640,396	32,592,755
<b>Business-type Activities:</b>										
Net investment in capital assets	35,859,819	36,923,637	36,458,722	36,770,577	36,018,493	35,552,070	36,267,466	39,830,796	37,172,581	36,437,914
Restricted	-	263,339	1,301,841	1,347,008	1,265,805	1,069,259	1,556,484	223,933	21,213	1,703,933
Unrestricted	5,768,638	5,904,102	5,474,348	6,150,645	6,476,995	6,911,589	7,590,329	8,935,579	9,475,946	8,759,025
Total business-type activities	41,628,457	43,091,078	43,234,911	44,268,230	43,761,293	43,532,918	45,414,279	48,990,308	46,669,740	46,900,872
<b>Primary Government:</b>										
Net investment in capital assets	46,977,310	47,844,734	48,249,970	47,478,598	48,411,731	47,350,893	46,230,911	50,748,228	48,905,903	48,074,205
Restricted	-	263,339	1,301,841	1,347,008	9,462,927	10,611,809	10,069,447	9,785,144	10,618,422	71,044,800
Unrestricted	24,351,154	27,605,750	25,468,311	21,462,957	15,495,180	12,471,021	19,004,609	21,359,856	21,785,811	(39,625,378)
Total primary government	\$71,328,464	\$75,713,823	\$75,020,122	\$70,288,563	\$73,369,838	\$70,433,723	\$75,304,967	\$81,893,228	\$81,310,136	\$79,493,627

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,	2007	2008	2009	2010	2011
<b>Expenses:</b>					
Governmental Activities:					
General Government	\$ 5,284,371	\$ 6,120,389	\$ 6,130,831	\$ 7,207,316	\$ 7,367,762
Public Safety	11,326,523	13,207,438	14,625,588	14,561,356	14,687,927
Economic & Physical Development	3,244,815	2,882,505	2,358,124	2,494,733	2,613,007
Human Services	17,211,698	17,298,237	17,332,594	16,732,852	15,960,082
Environmental Protection	641,673	478,370	513,483	723,221	536,068
Cultural and Recreational	1,047,148	1,017,310	872,582	827,686	688,051
Education	10,722,305	10,957,705	12,304,442	15,585,786	11,580,259
Non-departmental	209,765	257,326	255,663	310,502	1,239,610
Interest on long-term debt	989,242	954,607	895,065	826,828	784,577
Total governmental activities	50,677,540	53,173,887	55,288,372	59,270,280	55,457,343
Business-type Activities:					
Airport	914,221	1,078,481	985,170	1,087,058	1,102,790
Water and Sewer	4,072,863	4,083,009	4,082,107	4,255,842	4,196,653
Transportation	1,022,674	1,026,490	1,037,242	1,056,522	1,180,039
Solid Waste	4,667,880	3,256,153	3,111,559	3,054,194	3,109,941
Total business-type activities	10,677,638	9,444,133	9,216,078	9,453,616	9,589,423
Total primary government expenses	61,355,178	62,618,020	64,504,450	68,723,896	65,046,766
<b>Program Revenues:</b>					
Governmental Activities:					
Charges for Services:					
General Government	1,585,145	2,143,126	1,653,004	1,587,363	4,247,238
Public Safety	2,465,555	2,578,622	2,351,226	3,033,182	3,608,791
Economic & Physical Development	35,249	18,420	37,231	25,041	75,360
Human Services	839,577	896,186	665,457	817,614	3,554,262
Environmental Protection	-	44,820	44,640	-	69,975
Cultural and Recreational	94,404	124,027	279,504	287,214	73,267
Education	-	-	-	-	-
Non-departmental	-	-	-	-	-
Operating Grants & Contributions	9,985,782	11,246,185	11,576,726	12,394,237	11,192,637
Capital Grants & Contributions	745,179	227,218	371,005	1,990,921	2,054,956
Total governmental activities	\$ 15,750,891	\$ 17,278,604	\$ 16,978,793	\$ 20,135,572	\$ 24,876,486
Business-type Activities:					
Charges for Services:					
Airport	\$ 498,594	\$ 533,460	\$ 387,988	\$ 677,984	\$ 507,905
Water and Sewer	3,286,828	3,813,219	3,829,327	4,259,400	4,049,271
Transportation	510,498	504,707	508,027	497,901	502,920
Solid Waste	2,843,338	3,018,759	2,871,138	2,815,088	2,836,284
Operating Grants & Contributions	-	-	-	-	-
Capital Grants & Contributions	-	-	1,297,484	1,767,017	871,813
Total business-type activities	7,139,258	7,870,145	8,893,964	10,017,390	8,768,193
Total primary government	22,890,149	25,148,749	25,872,757	30,152,962	33,644,679

(continued)

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

Year Ended June 30,	2012	2013	2014	2015	2016
<b>Expenses:</b>					
Governmental Activities:					
General Government	\$ 6,613,472	\$ 6,215,976	\$ 5,884,447	\$ 5,901,684	\$ 6,005,791
Public Safety	18,267,162	18,488,567	17,821,492	17,884,866	18,234,164
Economic & Physical Development	5,088,488	3,107,600	1,363,220	1,157,204	2,212,425
Human Services	17,806,856	17,199,716	16,015,053	16,123,169	15,893,046
Environmental Protection	728,522	792,256	704,203	784,371	820,683
Cultural and Recreational	864,163	1,239,294	1,204,921	1,316,387	1,247,747
Education	11,933,998	13,238,503	13,334,623	12,370,800	17,458,221
Non-departmental	273,150	281,301	287,491	283,606	348,401
Interest on long-term debt	660,077	527,820	431,245	399,966	407,858
Total governmental activities	62,235,888	61,091,033	57,046,695	56,222,053	62,628,336
Business-type Activities:					
Airport	1,214,843	1,138,106	1,796,254	1,178,655	1,171,327
Water and Sewer	4,095,462	4,568,959	3,347,524	3,364,680	3,287,578
Transportation	1,073,935	993,244	1,073,121	982,263	893,886
Solid Waste	3,299,368	3,274,051	2,971,828	2,937,828	3,054,834
Total business-type activities	9,683,608	9,974,360	9,188,727	8,463,426	8,407,625
 Total primary government expenses	 71,919,496	 71,065,393	 66,235,422	 64,685,479	 71,035,961
<b>Program Revenues:</b>					
Governmental Activities:					
Charges for Services:					
General Government	2,669,151	2,431,141	1,636,600	338,946	380,791
Public Safety	3,037,248	9,156,791	2,907,354	3,205,147	2,941,953
Economic & Physical Development	241,156	82,813	68,137	2,130,015	2,563,454
Human Services	3,251,599	3,368,702	4,412,664	1,405,313	1,296,812
Environmental Protection	45,705	44,857	2,198	-	-
Cultural and Recreational	253,422	275,133	149,585	141,903	159,423
Education	-	-	-	-	-
Non-departmental	-	25,069	-	-	-
Operating Grants & Contributions	9,940,908	10,831,435	10,586,282	12,636,041	13,236,891
Capital Grants & Contributions	4,308,980	2,217,868	920,045	789,856	218,971
Total governmental activities	\$ 23,748,169	\$ 28,433,809	\$ 20,682,865	\$ 20,647,221	\$ 20,798,295
Business-type Activities:					
Charges for Services:					
Airport	\$ 626,515	\$ 536,690	\$ 498,854	\$ 470,181	\$ 499,186
Water and Sewer	3,900,461	4,449,982	4,274,645	3,291,059	3,298,641
Transportation	497,992	570,637	625,597	551,984	739,667
Solid Waste	2,963,339	2,753,962	2,740,153	2,925,014	3,052,257
Operating Grants & Contributions	-	500,262	586,312	568,871	414,531
Capital Grants & Contributions	1,080,859	2,298,916	3,402,150	909,055	296,978
Total business-type activities	9,069,166	11,110,449	12,127,711	8,716,164	8,301,260
 Total primary government	 32,817,335	 39,544,258	 32,810,576	 29,363,385	 29,099,555

(continued)

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

(Continued)

<i>Year Ended June 30,</i>	2007	2008	2009	2010	2011
<b>Net (Expense)/Revenue</b>					
Governmental Activities	(34,926,649)	(35,895,283)	(38,309,579)	(39,134,708)	(30,580,857)
Business-type Activities	(3,538,380)	(1,573,988)	(322,114)	563,774	(821,230)
Total primary government net (expense)/revenue	(38,465,029)	(37,469,271)	(38,631,693)	(38,570,934)	(31,402,087)
<b>General Revenues and Other Changes in Net Position</b>					
Governmental Activities:					
Property Taxes	24,028,771	25,630,819	26,771,560	26,925,485	26,669,740
Local Option Sales Taxes	11,340,617	11,142,288	9,273,969	6,282,993	7,116,858
Other Taxes and Licenses	606,706	623,379	670,514	367,282	639,270
Investment earnings	1,269,148	1,124,025	531,081	140,621	72,342
Miscellaneous	605,379	581,982	575,500	63,080	(49,445)
Gain on sale of assets	-	-	-	-	-
Transfers	(307,736)	(284,472)	(350,579)	(409,632)	(279,697)
Total governmental activities	37,542,885	38,818,021	37,472,045	33,369,829	34,169,068
Business-type Activities:					
Other Taxes and Licenses	-	-	-	-	-
Investment earnings	335,857	262,505	115,269	31,053	14,522
Capital Contributions	3,825,994	2,418,568	-	-	-
Miscellaneous	150,351	71,064	91	28,864	20,074
Transfers	307,736	284,472	350,579	409,632	279,697
Total business-type activities	4,619,938	3,036,609	465,939	469,549	314,293
Total primary government	42,162,823	41,854,630	37,937,984	33,839,378	34,483,361
<b>Change in Net Position</b>					
Governmental Activities	2,616,236	2,922,738	(837,534)	(5,764,879)	3,588,211
Business-type Activities	1,081,558	1,462,621	143,825	1,033,323	(506,937)
Total primary government	\$ 3,697,794	\$ 4,385,359	\$ (693,709)	\$ (4,731,556)	\$ 3,081,274

(continued)

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

(Continued)

<i>Year Ended June 30,</i>	2012	2013	2014	2015	2016
<b>Net (Expense)/Revenue</b>					
Governmental Activities	(38,487,719)	(32,657,224)	(36,363,830)	(35,574,832)	(41,830,041)
Business-type Activities	(614,442)	1,136,089	2,938,984	252,738	(106,365)
Total primary government net (expense)/revenue	(39,102,161)	(31,521,135)	(33,424,846)	(35,322,094)	(41,936,406)
<b>General Revenues and Other Changes in Net Position</b>					
Governmental Activities:					
Property Taxes	27,863,938	28,484,431	30,238,201	30,948,358	30,694,864
Local Option Sales Taxes	7,285,383	7,774,019	7,885,364	8,283,242	8,721,257
Other Taxes and Licenses	341,863	107,583	655,664	94,972	106,156
Investment earnings	50,115	48,818	25,582	80,380	135,757
Miscellaneous	438,680	126,967	192,631	148,911	202,458
Gain on sale of assets	-	-	598,597	-	54,395
Transfers	(200,000)	(127,584)	(219,978)	(115,773)	(132,487)
Total governmental activities	35,779,979	36,414,234	39,376,061	39,440,090	39,782,400
Business-type Activities:					
Other Taxes and Licenses	-	-	-	131,116	136,548
Investment earnings	8,911	603,100	4,197	90,619	30,113
Capital Contributions	-	-	236,037	-	-
Miscellaneous	177,156	86,164	176,833	33,364	38,249
Transfers	200,000	127,584	219,978	115,773	132,487
Total business-type activities	386,067	816,848	637,045	370,872	337,397
Total primary government	36,166,046	37,231,082	40,013,106	39,810,962	40,119,797
<b>Change in Net Position</b>					
Governmental Activities	(2,707,740)	3,757,010	3,012,231	3,865,258	(2,047,641)
Business-type Activities	(228,375)	1,952,937	3,576,029	623,610	231,032
Total primary government	\$ (2,936,115)	\$ 5,709,947	\$ 6,588,260	\$ 4,488,868	\$ (1,816,609)

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

June 30,	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
<b>General Fund:</b>										
Reserved	\$ 3,709,873	\$ 3,372,280	\$ 2,867,035	\$ 3,202,779	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unreserved	11,856,227	11,607,071	11,149,753	9,147,734	-	-	-	-	-	-
Nonspendable	-	-	-	-	256,409	301,552	248,895	292,590	270,487	220,892
Restricted	-	-	-	-	3,420,640	3,934,839	3,668,612	5,496,662	5,315,068	5,529,512
Committed	-	-	-	-	1,420,897	1,157,686	1,049,178	958,041	928,805	912,686
Assigned	-	-	-	-	4,340,052	3,088,498	1,970,089	2,404,214	2,560,129	4,102,893
Unassigned	-	-	-	-	3,465,614	3,720,583	6,267,563	6,254,031	7,617,518	7,226,747
Total fund balances	15,566,100	14,979,351	14,016,788	12,350,513	12,903,612	12,203,158	13,204,337	15,405,538	16,692,007	17,992,730
<b>All Other Governmental Funds:</b>										
Reserved	842,911	702,352	605,276	846,328	-	-	-	-	-	-
Unreserved	10,092,967	10,812,608	9,866,438	9,113,651	-	-	-	-	-	-
Nonspendable	-	-	-	-	-	-	-	-	-	-
Restricted	-	-	-	-	4,218,038	5,607,256	4,844,351	4,064,549	5,282,141	63,811,355
Committed	-	-	-	-	3,074,777	1,553,354	1,139,665	1,690,366	1,742,146	1,465,899
Assigned	-	-	-	-	1,133,302	870,818	263,849	-	-	-
Unassigned	-	-	-	-	(1,628)	(3,111)	(2,669)	(4,655)	(3,748)	(6,341)
Total fund balances	10,935,878	11,514,960	10,471,714	9,959,979	8,424,489	8,028,317	6,245,196	5,750,260	7,020,539	65,270,913
<b>Total Governmental Funds:</b>										
Reserved	4,552,784	4,074,632	3,472,311	4,049,107	-	-	-	-	-	-
Unreserved	21,949,194	22,419,679	21,016,191	18,261,385	-	-	-	-	-	-
Nonspendable	-	-	-	-	256,409	301,552	248,895	292,590	270,487	220,892
Restricted	-	-	-	-	7,638,678	9,542,095	8,512,963	9,561,211	10,597,209	69,340,867
Committed	-	-	-	-	4,495,674	2,711,040	2,188,843	2,648,407	2,670,951	2,378,585
Assigned	-	-	-	-	5,473,354	3,959,316	2,233,938	2,404,214	2,560,129	4,102,893
Unassigned	-	-	-	-	3,463,986	3,717,472	6,264,894	6,249,376	7,613,770	7,220,406
Total fund balances	\$ 26,501,978	\$ 26,494,311	\$ 24,488,502	\$ 22,310,492	\$ 21,328,101	\$ 20,231,475	\$ 19,449,533	\$ 21,155,798	\$ 23,712,546	\$ 83,263,643

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,	2007	2008	2009	2010	2011
<b>Revenues:</b>					
Ad Valorem Taxes	\$ 24,114,423	\$ 24,667,222	\$ 25,487,215	\$ 26,095,978	\$ 26,391,065
Local Option Sales Taxes	11,340,617	11,142,288	9,273,969	7,733,398	7,116,858
Other Taxes and Licenses	606,706	623,379	671,008	619,734	639,270
Unrestricted Intergovernmental	37,450	34,860	34,720	49,420	40,320
Restricted Intergovernmental	9,631,966	10,591,612	10,785,191	11,551,993	11,465,028
Restricted Revenue	-	-	-	-	-
Permits and Fees	945,726	836,316	665,357	633,671	637,857
Sales and Services	4,916,257	5,536,981	5,724,280	6,070,328	7,106,383
Investment Earnings	1,269,148	1,124,025	521,735	139,089	71,566
Miscellaneous	668,367	447,608	302,329	201,486	570,214
Total revenues	53,530,660	55,004,291	53,465,804	53,095,097	54,038,561
<b>Expenditures:</b>					
General Government	5,293,335	6,037,685	5,832,069	6,813,324	7,191,915
Public Safety	12,129,924	13,097,186	13,606,623	14,113,545	14,126,640
Economic & Physical Development	1,458,128	2,006,142	1,917,473	1,822,711	1,796,732
Human Services	17,152,931	17,171,101	16,542,424	15,835,849	15,890,421
Cultural and Recreational	823,227	861,214	804,946	746,683	639,411
Environmental Protection	632,736	465,397	490,848	688,093	525,607
Capital Projects	1,702,951	774,436	400,068	350,399	671,627
Non-Departmental	209,765	235,405	255,663	310,503	302,078
Education	10,722,305	10,957,705	12,304,442	10,790,002	11,580,259
Debt Service:					
Principal Retirement	1,934,163	2,235,326	2,366,847	2,231,976	1,974,780
Interest and Fees	1,025,471	990,836	863,468	863,060	784,577
Total expenditures	53,084,936	54,832,433	55,384,871	54,566,145	55,484,047
Revenues over (under) expenditures	445,724	171,858	(1,919,067)	(1,471,048)	(1,445,486)
<b>Other Financing Sources (Uses):</b>					
Proceeds from the sale of assets	-	-	42,615	51,577	26,689
Proceeds from the issuance of debt	619,965	-	-	-	-
Capital Contributions	-	-	-	-	1,460,672
Transfers from other funds	4,133,142	4,833,727	3,615,102	4,260,101	3,290,436
Transfers to other funds	(4,440,879)	(5,019,307)	(4,065,681)	(5,101,968)	(4,233,907)
Total other financing sources (uses)	312,228	(185,580)	(407,964)	(790,290)	543,890
Extraordinary Items	-	-	-	-	-
<b>Net Change in Fund Balances</b>	<b>\$ 757,952</b>	<b>\$ (13,722)</b>	<b>\$ (2,327,031)</b>	<b>\$ (2,261,338)</b>	<b>\$ (901,596)</b>
Debt service as a percentage of noncapital expenditures	5.76%	5.97%	5.93%	5.81%	5.02%

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,	2012	2013	2014	2015	2016
<b>Revenues:</b>					
Ad Valorem Taxes	\$ 28,095,424	\$ 28,346,279	\$ 30,468,449	\$ 30,948,358	\$ 30,682,355
Local Option Sales Taxes	7,285,383	7,774,019	7,885,364	8,283,242	8,721,257
Other Taxes and Licenses	145,704	97,104	93,773	94,971	106,156
Unrestricted Intergovernmental	47,439	73,019	5,803,596	6,237,452	6,417,293
Restricted Intergovernmental	13,117,770	11,852,896	5,890,692	6,099,987	6,819,598
Restricted Revenue	-	195,724	227,379	113,733	117,630
Permits and Fees	557,317	566,950	484,499	485,252	564,286
Sales and Services	7,491,979	7,641,452	7,200,636	7,124,707	7,463,901
Investment Earnings	50,115	47,849	25,329	79,939	129,377
Miscellaneous	1,815,320	1,121,074	382,019	178,916	299,710
Total revenues	58,606,451	57,716,366	58,461,736	59,646,557	61,321,563
<b>Expenditures:</b>					
General Government	5,877,641	5,426,249	5,685,098	5,815,830	5,869,801
Public Safety	16,454,417	15,743,723	17,184,943	17,490,472	17,926,635
Economic & Physical Development	2,258,125	950,949	1,237,107	1,036,274	2,123,020
Human Services	15,785,872	15,182,432	15,533,403	15,910,100	15,680,629
Cultural and Recreational	739,981	1,147,418	1,032,756	1,049,119	1,100,142
Environmental Protection	659,560	663,609	684,793	773,739	807,473
Capital Projects	3,333,076	3,278,940	-	-	-
Non-Departmental	198,766	198,446	222,715	262,439	298,806
Education	11,198,335	12,335,205	13,334,623	12,370,800	17,458,221
Debt Service:					
Principal Retirement	1,922,382	1,956,821	1,382,410	1,448,697	164,794
Interest and Fees	697,461	609,929	524,290	472,703	434,471
Total expenditures	59,125,616	57,493,721	56,822,138	56,630,173	61,863,992
Revenues over (under) expenditures	(519,165)	222,645	1,639,598	3,016,384	(542,429)
<b>Other Financing Sources (Uses):</b>					
Proceeds from the sale of assets	77,396	72,300	44,351	28,239	61,357
Proceeds from the issuance of debt	-	-	-	-	60,514,251
Capital Contributions	-	-	-	-	-
Transfers from other funds	3,187,616	2,931,158	2,879,439	3,028,700	1,457,953
Transfers to other funds	(3,887,616)	(3,658,742)	(3,499,417)	(3,494,472)	(1,890,439)
Total other financing sources (uses)	(622,604)	(655,284)	(575,627)	(437,533)	60,143,122
Extraordinary Items	-	-	598,597	-	-
<b>Net Change in Fund Balances</b>	<b>\$ (1,141,769)</b>	<b>\$ (432,639)</b>	<b>\$ 1,662,568</b>	<b>\$ 2,578,851</b>	<b>\$ 59,600,693</b>
Debt service as a percentage of noncapital expenditures	4.54%	4.56%	3.41%	3.44%	0.99%

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

<i>Year Ended</i> <i>June 30,</i>	Real Property	Personal Property	Public Service Companies	Total	Total Direct Tax Rate
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
2016	3,589,571,682	484,707,825	132,445,072	4,206,724,579	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>	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
<b>Duplin County</b>	0.8050	0.7900	0.7900	0.6900	0.6900	0.7100	0.7100	0.7200	0.7300	0.7300
<b>Municipality Rates:</b>										
Beulaville	0.4900	0.5100	0.5100	0.4400	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	0.3000	0.3000	0.3000	0.3000	0.3000	0.3000
Kenansville	0.4950	0.4950	0.4950	0.3950	0.3950	0.3900	0.4200	0.4500	0.4500	0.4500
Magnolia	0.6500	0.6500	0.6500	0.6500	0.6500	0.6500	0.6600	0.6600	0.6600	0.6600
Rose Hill	0.6650	0.6650	0.6650	0.6400	0.6400	0.6400	0.6400	0.6900	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	0.5600	0.5600	0.5600	0.5600	0.5600	0.5600	0.5900
Warsaw	0.5900	0.5900	0.5900	0.5500	0.5500	0.5500	0.5500	0.5500	0.5500	0.5500
<b>Fire Protection Districts:</b>										
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	0.0458	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	0.0650	0.0650	0.0650	0.0630	0.0630	0.0630	0.0630	0.0630	0.0630
Franklin	0.0700	0.0800	0.0800	0.0800	0.0800	0.0800	0.0750	0.0750	0.0750	0.0800
Northeast	0.0400	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, 2016			Year Ended June 30, 2006		
		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	3.17%	N/A	N/A	N/A
Murphy-Brown LLC	Livestock	93,735,070	2	2.23%	N/A	N/A	N/A
Duplin Land Development	Real Estate	81,352,907	3	1.93%	40,340,506	4	1.44%
House of Raeford	Livestock	57,457,607	4	1.37%	14,348,814	10	0.51%
Guilford Mills	Textiles	48,466,284	5	1.15%	51,614,001	2	1.84%
Duke Energy Progress	Utility	40,060,644	6	0.95%	N/A	N/A	N/A
Nash Johnson & Sons	Livestock	39,908,395	7	0.95%	22,940,780	7	0.82%
Murphy Family Ventures	Livestock	34,295,617	8	0.82%	N/A	N/A	N/A
Coastal Carolina Green Power	Utility	27,544,732	9	0.65%	N/A	N/A	N/A
Four County EMC	Utility	27,928,492	10	0.66%	16,417,589	9	0.68%
Carolina Turkeys	Poultry Processing	-		0.00%	84,484,276	1	3.01%
Murphy Farms, Inc	Feed	-		0.00%	45,994,755	3	1.64%
Carroll's' Foods	Livestock	-		0.00%	33,747,276	5	1.20%
Murfam, Inc	Livestock	-		0.00%	33,491,808	6	1.19%
Carolina Power & Light	Utility	-		0.00%	20,596,656	8	0.73%
		<u>\$ 584,027,666</u>		<u>13.88%</u>	<u>\$ 363,976,461</u>		<u>13.06%</u>

Source: Duplin County Tax Office

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

<i>Year Ended June 30,</i>	Tax Levy	Collected within the Year of Levy		Collections in Subsequent Years	Total Collections to Date	
		Amount	Percentage of Levy		Amount	Percentage of Levy
2007	\$ 23,752,080	\$ 22,383,189	94.24%	\$ 1,332,977	\$ 23,716,166	99.85%
2008	24,233,502	22,867,344	94.36%	1,325,879	24,193,223	99.83%
2009	25,128,446	23,741,088	94.48%	1,340,765	25,081,853	99.81%
2010	25,836,831	24,353,960	94.26%	1,429,287	25,783,247	99.79%
2011	25,952,188	24,537,688	94.55%	1,346,268	25,883,956	99.74%
2012	27,109,094	25,724,577	94.89%	1,299,617	27,024,194	99.69%
2013	28,023,946	26,579,982	94.85%	1,324,670	27,904,652	99.57%
2014	29,583,582	28,461,798	96.21%	931,952	29,393,750	99.36%
2015	29,749,210	28,972,293	97.39%	432,826	29,405,119	98.84%
2016	26,948,314	26,102,572	96.86%	-	26,948,314	96.86%

Source: Duplin County Tax Office



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	Limited Obligation Bonds	Notes Payable	General Obligation Water Bonds	Notes Payable	Capital Leases	Limited Obligation Bonds	
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
2016	-	-	60,514,251	9,847,522	-	3,626,882	-	14,775,403	88,764,058

Total Debt as a  
 Percentage of  
 Personal

<i>June 30,</i>	Income	Per Capita
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
2016	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

June 30,	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
General Bonded Debt Outstanding:										
General Obligation Bonds	\$ 21,120,100	\$ 20,309,400	\$ 19,500,200	\$ 18,686,000	\$ 17,868,500	\$ 17,043,300	\$ 15,915,000	\$ -	\$ -	\$ -
Percentage of Estimated Actual Property Value	0.72%	0.66%	0.62%	0.50%	0.48%	0.45%	0.41%	0.00%	0.00%	0.00%
Per Capita	\$ 55,610	\$ 357.50	\$ 339.52	\$ 318.46	\$ 299.83	\$ 283.90	N/A	N/A	N/A	N/A
Assessed Value of Taxable Property	\$2,941,280,236	\$3,063,479,367	\$3,161,675,064	\$3,727,688,840	\$3,744,879,855	\$3,798,087,324	\$3,920,815,776	4,089,376,111	4,052,372,329	4,206,724,579
	X 8%	X 8%	X 8%	X 8%	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)	235,302,419	245,078,349	252,934,005	298,215,107	299,590,388	303,846,986	313,665,262	327,150,089	324,189,786	336,537,966
Gross Debt:										
General Obligation Bonds	21,120,100	20,309,400	19,500,200	18,686,000	17,868,500	17,043,300	15,915,000	-	-	-
Limited Obligation Bonds	-	-	-	-	-	-	15,915,000	15,410,000	14,900,000	75,289,654
Certificates of Participation	9,910,000	8,775,000	8,016,977	6,415,000	5,180,000	3,880,000	2,520,000	1,290,000	-	-
Notes Payable	13,948,632	13,251,616	12,505,682	12,310,020	11,928,304	11,651,467	12,035,001	11,530,441	13,895,945	13,474,404
Capital Leases	81,780	49,131	14,465	-	-	-	-	-	-	-
Total gross debt	45,060,512	42,385,147	40,037,324	37,411,020	34,976,804	32,574,767	46,385,001	28,230,441	28,795,945	88,764,058
Less: Debt Incurred for Water Activities	19,595,630	19,155,591	18,699,808	18,712,457	18,253,021	17,774,523	33,541,577	16,769,427	18,783,629	18,402,285
Total Debt Applicable to Debt Limit (Net Debt)	25,464,882	23,229,556	21,337,516	18,698,563	16,723,783	14,800,244	12,843,424	11,461,014	10,012,316	70,361,773
Legal Debt Margin	\$ 209,837,537	\$ 221,848,793	\$ 231,596,489	\$ 279,516,544	\$ 282,866,605	\$ 289,046,742	\$ 300,821,838	\$ 315,689,075	\$ 314,177,470	\$ 266,176,193
Total Debt Applicable to the Limit as a Percentage of the Debt Limit	10.82%	9.48%	8.44%	6.27%	5.58%	4.87%	4.09%	3.50%	3.09%	20.91%

<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
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	60,084	1,851,108	31,112	9,315	456	9.4%
2014	58,710	1,932,762	32,419	9,597	461	9.4%
2015	59,159	1,911,853	32,317	9,703	513	6.1%
2016	N/A	N/A	N/A	9,952	602	5.1%

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

2016				2006			
Employer	Approximate Employees	Rank	Percentage of Total Employment	Employer	Approximate Employees	Rank	Percentage of Total Employment
Butterball LLC	1000+	1	5.00%	Carolina Turkeys	1000+	1	5.00%
Smithfield Foods, Inc.	1000+	2	5.00%	Murphy-Brown LLC	1000+	2	5.00%
House of Raeford Inc.	1000+	3	5.00%	House of Raeford Inc.	1000+	3	5.00%
Duplin County Schools	1000+	4	5.00%	Duplin County Schools	500-999	4	3.00%
Murphy Family Ventures LLC	500-999	5	3.00%	Guilford Mills Inc.	500-999	5	3.00%
Duplin County Government	500-999	6	3.00%	Murphy Family Ventures LLC	500-999	6	3.00%
Guilford Mills, Inc.	500-999	7	3.00%	Bay Valley Foods LLC	500-999	7	3.00%
Vidant Medical Center	250-499	8	2.00%	Duplin County Government	500-999	8	3.00%
Johnson Breeders, Inc.	250-499	9	2.00%	Johnson Breeders, Inc.	250-499	9	2.00%
Bay Valley Foods LLC	250-499	10	2.00%	Duplin General Hospital, Inc.	250-499	10	2.00%
	-		35.00%		-		34.00%
Total employment	24,782		100.00%		23,044		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

Function/Program	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
<b>General Government:</b>										
Governing Board	6	6	6	6	6	6	6	6	5	5
Attorney	2	2	2	2	2	2	3	3	3	3
Finance	7	7	7	7	7	7	7	7	7	8
Tax Administration	16	16	16	16	16	15	15	16	16	16
Elections	3	3	3	4	4	4	4	3	3	3
Register of Deeds	7	7	7	6	6	6	6	6	5	5
County Manager	3	3	3	3	3	3	3	3	3	2
Personnel	2	2	2	2	2	2	3	3	3	3
Information Technology	5	5	5	5	7	7	7	6	8	9
Garage	3	3	3	3	3	3	3	3	3	4
Building Maintenance	8	8	8	8	9	9	9	9	9	9
Housekeeping	8	6	8	8	8	8	7	8	8	8
<b>Public Safety:</b>										
Sheriff	48	50	50	51	51	49	49	51	51	51
Court Facilities	2	2	2	2	2	2	2	2	2	2
Communications	21	21	22	22	22	23	22	23	24	28
Faison Substation	3	3	3	3	3	3	2	2	2	2
School Resource Officers	9	9	9	9	9	9	9	16	16	16
Department of Justice Alien Grant	1	0	0	0	0	0	0	0	0	0
Calypso Substation	0	1	1	1	0	0	0	0	0	0
Federally Seized Assets	0	0	2	0	0	0	0	0	0	0
Jail	25	26	26	27	28	28	32	32	35	35
Jail Annex	0	0	0	0	0	0	0	0	0	9
JSCC-School Resource Officer	0	0	2	1	1	0	0	0	0	0
Emergency Management	3	2	3	2	2	2	2	2	2	2
Fire Marshall	2	2	2	2	2	2	1	1	1	1
Building Inspections	3	4	4	4	3	4	4	4	4	4
Emergency Medical Services	73	74	73	69	70	74	74	74	74	73
E-911	1	1	0	0	0	0	0	0	0	0
E-911 Grant	0	0	0	0	0	0	0	0	0	0
Animal Services	3	3	3	3	3	3	3	3	4	4
<b>Economic and Physical Development:</b>										
Planning	1	1	1	1	1	1	1	1	1	1
Economic Development	2	3	2	2	2	2	2	2	2	2
NC Arts Grant-Se Agri Tour	1	1	1	1	1	1	1	1	1	0
Tourism Development	2	2	2	2	2	2	2	2	2	2
JCPC-Duplin Parenting	1	1	1	1	1	1	1	1	0	0
JCPC-4-H Outreach	1	1	1	1	1	1	1	1	1	1
<b>Environmental Protection:</b>										
Soil Conservation	6	6	6	6	6	6	6	6	6	6

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

Table 13

Function/Program	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
<b>Human Services:</b>										
Health	32	36	35	35	34	32	32	34	35	37
Environmental Health	7	7	7	7	7	6	6	6	6	6
Healthy Beginnings	0	0	0	0	0	1	1	1	0	0
Smart Start Child Care	1	1	1	1	1	0	0	0	0	0
Dental Program	0	2	0	2	3	4	4	5	2	2
Bioterrorism	0	1	0	0	0	0	0	0	0	0
County Wellness	0	0	0	1	0	1	2	0	2	1
Health and Wellness Grant	1	2	2	2	2	2	0	2	0	0
Cap Fear Chronic Disease Grant	0	0	0	1	1	0	0	0	0	0
Community Health	0	0	1	1	1	1	0	0	0	0
Pregnancy Care Management	0	0	0	0	0	0	1	1	1	0
Maternal Care Coordination	0	0	0	0	0	1	0	0	0	0
Maternal Health	1	1	1	1	1	1	1	1	1	1
Family Planning	1	1	1	1	1	0	0	0	0	0
WIC	0	0	0	0	10	10	10	10	10	8
Child Health	2	2	2	2	2	2	2	2	2	2
Interpreter Grant	1	1	1	1	1	0	0	0	0	0
CCHC	0	0	0	0	0	0	0	0	0	1
Social Services Administration	115	115	115	115	115	110	110	110	110	118
Social Services Security	0	0	2	1	1	0	0	0	0	0
Medicaid Transportation	1	0	0	0	0	0	0	0	0	0
Title IV-D Child Support	1	2	2	2	2	2	2	0	0	0
Social Services Building	2	2	2	2	1	1	1	1	1	1
County Aging	7	8	8	8	8	8	8	8	8	8
Aging In Home Aid Services	3	3	3	3	3	3	6	6	6	8
Senoir Center	1	1	1	1	1	0	0	0	0	0
Family Caregiver	1	1	1	1	1	1	1	1	1	0
Veteran's Service Officer	1	1	1	1	1	1	2	3	3	3
Nutrition Homebound Meals	1	1	1	1	1	1	1	1	1	1
Nutrition	6	6	6	5	5	5	5	5	5	5
<b>Cultural and Recreational:</b>										
Library	11	11	11	11	11	11	11	13	13	12
Parks and Recreation	4	4	4	3	3	3	2	3	3	3
Events Center	0	2	0	0	3	3	3	3	2	2
Museum	1	1	1	1	1	1	0	1	1	1
<b>Water:</b>										
County Water	13	13	13	13	13	13	13	13	13	13
<b>Transportation</b>	10	14	14	14	23	20	15	19	16	17
<b>Airport</b>	3	2	3	3	3	3	3	3	3	3
<b>Solid Waste:</b>										
Solid Waste Collections	19	26	26	26	27	27	27	29	29	29
Solid Waste Disposal	3	3	3	3	3	4	4	5	5	5
Solid Waste Recycling	3	3	3	2	2	2	2	3	3	3
<b>Totals</b>	<b>527</b>	<b>551</b>	<b>554</b>	<b>548</b>	<b>571</b>	<b>562</b>	<b>559</b>	<b>585</b>	<b>582</b>	<b>604</b>

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

Function Program	2007	2008	2009	2010	2011
<b>Airport:</b>					
Gallons-Aviation Gas Sold (yearly)	28,731.67	21,456.23	9,235.79	28,183.24	27,568.94
Gallons-Jet Fuel Sold (yearly)	80,128.76	105,303.58	89,930.33	97,545.11	73,272.04
<b>EMS:</b>					
Transports	4480	4724	4800	5274	5510
<b>Environmental Health:</b>					
Well Permits Issued	N/A	N/A	65	27	31
Food & Lodging Inspections	N/A	N/A	348	218	202
On Site Evaluations	N/A	N/A	222	109	70
Other Permits/Inspections	N/A	N/A	506	246	203
<b>Inspections:</b>					
Building Inspections	6599	2529	4818	4311	6618
Mobile/Modular Homes	484	155	341	279	231
New Dwellings (Residential)	127	36	69	67	59
Multi-Family Dwellings	3	0	1	0	0
Commercial	23	19	30	32	33
Other Inspections	2733	1099	2240	2306	2203
<b>Health Department:</b>					
Primary Care Physicals	N/A	N/A	207	122	71
Primary Care Treatments	N/A	N/A	2445	1335	1021
Family Planning Physicals	N/A	N/A	510	325	184
Maternal Health Patients	N/A	N/A	1017	656	382
Maternal Health Patients (non-english speaking)	N/A	N/A	795	513	281
Maternal Health Visits	N/A	N/A	1273	875	486
Child Health Physicals	N/A	N/A	399	451	293
Medications Dispensed	N/A	N/A	2175	1340	1046
Immunizations Provided	N/A	N/A	2204	2986	1310
Dental Services Provided	N/A	N/A	N/A	N/A	339
WIC number seen	N/A	N/A	N/A	N/A	927
TB Cases/Suspects	N/A	N/A	25	12	15
TB Skin Test	N/A	N/A	624	412	324
STD/CD	N/A	N/A	166	88	76
HIV/AIDS	N/A	N/A	19	14	2

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

Function Program	2012	2013	2014	2015	2016
<b>Airport:</b>					
Gallons-Aviation Gas Sold (yearly)	39,071.59	26,674.61	21,962.31	19,206.19	27,727.40
Gallons-Jet Fuel Sold (yearly)	67,319.76	63,208.59	63,134.42	83,071.13	106,860.68
<b>EMS:</b>					
Transports	5702	6097	9056	6875	7938
<b>Environmental Health:</b>					
Well Permits Issued	N/A	44	83	37	89
Food & Lodging Inspections	N/A	146	731	472	771
On Site Evaluations	N/A	117	316	210	293
Other Permits/Inspections	N/A	407	423	740	956
<b>Inspections:</b>					
Building Inspections	7589	7019	6511	6624	6279
Mobile/Modular Homes	303	269	232	248	227
New Dwellings (Residential)	42	64	43	42	44
Multi-Family Dwellings	15	27	24	13	30
Commercial	N/A	N/A	N/A	N/A	N/A
Other Inspections	2565	2526	N/A	N/A	N/A
<b>Health Department:</b>					
Primary Care Physicals	N/A	95	474	6702	5653
Primary Care Treatments	N/A	1279	5212	8299	7207
Family Planning Physicals	N/A	255	686	1703	1258
Maternal Health Patients	N/A	679	313	1189	1449
Maternal Health Patients (non-english speaking)	N/A	479	219	0	N/A
Maternal Health Visits	N/A	700	1733	2166	2637
Child Health Physicals	N/A	408	1035	1050	1108
Medications Dispensed	N/A	1262	2999	421	1688
Immunizations Provided	N/A	1965	3117	3211	3149
Dental Services Provided	N/A	599	1258	572	190
WIC number seen	N/A	3913	20346	7987	12249
TB Cases/Suspects	N/A	6	7	312	19
TB Skin Test	N/A	267	342	83	0
STD/CD	N/A	107	661	842	704
HIV/AIDS	N/A	10	N/A	0	0



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

(Continued)

Function Program	2007	2008	2009	2010	2011
<b>Register of Deeds:</b>					
Marriage License Issued	376	343	310	331	356
Death Certificates Issued	2654	2936	2379	2418	2404
Birth Certificates Issued	1549	2208	1823	2245	1980
<b>Sheriff:</b>					
Number of Vehicles	72	65	72	71	76
Number of Officers/Jailers	71	78	82	80	80
Civil papers processed	6880	6621	6394	6497	6525
<b>Social Services:</b>					
Child Support Collections	\$5,524,976	\$5,774,649	\$5,954,184	\$6,078,335	\$6,122,099
<b>Solid Waste:</b>					
MSW	18,892.43	17,317.30	20,740.14	21,401.27	22,234.40
C & D	3,093.92	2,770.54	2,684.83	2,355.02	1,751.70
Tires	782.54	780.65	816.07	766.17	738.58
Oil	12,760.00	6,866.00	11,143.00	6,582.00	9,088.00
Mixed Recycle	121.01	75.99	99.14	114.14	112.82
Glass	127.11	119.89	133.32	144.61	137.50
Cardboard	1,368.90	749.71	655.02	468.35	441.72
Plastics	66.23	62.93	72.37	165.53	87.89
Mixed Paper	264.97	207.14	220.29	222.88	202.70
Cans	33.31	27.65	34.22	35.96	34.48
<b>Water:</b>					
Residential Customers	5,933	6,051	6,167	6,279	6,363
Commerical Customers	97	104	103	100	110
Production	379,098,000	438,808,000	518,408,000	520,255,000	526,945,000
Residential Consumption	284,956,000	331,190,000	343,252,000	339,377,000	341,565,000
Commerical Consumption	99,726,000	150,314,000	139,930,000	150,791,000	141,698,000

Sources: Various County Departments  
N/A - Not Available

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

(Continued)

Function Program	2012	2013	2014	2015	2016
<b>Register of Deeds:</b>					
Marriage License Issued	298	336	322	324	309
Death Certificates Issued	2560	2306	2349	2200	2039
Birth Certificates Issued	2304	2183	2220	2097	2073
<b>Sheriff:</b>					
Number of Vehicles	73	73	83	95	95
Number of Officers/Jailers	75	83	92	96	96
Civil papers processed	6332	6137	6220	5795	5795
<b>Social Services:</b>					
Child Support Collections	\$6,005,674	\$5,913,960	\$5,310,732	\$5,952,202	\$6,152,924
<b>Solid Waste:</b>					
MSW	22,828.02	21,256.50	20,774.99	24,114.38	26,584.78
C & D	2,087.54	1,787.94	1,927.24	1,950.82	1,899.29
Tires	595.00	579.23	613.27	746.50	588.15
Oil	10,489.00	8,531.00	16,913.00	6,046.00	2,664.00
Mixed Recycle	107.68	112.47	115.50	100.43	108.25
Glass	161.14	140.98	150.40	121.73	136.69
Cardboard	474.23	254.26	227.94	339.86	328.22
Plastics	73.04	60.95	55.52	51.57	54.13
Mixed Paper	184.85	174.97	173.11	157.12	153.01
Cans	29.06	26.14	25.50	22.56	25.29
<b>Water:</b>					
Residential Customers	6,460	6,541	6,667	6,850	6,840
Commerical Customers	115	115	115	113	131
Production	541,992,000	551,092,000	555,715,000	585,100,000	586,155,000
Residential Consumption	334,186,000	333,657,000	342,482,000	344,629,000	306,281,000
Commerical Consumption	160,345,000	162,608,000	162,068,000	171,031,000	151,902,000

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

Function/Program	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
<b>General Government:</b>										
Number of Buildings	9	9	9	9	9	9	9	9	9	9
Value of Buildings/contents	\$4,893,242	\$4,971,045	\$5,021,833	\$5,024,773	\$4,489,371	\$4,440,551	\$4,444,953	\$6,278,468	\$8,905,194	\$8,905,194
<b>Public Safety:</b>										
Number of patrol vehicles	69	61	69	68	73	69	69	74	77	90
Volunteer Fire Depts	24	24	24	24	24	24	24	24	24	24
Number of EMS stations	8	8	8	8	8	8	8	8	8	8
Number of ambulances	14	15	13	13	13	13	13	14	14	14
Number of jail beds	98	98	98	98	98	98	98	98	98	98
<b>Cultural &amp; Recreational:</b>										
Number of Parks	1	1	1	1	1	1	1	1	1	1
Number of libraries	6	6	6	6	6	6	6	6	6	6
<b>Enterprise Funds:</b>										
Solid Waste convenience sites	15	15	15	15	15	15	15	15	15	15
Number of Water Tanks	9	12	12	12	12	12	12	12	12	12
Number of Water pumping sites	13	15	15	15	15	15	15	15	15	15
Number of Transportation vehicles	16	14	15	14	15	14	14	14	14	14

# **Compliance Section**

**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, 2016, 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 27, 2016. 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.

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

La Grange, North Carolina  
December 27, 2016

**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE TO EACH MAJOR FEDERAL PROGRAM AND INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH OMB UNIFORM GUIDANCE AND THE STATE SINGLE AUDIT IMPLEMENTATION ACT**

To the Board of County Commissioners  
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 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, 2016. 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; and the audit requirements of Title 2 U.S. *Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance) and the State Single Audit Implementation Act. Those standards, the Uniform Guidance, and the State Single Audit Implementation Act require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the County'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, 2016.

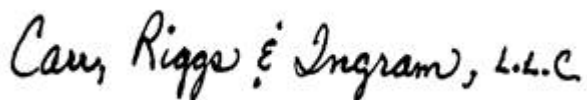
## Report on Internal Control over Compliance

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 the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the County's internal control over compliance.

A *deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or 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, material weaknesses may exist that have not been identified.

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

A handwritten signature in black ink that reads "Cam, Riggs & Ingram, L.L.C." The signature is written in a cursive, flowing style.

La Grange, North Carolina  
December 27, 2016



**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE TO EACH MAJOR STATE PROGRAM AND INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH THE UNIFORM GUIDANCE 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, 2016. 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; Title 2 U.S. *Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance), as described in the *Audit Manual for Governmental Auditors in North Carolina*; and the *State Single Audit Implementation Act*. Those standards, Uniform Guidance, and the *State Single Audit Implementation Act* require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major state program occurred. An audit includes examining, on a test basis, evidence about the County'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, 2016.

## 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 the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the County's internal control over compliance.

*A deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or 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. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

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

*Carly Riggs & Ingram, L.L.C.*

La Grange, North Carolina  
December 27, 2016

## Section I - Summary of Auditor's Results

### Financial Statements:

Type of auditor's report issued on whether the financial statements audited were prepared in accordance to GAAP

Unmodified

Internal control over financial reporting:

- Material weaknesses identified?

\_\_\_\_\_ Yes        X   No

- Significant deficiencies identified

\_\_\_\_\_ Yes        X   None reported

Noncompliance material to financial statements noted?

\_\_\_\_\_ Yes        X   No

### Federal Awards:

Internal control over financial reporting:

- Material weaknesses identified?

\_\_\_\_\_ Yes        X   No

- Significant deficiencies identified

\_\_\_\_\_ Yes        X   None reported

Noncompliance material to federal awards noted?

\_\_\_\_\_ Yes        X   No

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

Unmodified

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

\_\_\_\_\_ Yes        X   No

Identification of major federal programs:

CDFA Number	Name of Federal Program or Cluster
93.778	Medical Assistance
93.575	Subsidized Child Care Cluster
93.596	
93.558	
93.667	
10.557	Supplemental Nutrition Program for Women, Infants, and Children

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

Dollar threshold used to distinguish between Type A and Type B Programs: \$ 1,964,522

Auditee qualified as a low risk auditee?            Yes   X   No

**State Awards:**

Internal control over financial reporting:

- Material weaknesses identified?            Yes   X   No

- Significant deficiencies identified            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.

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

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None reported.

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

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None reported.

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**Section II - Financial Statement Findings**

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None reported.

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

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None reported.

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

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None reported.

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**Section II - Financial Statement Findings**

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None reported.

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

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Finding: 2015-1 - Corrected

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

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None reported.

Grantor/Passthrough Grantor/Program Title	Federal CFDA Number	State/ Passthrough Grantor's Number	Federal (Direct & Passthrough) Expenditures	State Expenditures	Local Expenditures
<b>Federal Awards:</b>					
<b><u>U.S. Department of Agriculture:</u></b>					
Food and Nutrition Service					
Passed through NC Department of Health and Human Services					
Administration:					
State Administrative Matching Grants for the Supplemental Nutrition	10.561		\$ 621,676	\$ -	\$ 621,676
Passed through the NC Department of Health and Human Services					
Administration:					
Special Supplemental Nutrition Program for Women, Infants, and	10.557		466,361	-	-
Direct Benefit Payments:					
Special Supplemental Nutrition Program for Women, Infants, and	10.557		1,481,117		
<b>Total U.S. Department of Agriculture</b>			<b>2,569,154</b>	<b>-</b>	<b>621,676</b>
<b><u>U.S. Institute of Museum and Library Services:</u></b>					
Passed through the NC Department of Cultural Resources:					
LSTA Planning Grant	45.310		11,482	-	-
<b><u>U.S. Environmental Protection Agency:</u></b>					
Passed through the NC Department of Environment and Natural					
Drinking Water State Revolving Funds	66.468		410,949	119,116	-
<b><u>U.S. Department of Housing and Urban Development:</u></b>					
Passed through NC Department of Commerce:					
Community Development Block Grant	14.228	2015-I-Project	65,478	-	-
Community Development Block Grant	14.228	12-C-2414	59,537	-	-
Community Development Block Grant	14.228	12-C-2494	17,094	295,419	-
<b>Total U.S. Department of Housing and Urban Development</b>			<b>142,109</b>	<b>295,419</b>	<b>-</b>



Grantor/Passthrough Grantor/Program Title	Federal CFDA Number	State/ Passthrough Grantor's Number	Federal (Direct & Passthrough) Expenditures	State Expenditures	Local Expenditures
<b><u>U.S. Department of Homeland Security:</u></b>					
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	-	-
<b>Total U.S. Department of Homeland Security</b>			<b>39,843</b>	<b>-</b>	<b>-</b>
<b><u>U.S. Department of Transportation:</u></b>					
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	-	-
<b>Total U.S. Department of Transportation</b>			<b>311,547</b>	<b>11,088</b>	<b>-</b>
<b><u>U.S. Department of Health and Human Services:</u></b>					
Passed through the NC Department of Health and Human Services					
Passed through the Eastern Carolina Council:					
<u>Aging Cluster:</u>					
Special Programs for the Aging - Title III B Grants for Supportive	93.044		59,268	3,486	6,973
Special Programs for the Aging - Title III C Nutrition Services	93.045		34,388	2,023	4,046
Nutrition Services Incentive Program	93.053		39,918	-	-
HCCBG - In Home/Support Services	93.667		9,274	273	1,364
HCCBG - State	N/A		-	352,776	39,197
<b>Total Aging Cluster</b>			<b>142,848</b>	<b>358,557</b>	<b>51,579</b>
 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					
Office of Population Affairs:					
Family Planning Services Title X	93.217		39,958	-	-

Grantor/Passthrough Grantor/Program Title	Federal CFDA Number	State/ Passthrough Grantor's Number	Federal (Direct & Passthrough) Expenditures	State Expenditures	Local Expenditures
<b><u>U.S. Department of Health and Human Services (continued):</u></b>					
Passed through the NC Department of Health and Human Services					
Administration for Children and Families:					
Family Preservation	93.556		\$ 1,868	\$ -	\$ -
Temporary Assistance for Needy Families (TANF)/Work First	93.558		98,900	-	124,268
Temporary Assistance for Needy Families	93.558		634,407	-	423,628
TANF/Work First - Direct Benefit Payments	93.558		318,292	-	3,807
AFDC Payments - Direct Benefit Payments	93.560		-	-	-
Child Support Enforcement	93.563		470,428	-	242,341
Low Income Home Energy Assistance:					
Crisis Intervention	93.568		195,365	-	-
Administration	93.568		48,561	-	-
Energy Assistance Payments	93.568		241,236	-	-
Permanency Planning - Families for Kids	93.645		15,948	-	5,316
<b><u>Foster Care and Adoption Cluster:</u></b>					
Title IV-E CPS	93.658		94,674	456,113	49,061
Title IV-E Foster Care	93.658		55,132	-	55,132
Title IV-E Adoption	93.659		109	-	109
Foster Care	N/A		34,904	-	-
Adoption Assistance - Direct Benefit Payments	93.658		183,572	48,736	48,736
Foster Care - Direct Benefit Payments	93.659		38,247	9,806	9,806
Total Foster Care and Adoption Cluster			406,638	514,655	162,844
Adult Protective Services	93.667		19,767	-	6,589
Social Services Block Grant (SSBG)	93.667		216,098	226,003	79,567

Grantor/Passthrough Grantor/Program Title	Federal CFDA Number	State/ Passthrough Grantor's Number	Federal (Direct & Passthrough) Expenditures	State Expenditures	Local Expenditures
<b><u>U.S. Department of Health and Human Services (continued):</u></b>					
<u>Subsidized Child Care Cluster:</u>					
Division of Social Services:					
Child Care Development Fund - Administration	93.596		\$ 119,916	\$ -	\$ -
Division of Child Development:					
Child Care and Development Fund - Discretionary	93.575		848,612	-	-
Child Care and Development Fund - Mandatory	93.596		378,381	-	-
Child Care and Development Fund - Match	93.596		84,015	43,706	-
Total Child Care Cluster			1,430,924	43,706	-
Temporary Assistance for Needy Families	93.558		660,496	-	-
Foster Care Title IV-E	93.658		27,863	14,325	-
State Appropriations	N/A		-	335,826	-
TANF-MOE	N/A		-	138,291	-
Total Subsidized Child Care Cluster			2,119,283	532,148	-
Passed through the NC Department of Health and Human Services					
Medical Assistance Program - Direct Benefit Payments	93.778		54,102,962	29,029,582	-
State Children's Insurance Program - Direct Benefit Payments	93.767		1,002,530	83,298	-
Passed through the NC Department of Health and Human Services					
Links	93.674		1,976	-	-
Medical Assistance Program Administration	93.778		1,747,404	8,085	681,206
State Children's Insurance Program - NC Health Choice	93.767		40,483	2,662	10,048
Centers for Disease Control and Prevention:					
Passed through the NC Department of Health and Human Services					
Emergency Preparedness (PHEP) Aligned Cooperative Agreement	93.074		15,000	-	-
Project Grants and Cooperative Agreements for Tuberculosis Control	93.116		30,592	-	-
Immunization Grants	93.268		10,214	-	-
Preventive Health & Human Services Block Grant funded solely with	93.758		30,991	-	-
Preventive Health Services - Sexually Transmitted Diseases Control	93.977		218	-	-
Statewide Health Promotion Program	93.991		528	-	-

Grantor/Passthrough Grantor/Program Title	Federal CFDA Number	State/ Passthrough Grantor's Number	Federal (Direct & Passthrough) Expenditures	State Expenditures	Local Expenditures
<b><u>U.S. Department of Health and Human Services (continued):</u></b>					
Health Resources and Services Administration:					
Passed through the NC Department of Health and Human Services					
Maternal and Child Health Services Block Grant	93.994		\$ 62,361	\$ 57,307	\$ -
<b>Total U.S. Department of Health and Human Services</b>			<b>61,998,966</b>	<b>30,812,985</b>	<b>1,793,943</b>

**State Awards:**

**NC Department of Health and Human Services:**

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			-	76,589	11,480
State/County Special Assistance Domiciliary Care			-	469,634	469,634
SFHF Maximization			-	-	-
State Foster Home			-	28,240	28,240
Other local expenditures			-	-	-
<b>Total Division of Social Services</b>			<b>-</b>	<b>633,709</b>	<b>862,293</b>
Division of Public Health:					
Food and Lodging Fees			-	11,858	-
HMHC - Family Planning			-	6,724	-
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			-	34,549	-
Child Health			-	1,998	-
<b>Total Division of Public Health</b>			<b>-</b>	<b>167,820</b>	<b>-</b>
<b>Total NC Department of Health and Human Services</b>			<b>-</b>	<b>801,529</b>	<b>862,293</b>

Grantor/Passthrough Grantor/Program Title	Federal CFDA Number	State/ Passthrough Grantor's Number	Federal (Direct & Passthrough) Expenditures	State Expenditures	Local Expenditures
<b><u>NC Department of Transportation:</u></b>					
Rural Operating Assistance Program - Work First		DOT-16CL	\$ -	\$ 14,375	\$ -
Rural Operating Assistance Program - EDTAP		DOT-16CL	-	60,071	-
Rural Operating Assistance Program - Rural General Public		DOT-16CL	-	69,244	-
<b>Total NC Department of Transportation</b>			-	<b>143,690</b>	-
<b><u>NC Department of Environmental Quality:</u></b>					
Division of Waste Management:					
Scrap Tire Fund			-	29,238	-
<b><u>NC Department of Public Safety:</u></b>					
Office of Juvenile Justice:					
4-H Outreach			-	46,744	-
Parenting			-	38,543	-
Administration			-	1,103	-
Juvenile Court			-	160,352	-
Gang Awareness			-	9,754	-
Restitution/Teen Court			-	105	-
<b>Total NC Department of Public Safety</b>			-	<b>256,601</b>	-
<b><u>NC Department of Public Instruction:</u></b>					
Public School Building Capital Funds			-	668,295	-
<b><u>NC Department of Commerce:</u></b>					
Rural Center Grants		G40431004115MUS	-	58,000	-
<b><u>NC Department of Natural and Cultural Resources:</u></b>					
Aid to Public Libraries			-	120,229	-
<b>Total Awards</b>			<b>\$ 65,484,050</b>	<b>\$ 33,316,190</b>	<b>\$ 3,277,912</b>

Notes to the Schedule of Expenditures of Federal and State Awards

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**NOTE 1 – BASIS OF PRESENTATION**

The accompanying schedule of expenditures of federal and state awards (SEFSA) includes the federal and state grant activity of Duplin County, North Carolina under the programs of the federal governments and the State of North Carolina for the year ended June 30, 2016. The information in this schedule is presented in accordance with the requirements of Title 2 US Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards and the State Single Audit Implementation Act. Because the Schedule presents only a selected portion of the operations of Duplin County, it is not intended to and does not present the financial position, changes in net position or cash flows of Duplin County.

**NOTE 2 – Summary of Significant Accounting Policies**

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

**NOTE 3 – LOANS OUTSTANDING**

Duplin County, North Carolina had the following loan balances outstanding at June 30, 2016:

Description	Balance Outstanding
USDA Loan for Duplin Commons Facility	\$ 9,847,522
ARRA – Drinking Water Revolving Loan for Water District D	324,378
USDA Loan for Sewer Project	646,000

**NOTE 3 – 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