

Comprehensive Annual Financial Report

For the Year Ended June 30, 2017

Duplin County



North Carolina

Table of Contents

<u>Exhibit</u>		<u>Page</u>
	Introductory Section:	
	Letter of Transmittal	8-11
	Principal Officials	12
	Financial Section:	
	Independent Auditors' Report	14-16
	Management's Discussion and Analysis	17-26
	Basic Financial Statements:	
1	Statement of Net Position	28
2	Statement of Activities	29
3	Balance Sheet - Governmental Funds	30
3	Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Position	31
4	Statement of Revenues, Expenditures, and Changes in Fund Balance - Governmental Funds	32
4	Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities	33
5	Statement of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual - General Fund	34
6	Statement of Fund Net Position - Proprietary Funds	35
7	Statement of Revenues, Expenses, and Changes in Fund Net Position - Proprietary Funds	36
8	Statement of Cash Flows - Proprietary Funds	37
9	Statement of Fiduciary Net Position - Fiduciary Funds	38
	Notes to Financial Statements	39-78
	Required Supplementary Information:	
A-1	Law Enforcement Officers' Special Separation Allowance - Schedule of the Changes in Total Pension Liability	80

Table of Contents

<u>Exhibit</u>		<u>Page</u>
A-2	Post-employment Benefit - Schedules of Funding Progress and Employer Contributions	81
A-3	Local Government Employees' Retirement System - Schedules of the County's Proportionate Share of the Net Pension Liability (Asset) and County Contributions	82
A-4	Registers of Deeds' Supplemental Pension Fund - Schedules of the County's Proportionate Share of the Net Pension Liability (Asset) and County Contributions	83
Combining and Individual Fund Statements and Schedules:		
General Fund:		
B-1	Combining Balance Sheet - General Fund	86
B-2	Combining Schedule of Revenues, Expenditures, and Changes in Fund Balances - General Fund	87
B-3	General Fund - Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual	88-106
B-4	Capital Reserve Fund - Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual	107
Nonmajor Governmental Funds:		
C-1	Combining Balance Sheet - Nonmajor Governmental Funds	109
C-2	Combining Schedule of Revenues, Expenditures, and Changes in Fund Balances - Nonmajor Governmental Funds	110
Special Revenue Funds:		
D-1	Combining Balance Sheet - Non-Major Special Revenue Funds	112
D-2	Combining Schedule of Revenues, Expenditures, and Changes in Fund Balances - Non-Major Special Revenue Funds	113
D-3	Emergency Telephone System Fund - Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual	114
D-4	Automation Enhancement and Preservation Fund - Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual	115
D-5	Revaluation Fund - Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual	116

Table of Contents

<u>Exhibit</u>		<u>Page</u>
D-6	Community Development Revolving Loan Fund - Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual	117
D-7	School Planning Allocation Fund - Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual	118
D-8	Fire District Fund - Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual	119
D-9	Community Development Block Grant (12-C-2494) Fund - Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual	120
D-10	Community Development Block Grant (12-C-2414) Fund - Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual	121
D-11	Community Development Block Grant (2015-I-Project) Fund - Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual	122
	Capital Project Funds:	
E-1	Combining Balance Sheet - Non-Major Capital Project Funds	124
E-2	Combining Schedule of Revenues, Expenditures, and Changes in Fund Balances - Non-Major Capital Project Funds	125
E-3	Capital Project Fund - School Fund - Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual	126
E-4	Capital Project Fund - JSCC - Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual	127
E-5	Industrial Expansion Capital Project Fund - Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual	128
E-6	Capital Project Fund - Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual	129
	Enterprise Funds:	
F-1	Combining Statement of Fund Net Position - Nonmajor Proprietary Funds - Enterprise Funds	131
F-2	Combining Statement of Revenues, Expenses, and Changes in Fund Net Position - Nonmajor Proprietary Funds - Enterprise Funds	132
F-3	Combining Statement of Cash Flows - Nonmajor Proprietary Funds - Enterprise Funds	133

Table of Contents

<u>Exhibit</u>		<u>Page</u>
F-4	Water Fund - Schedule of Revenues and Expenditures - Budget and Actual (Non-GAAP)	134-135
F-5	Water Debt Service 2012 Limited Obligation Bond Fund - Schedule of Revenues and Expenditures - Budget and Actual (Non-GAAP)	136
F-6	Transportation Development Plan Fund - Schedule of Revenues and Expenditures - Budget and Actual (Non-GAAP)	137
F-7	Airport Commission Fund - Schedule of Revenues and Expenditures - Budget and Actual (Non-GAAP)	138
F-8	Solid Waste Fund - Schedule of Revenues and Expenditures - Budget and Actual (Non-GAAP)	139-140
F-9	Airport Commission Capital Project Fund - Schedule of Revenues and Expenditures - Budget and Actual (Non-GAAP)	141
F-10	Water District G Clean Water (GHSRGW99063) Project Fund - Schedule of Revenues and Expenditures - Budget and Actual (Non-GAAP)	142
F-11	Water District F Water Improvements Project Fund - Schedule of Revenues and Expenditures - Budget and Actual (Non-GAAP)	143
	Debt Service Fund:	
G-1	Debt Service Fund - Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual	145
	Trust and Agency Funds:	
H-1	County Trust Fund - Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual	147
H-2	Combining Statement of Fiduciary Net Position - Agency Funds	148
H-3	Combining Statement of Changes in Assets and Liabilities - Agency Funds	149-150
	Internal Service Fund:	
I-1	Hospital Insurance Fund - Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual	152
	Component Unit - Duplin County Tourism Development Authority:	
J-1	Supplemental Statement of Net Position	154
J-2	Supplemental Statement of Activities	155
J-3	Supplemental Balance Sheet	156

Table of Contents

<u>Exhibit</u>		<u>Page</u>
J-4	Supplemental Schedule of Revenues, Expenditures, and Changes in Fund Balance	157
J-5	Supplemental Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual	158
	Other Schedules:	
K-1	General Fund - Schedule of Ad Valorem Taxes Receivable	160
K-2	Analysis of Current Tax Levy - County-Wide Levy	161
K-3	Analysis of Current Tax Levy - Secondary Market Disclosures	162
K-4	Computation of Legal Debt Margin	163
	Statistical Section:	
Table 1	Net Position by Component	165
Table 2	Changes in Net Position	166-169
Table 3	Fund Balances - Governmental Funds	170
Table 4	Changes in Fund Balances - Governmental Funds	171-172
Table 5	Assessed Value and Actual Value of Taxable Property	173
Table 6	Property Tax Rates - Direct and Overlapping Governments	174
Table 7	Principal Taxpayers	175
Table 8	Property Tax Levies and Collections	176
Table 9	Ratios of Outstanding Debt by Type	177
Table 10	Ratio of General Bonded Debt Outstanding and Legal Debt Margin Information	178
Table 11	Demographic and Economic Statistics	179
Table 12	Principal Employers	180
Table 13	Full-time County Government Employees by Function/Program	181-182
Table 14	Operating Indicators by Function/Program	183-186
Table 15	Capital Asset Statistics by Function/Program	187

Table of Contents

	<u>Page</u>
Compliance Section:	
Independent Auditors' Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	189-190
Independent Auditors' Report on Compliance With the 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	191-192
Independent Auditors' 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	193-194
Schedule of Findings and Questioned Costs	195-196
Corrective Action Plan	197
Summary Schedule of Prior Year Audit Findings	198
Schedule of Expenditures of Federal and State Awards	199-205
Notes to Schedule of Expenditures of Federal and State Awards	206

INTRODUCTORY SECTION



February 19, 2018

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, 2017.

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, 2017. The independent auditor's report is located at the front of the financial section of this report.

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

Profile of the Government

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

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

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

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

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

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

Local Economy

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

can be seen directly by the business activity along the exits and indirectly by the business the interstate brings into the County.

Duplin County has an estimated population of 60,084 and labor force of almost 25,000 per the North Carolina Employment Security Commission. The unadjusted unemployment rate at June 2017 was 4.7%. 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 2017 to discuss and develop strategies to help plan current and future needs of the County.

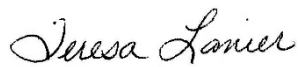
The County continues to have low-cost access to the debt markets to finance the acquisition, renovation or construction of various long-term assets. With the most recent Limited Obligation Bonds' issuance in 2016, the County received a long-term bond rating of "A+" with Standard & Poor's and "A2" with 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



Carr, Riggs & Ingram, LLC
2805 North Park Drive
Goldsboro, North Carolina 27532

Mailing Address:
P.O. Box 10588
Goldsboro, North Carolina 27532-0588

(919) 751-8297
(919) 778-0575 (fax)
www.cricpa.com

INDEPENDENT AUDITORS' 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, 2017, 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 auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditors consider internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinions

In our opinion, 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, 2017, 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.

Emphasis of Matter

As discussed in Note 27 to the financial statements, Duplin County, North Carolina adopted Governmental Accounting Standards Board Statement No. 73, *Accounting and Financial Reporting for Pensions and Related Assets That Are Not within the Scope of GASB 68, and Amendments to Certain Provisions of GASB Statements 67 and 68*. Our opinions are not modified with respect to that matter.

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 80-83 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.

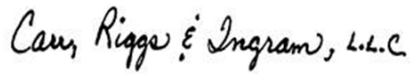
Supplementary and Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements of 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 February 19, 2018, 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.

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

Goldsboro, North Carolina
February 19, 2018

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, 2017. 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.

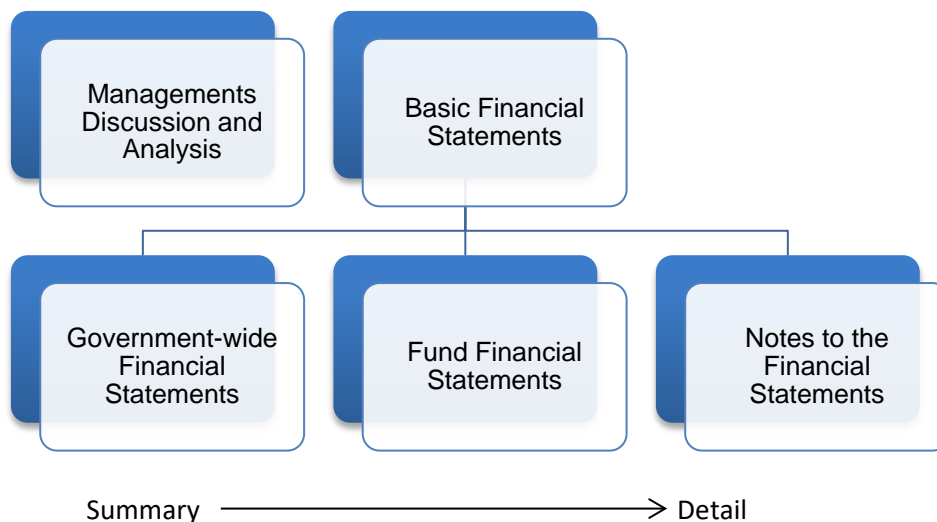
Financial Highlights

- 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 \$38,673,327 (*net position*).
- The government's total net position decreased by \$39,960,373, primarily due to capital expenditures for the local education agency.
- As of the close of the current fiscal year, Duplin County's governmental funds reported combined ending fund balances of \$40,056,838, after a net decrease in fund balance of \$43,233,602. Approximately 80.7 percent of this total amount, or \$32,308,493, is either nonspendable, restricted, committed, or assigned.
- At the end of the current fiscal year, unassigned fund balance for the General Fund was \$7,754,090, or 14.2 percent of total general fund expenditures for the fiscal year.
- Total capital assets decreased by \$461,494 during the year ended June 30, 2017, primarily related to depreciation expense.
- Total long-term debt decreased by \$3,111,450 during the year ended June 30, 2017, primarily related to debt service payments.

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 five fiduciary funds – Ad Valorem and Motor Vehicle Tax Fund, County Agency Fund, the Social Services Fund, the Register of Deeds Fund and the Board of Education Fines and Forfeitures 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 \$38,673,327 as of June 30, 2017. The County's net position decreased by \$39,960,373 for the fiscal year ended June 30, 2017. A significant portion \$48,555,448 (126%) 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 \$28,435,284 represents resources that are subject to external restrictions on how they may be used. The remaining balance of \$(38,673,327) is unrestricted.

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

	Governmental Activities		Business-type Activities		Total	
	2017	2016	2017	2016	2017	2016
Assets						
Current and other assets	\$ 54,737,974	\$ 96,468,316	\$ 12,749,241	\$ 12,085,734	\$ 67,487,215	\$ 108,554,050
Capital assets	21,396,083	21,483,813	54,466,435	54,840,199	75,862,518	76,324,012
Total assets	76,134,057	117,952,129	67,215,676	66,925,933	143,349,733	184,878,062
Total deferred outflows of resources	6,062,535	1,360,457	755,842	347,189	6,818,377	1,707,646
Liabilities						
Current and other liabilities	2,870,567	2,364,351	1,476,131	1,365,850	4,346,698	3,730,201
Long-term liabilities	88,078,848	83,679,757	18,699,667	18,941,120	106,778,515	102,620,877
Total liabilities	90,949,415	86,044,108	20,175,798	20,306,970	111,125,213	106,351,078
Total deferred inflows of resources	347,650	675,723	21,920	65,280.00	369,570	741,003
Net Position						
Net investment in capital assets	11,720,621	11,636,291	36,834,827	36,437,914	48,555,448	48,074,205
Restricted	26,883,229	69,340,867	1,552,055	1,703,933	28,435,284	71,044,800
Unrestricted	(47,704,323)	(49,244,330)	9,386,918	8,759,025	(38,317,405)	(40,485,305)
Total net position	\$ (9,100,473)	\$ 31,732,828	\$ 47,773,800	\$ 46,900,872	\$ 38,673,327	\$ 78,633,700

With the adoption of GASB Statement 73, beginning net position has been restated to conform to the new reporting standard.

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

- Continued diligence in the collection of property taxes by maintaining a collection percentage of 96.77.
- 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	
	2017	2016	2017	2016	2017	2016
Revenues						
Program revenues:						
Charges for services	\$ 8,019,435	\$ 7,342,433	\$ 7,807,205	\$ 7,589,751	\$ 15,826,640	\$ 14,932,184
Operating grants and contributions	12,885,635	13,236,891	553,792	414,531	13,439,427	13,651,422
Capital grants and contributions	3,181,966	218,971	1,318,340	296,978	4,500,306	515,949
General revenues:						
Property taxes	31,435,541	30,694,864	-	-	31,435,541	-
Other taxes	10,665,231	8,827,413	141,491	136,548	10,806,722	8,963,961
Other revenue	569,584	392,610	153,591	68,362	723,175	460,972
Total revenues	66,757,392	60,713,182	9,974,419	8,506,170	76,731,811	69,219,352
Expenses						
General government	8,542,667	6,005,791	-	-	8,542,667	6,005,791
Public safety	19,402,748	18,234,164	-	-	19,402,748	18,234,164
Economic and physical development	1,976,207	2,212,425	-	-	1,976,207	2,212,425
Human services	16,019,157	15,893,046	-	-	16,019,157	15,893,046
Cultural and recreational	1,252,365	1,247,747	-	-	1,252,365	1,247,747
Environmental protection	1,196,025	820,683	-	-	1,196,025	820,683
Non-departmental	338,290	348,401	-	-	338,290	348,401
Education	56,099,066	17,458,221	-	-	56,099,066	17,458,221
Interest on long-term debt	2,621,411	407,858	-	-	2,621,411	407,858
Airport	-	-	1,219,345	1,171,327	1,219,345	1,171,327
Water	-	-	3,564,197	3,287,578	3,564,197	3,287,578
Transportation	-	-	1,010,573	893,886	1,010,573	893,886
Solid waste	-	-	3,450,133	3,054,834	3,450,133	3,054,834
Total expenses	107,447,936	62,628,336	9,244,248	8,407,625	116,692,184	71,035,961
Change in net position before transfers and special items	(40,690,544)	(1,915,154)	730,171	98,545	(39,960,373)	(1,816,609)
Special items	-	-	-	-	-	-
Transfers	(142,757)	(132,487)	142,757	132,487	-	-
Change in net position	(40,833,301)	(2,047,641)	872,928	231,032	(39,960,373)	(1,816,609)
Net position, beginning	31,732,828	34,640,396	46,900,872	46,669,840	78,633,700	81,310,236
Restatement	-	(859,927)	-	-	-	(859,927)
Net position, ending	\$ (9,100,473)	\$ 31,732,828	\$ 47,773,800	\$ 46,900,872	\$ 38,673,327	\$ 78,633,700

With the adoption of GASB Statement 73, beginning net position has been restated to conform to the new reporting standard.

The County's net position decreased by \$39,960,373, before restatement associated with the implementation of GASB 73 during the fiscal year ended June 30, 2017, primarily relating to school capital expenditures, where the County issued debt for the construction. The governmental activities net position decreased by \$40,833,301 whereas business-type activities experienced an increase of \$872,928.

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 \$7,754,090, while total fund balance was \$18,170,293 (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 19.4 percent of total General Fund expenditures, while total fund balance represents 33% percent of that same amount.

At June 30, 2017, the governmental funds of Duplin County reported a combined fund balance of \$40,056,838.

Figure 4
Governmental Funds – Total Fund Balance
June 30, 2017

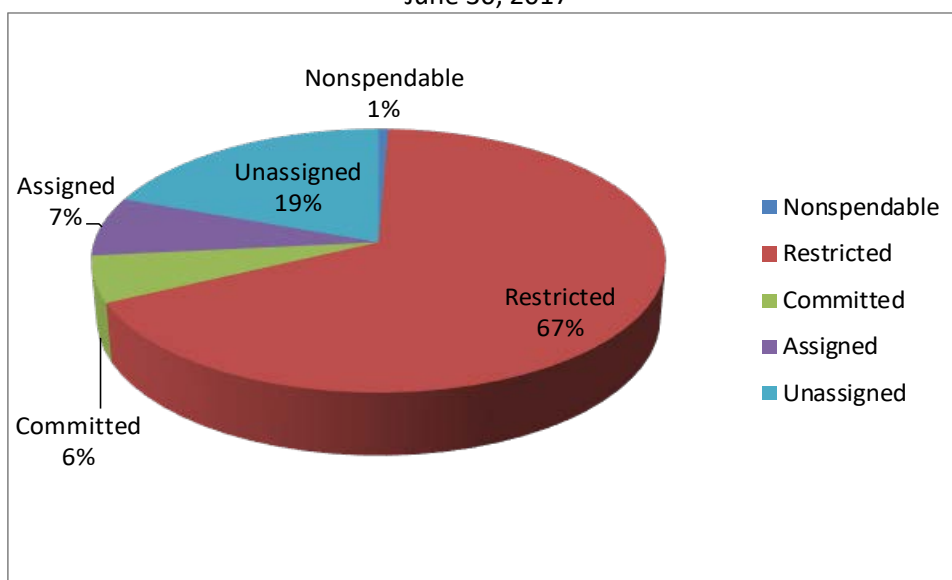


Figure 5
Governmental Funds Revenue
For the Years Ended June 30, 2017 and 2016

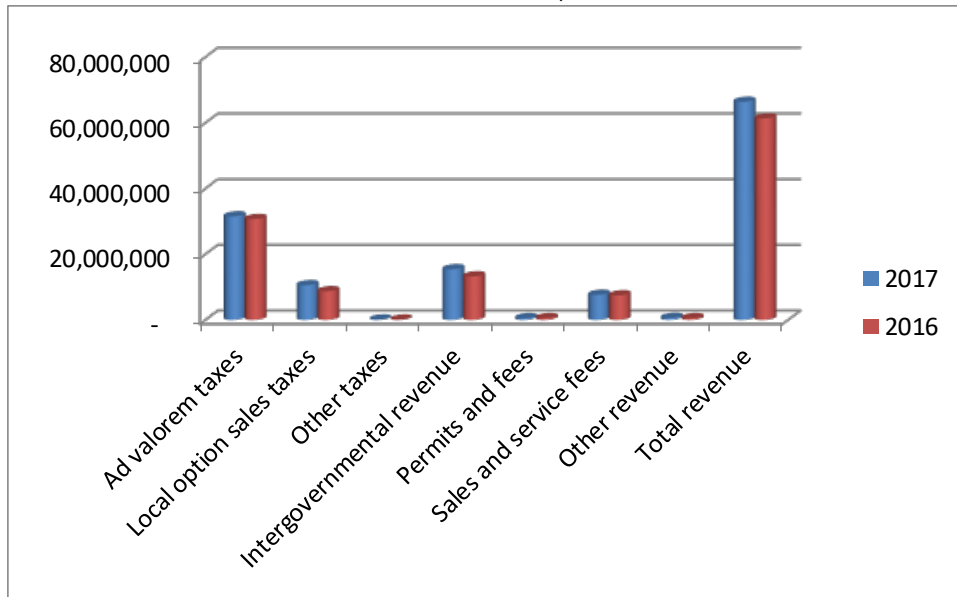
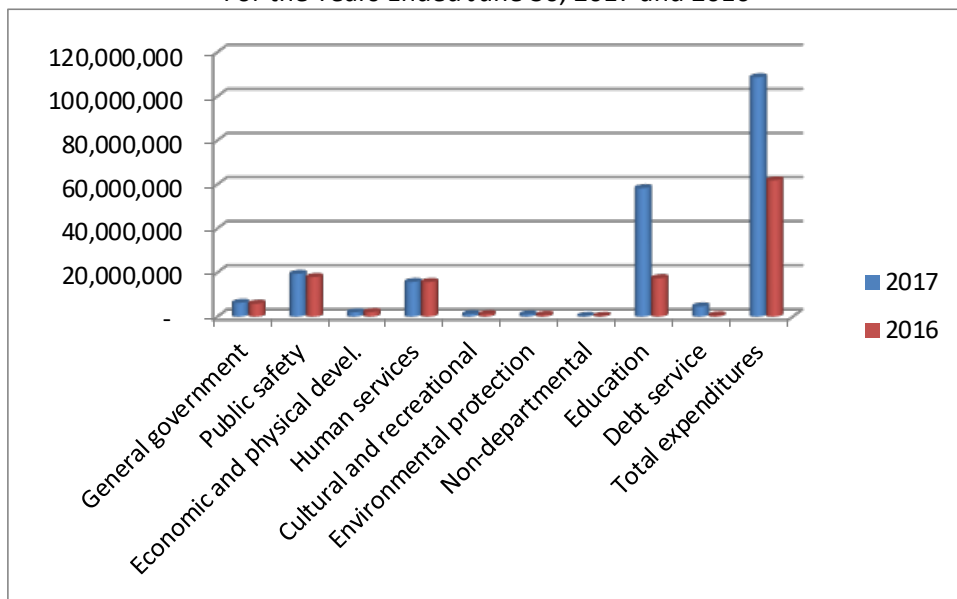


Figure 6
Governmental Funds Expenditures
For the Years Ended June 30, 2017 and 2016



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 \$5.7 million. The largest increases were to intergovernmental revenues and sales and service revenues.

The actual operating revenues for the General Fund were more than the revised budgeted amounts by \$102,769, most of which is attributed to intergovernmental revenues. (Exhibit 5)

The actual operating expenditures for the General Fund were less than the revised budgeted amounts by \$5,515,932, most of which is attributed to controlled expenditures. (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 \$221,869, and the Water Fund equaled \$6,660,327. The non-major funds of the Solid Waste Fund and the Transportation Development Fund had a combined total of unrestricted net position of \$2,504,722. (Exhibit 6)

A total decrease in net position for the enterprise funds was reported by the Airport Commission Fund - \$(457,058) (Exhibit 7). The Water Fund had an increase in net position of \$907,980 and the non-major funds had a combined increase in net position totaling \$422,006. 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, 2017, totals \$75,862,518 (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.
- Building renovations and construction 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	
	2017	2016	2017	2016	2017	2016
Land	\$ 2,476,331	\$ 2,457,288	\$ 1,162,297	\$ 1,161,597	\$ 3,638,628	\$ 3,618,885
Buildings	15,971,187	15,860,513	2,231,669	2,293,821	18,202,856	18,154,334
Water plants and distribution systems	-	-	42,898,567	43,015,992	42,898,567	43,015,992
Airport terminals and runways	-	-	6,846,892	7,336,102	6,846,892	7,336,102
Equipment	1,587,405	1,800,832	504,920	357,734	2,092,325	2,158,566
Vehicles	1,361,160	1,365,180	822,090	674,953	2,183,250	2,040,133
Total capital assets, net	\$ 21,396,083	\$ 21,483,813	\$ 54,466,435	\$ 54,840,199	\$ 75,862,518	\$ 76,324,012

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, 2017, Duplin County had total long-term debt outstanding of \$85,652,608.

	Governmental Activities		Business-type Activities		Total	
	2017	2016	2017	2016	2017	2016
Limited obligation bonds	\$ 58,345,538	\$ 60,514,251	\$ 14,221,311	\$ 14,775,403	\$ 72,566,849	\$ 75,289,654
Notes payable	9,675,462	9,847,522	3,410,297	3,626,882	13,085,759	13,474,404
Total long-term debt	\$ 68,021,000	\$ 70,361,773	\$ 17,631,608	\$ 18,402,285	\$ 85,652,608	\$ 88,764,058

Duplin County's total debt has decreased by \$3,111,450 during the past fiscal year. This decrease is primarily due to current debt service payments.

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 \$268,134,562.

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 4.7% which is above the state average of 4.5%.
- The assessed value of real and personal property increased by \$79,345,851 or 2.1%.
- Our population of 60,130 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, 2018

Governmental Activities: The County approved an original \$55.8 million general fund budget. This represents an increase over the original budget adopted for FY 2017 but a slight decrease over the final budget for FY 2017. The property rate for tax year FY 2018 decreased to \$0.6950 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 2017-2018 remained at a flat rate fee per trip of \$8.00.

Economic Forecast

Duplin County's economy has historically been based on agriculture. According to the North Carolina Department of Agriculture's 2016 statistics, Duplin County ranks number 1 in the state in cash receipts from the sale of crops and livestock with total sales of \$1.1 billion. Duplin County is also recognized as an important agricultural producer nationally. The 2012 U.S. Census of Agriculture ranks Duplin County 20th of 3,079 U.S. counties in market value of agricultural products sold; with 90% of the value generated by livestock sales.

Poultry production continues to expand in Duplin County. Following a 2017 fire that destroyed the House of Raeford's Wallace plant, the company announced plans to partner with the county and the state to invest \$30

million in a new processing plant thereby retaining 600 existing jobs and creating 600 new jobs over the next two years.

The Duplin County Economic Development Commission has identified 4 strategic markets as potential growth segments: Logistics and distribution, Alternative Energy Production, Food Processing and Defense.

A network of 6 primary highways intersects 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 clean energy is an emerging 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 Switch grass are being evaluated at North Carolina State University's Williamsdale Biofuels Field Laboratory located in Duplin County.

In 2016, Carbon Cycle Energy broke ground on a \$100 million plant that will produce biogas from agricultural and food waste. The company has contracts with Piedmont Natural Gas to deliver biogas directly into the natural gas pipeline that traverses the county.

Manufacturing, including agricultural related food 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 food processing.

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, 2017
Exhibit 1

	Primary Government			Component Unit
	Governmental	Business-type	Total	Duplin County Tourism Development Authority
	Activities	Activities		
Assets				
Current assets:				
Cash and cash equivalents	\$ 23,507,566	\$ 9,844,533	\$ 33,352,099	\$ 497,403
Receivables, net	15,571,023	1,296,854	16,867,877	18,941
Inventories	247,689	55,799	303,488	-
Restricted cash and cash equivalents	15,332,214	439,435	15,771,649	-
Total current assets	54,658,492	11,636,621	66,295,113	516,344
Noncurrent assets:				
Restricted cash and cash equivalents	-	1,112,620	1,112,620	-
Net pension asset	79,482	-	79,482	-
Capital assets:				
Land and construction in progress	2,476,331	605,846	3,082,177	-
Other capital assets, net of depreciation	18,919,752	53,860,589	72,780,341	-
Total capital assets	21,396,083	54,466,435	75,862,518	-
Total noncurrent assets	21,475,565	55,579,055	77,054,620	-
Total assets	76,134,057	67,215,676	143,349,733	516,344
Deferred Outflows of Resources	6,062,535	755,842	6,818,377	-
Liabilities				
Current liabilities:				
Accounts payable and accrued liabilities	986,410	249,820	1,236,230	3,457
Customer deposits	-	439,435	439,435	-
Notes payable - current	179,157	216,876	396,033	-
Limited obligation bonds - current	1,705,000	570,000	2,275,000	-
Total current liabilities	2,870,567	1,476,131	4,346,698	3,457
Long-term liabilities:				
Compensated absences	1,244,566	134,262	1,378,828	4,068
Other post-employment benefit	12,195,763	1,095,130	13,290,893	-
Net pension liability - LEO	1,535,414	-	1,535,414	-
Notes payable	9,496,305	16,844,732	26,341,037	-
Limited obligation bonds	56,640,538	-	56,640,538	-
Net pension liability - LGERS	6,966,262	625,543	7,591,805	-
Total long-term liabilities	88,078,848	18,699,667	106,778,515	4,068
Total liabilities	90,949,415	20,175,798	111,125,213	7,525
Deferred Inflows of Resources	347,650	21,920	369,570	-
Net Position				
Net investment in capital assets	11,720,621	36,834,827	48,555,448	-
Restricted	26,883,229	1,552,055	28,435,284	18,941
Unrestricted	(47,704,323)	9,386,918	(38,317,405)	489,878
Total net position	\$ (9,100,473)	\$ 47,773,800	\$ 38,673,327	\$ 508,819

The accompanying notes are an integral part of this statement.

Duplin County, North Carolina
Statement of Activities
For the Year Ended June 30, 2017
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		Total	Duplin County Tourism Development Authority
					Governmental Activities	Business-type Activities		
Primary Government								
Governmental activities:								
General government	\$ 8,542,667	\$ 1,417,008	\$ 301,133	\$ -	\$ (6,824,526)		\$ (6,824,526)	
Public safety	19,402,748	4,950,790	983,132	-	(13,468,826)		(13,468,826)	
Economic and physical development	1,976,207	7,670	292,775	678,008	(997,754)		(997,754)	
Human services	16,019,157	1,424,395	11,058,559	-	(3,536,203)		(3,536,203)	
Cultural and recreational	1,252,365	175,143	201,040	-	(876,182)		(876,182)	
Environmental protection	1,196,025	44,429	48,996	783,259	(319,341)		(319,341)	
Non-departmental	338,290	-	-	-	(338,290)		(338,290)	
Education	56,099,066	-	-	1,720,699	(54,378,367)		(54,378,367)	
Interest on long-term debt	2,621,411	-	-	-	(2,621,411)		(2,621,411)	
Total governmental activities	107,447,936	8,019,435	12,885,635	3,181,966	(83,360,900)	-	(83,360,900)	
Business-type activities:								
Airport	1,219,345	518,839	-	95,624		(604,882)	(604,882)	
Water and Sewer	3,564,197	3,400,974	-	1,001,158		837,935	837,935	
Transportation	1,010,573	636,559	553,792	-		179,778	179,778	
Solid waste	3,450,133	3,250,833	-	221,558		22,258	22,258	
Total business-type activities	9,244,248	7,807,205	553,792	1,318,340		435,089	435,089	
Total primary government	\$ 116,692,184	\$ 15,826,640	\$ 13,439,427	\$ 4,500,306	(83,360,900)	435,089	(82,925,811)	
Component unit:								
Tourism development authority	\$ 221,475	\$ 4,380	\$ -	\$ -				\$ (217,095)
General revenues:								
Property taxes, levied for general purposes					\$ 31,435,541	\$ -	\$ 31,435,541	\$ -
Local option sales taxes					10,549,539	-	10,549,539	-
Other taxes and licenses					115,692	141,491	257,183	256,509
Investment earnings, unrestricted					253,493	72,717	326,210	2,061
Miscellaneous, unrestricted					246,363	20,670	267,033	-
Gain on disposal of capital assets					69,728	60,204	129,932	-
Total general revenues excluding transfers & special items					42,670,356	295,082	42,965,438	258,570
Transfers					(142,757)	142,757	-	
Total general revenues, special items, and transfers					42,527,599	437,839	42,965,438	258,570
Change in net position					(40,833,301)	872,928	(39,960,373)	41,475
Net position, beginning of year, previously reported					32,592,755	46,900,872	79,493,627	467,344
Restatement					(859,927)	-	(859,927)	-
Net position, beginning of year, restated					31,732,828	46,900,872	78,633,700	467,344
Net position, end of year					\$ (9,100,473)	\$ 47,773,800	\$ 38,673,327	\$ 508,819

The accompanying notes are an integral part of this statement.

Duplin County, North Carolina
Balance Sheet
Governmental Funds
June 30, 2017
Exhibit 3

	Major			Non-Major	
	General Fund	Capital Project Fund	Debt Service Fund	Other	Total
				Governmental Funds	
Assets					
Cash and cash equivalents	\$ 14,571,688	\$ -	\$ 581,996	\$ 5,328,208	\$ 20,481,892
Restricted cash and cash equivalents	-	12,968,939	30,050	2,333,225	15,332,214
Receivables, net	13,569,016	-	-	1,981,313	15,550,329
Due from other funds	5,116	-	-	59	5,175
Inventories	247,689	-	-	-	247,689
Total assets	\$ 28,393,509	\$ 12,968,939	\$ 612,046	\$ 9,642,805	\$ 51,617,299
Liabilities					
Accounts payable and accrued liabilities	\$ 416,371	\$ 110,153	\$ -	\$ 51,284	\$ 577,808
Due to other funds	2,982	-	-	630	3,612
Total liabilities	419,353	110,153	-	51,914	581,420
Deferred Inflows of Resources	9,803,863	-	-	1,175,178	10,979,041
Fund Balances					
Nonspendable - inventories	247,689	-	-	-	247,689
Restricted:					
Stabilization by state statute	4,557,627	-	-	760,835	5,318,462
Register of deeds	-	-	-	5,299	5,299
Federally seized assets	48,416	-	-	-	48,416
Grants and projects	340,665	-	-	-	340,665
Health	574,967	-	-	-	574,967
Sheriff	63,997	-	-	-	63,997
Daycare	1,002	-	-	-	1,002
Economic development	591,119	-	-	-	591,119
Inspections	88,652	-	-	-	88,652
Events Center	90,361	-	-	-	90,361
Schools	-	12,858,786	-	5,523,043	18,381,829
E-911	-	-	-	613,196	613,196
Tax revaluation	-	-	-	765,264	765,264
Committed:					
Capital improvements	899,367	-	-	3,049	902,416
Debt service	-	-	612,046	-	612,046
Economic development	-	-	-	652,719	652,719
Various programs	-	-	-	98,053	98,053
Assigned:					
Subsequent year's expenditures	2,912,341	-	-	-	2,912,341
Unassigned	7,754,090	-	-	(5,745)	7,748,345
Total fund balances	18,170,293	12,858,786	612,046	8,415,713	40,056,838
Total liabilities, deferred inflows of resource, and fund balances	\$ 28,393,509	\$ 12,968,939	\$ 612,046	\$ 9,642,805	\$ 51,617,299

The accompanying notes are an integral part of this statement.

Duplin County, North Carolina
Reconciliation of the Governmental Funds Balance
Sheet to the Statement of Net Position
June 30, 2017
Exhibit 3

	Total Governmental Funds
<hr/>	
Amounts reported for governmental activities in the Statement of Net Position (Exhibit 1) are different because:	
Total fund balance - governmental funds	\$ 40,056,838
Net pension asset	79,482
Internal service fund activities to benefit governmental activities	2,935,538
Capital assets used in governmental activities are not financial resources and therefore are not reported in the fund statements.	21,396,083
Liabilities for deferred inflows of resources reported in the fund statements, but not the government-wide statements.	10,878,562
Contributions to pension plans in the current fiscal year are deferred outflows of resources on the Statement of Net Position	6,062,535
Pension related deferral	(247,171)
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.	(90,262,340)
<hr/>	
Net position of governmental activities	\$ (9,100,473)
<hr/>	

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, 2017
Exhibit 4

	Major			Non-Major Other	
	General Fund	Capital Project Fund	Debt Service Fund	Governmental Funds	Total
Revenues					
Ad valorem taxes	\$ 30,631,513	\$ -	\$ -	\$ 882,825	\$ 31,514,338
Local option sales taxes	7,793,849	-	-	2,755,690	10,549,539
Other taxes and licenses	115,692	-	-	-	115,692
Unrestricted intergovernmental	6,785,550	-	-	-	6,785,550
Restricted intergovernmental	4,905,207	1,759,592	-	1,964,543	8,629,342
Restricted grants	43,000	-	-	-	43,000
Permits and fees	532,205	-	-	-	532,205
Restricted revenue	58,225	-	-	-	58,225
Sales and services	7,597,621	-	-	39,663	7,637,284
Investment earnings	45,289	135,481	2,958	69,765	253,493
Contributions	39,875	-	-	49,190	89,065
Miscellaneous	67,125	-	-	109,451	176,576
Total revenues	58,615,151	1,895,073	2,958	5,871,127	66,384,309
Expenditures					
Current:					
General government	5,903,998	-	-	317,249	6,221,247
Public safety	18,372,464	-	-	1,000,787	19,373,251
Economic and physical development	1,004,737	-	-	984,770	1,989,507
Human services	15,710,404	-	-	-	15,710,404
Cultural and recreational	1,116,205	17,155	-	-	1,133,360
Environmental protection	789,538	196,293	-	-	985,831
Non-departmental	317,920	-	-	-	317,920
Capital outlay	-	-	-	15,453	15,453
BFG	-	777,086	-	-	777,086
Intergovernmental:					
Education	11,586,779	45,735,168	-	945,832	58,267,779
Debt service:					
Principal retirement	-	-	1,947,060	-	1,947,060
Interest and fees	-	-	2,626,734	-	2,626,734
Bond issuance costs	-	-	1,250	-	1,250
Total expenditures	54,802,045	46,725,702	4,575,044	3,264,091	109,366,882
Excess (deficiency) of revenues over expenditures	3,813,106	(44,830,629)	(4,572,086)	2,607,036	(42,982,573)
Other financing sources (uses)					
Proceeds from sale of capital assets	69,728	-	-	-	69,728
Transfers from other funds	-	17,205	4,574,891	19,160	4,611,256
Transfers to other funds	(3,732,068)	-	-	(1,199,945)	(4,932,013)
Total other financing sources (uses)	(3,662,340)	17,205	4,574,891	(1,180,785)	(251,029)
Net change in fund balances	150,766	(44,813,424)	2,805	1,426,251	(43,233,602)
Fund balances, beginning of year	17,992,730	57,672,210	609,241	6,989,462	83,263,643
Increase in inventory	26,797	-	-	-	26,797
Fund balances, end of year	\$ 18,170,293	\$ 12,858,786	\$ 612,046	\$ 8,415,713	\$ 40,056,838

The accompanying notes are an integral part of this statement.

Duplin County, North Carolina
Reconciliation of the Statement of Revenues, Expenditures and
Changes in Fund Balances of Governmental Funds to the Statement of Activities
For the Year Ended June 30, 2017
Exhibit 4

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

Net changes in fund balances - governmental funds	\$ (43,233,602)
Change in fund balance due to change in reserve for inventory	26,796
Internal service fund activities to benefit governmental activities	(120,147)
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.	(87,730)
Revenues in the Statement of Activities that do not provide current financial resources are not reported as revenues in the funds.	1,877,782
Contributions to the pension plan in the current fiscal year are not included in the Statement of Activities	4,702,078
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.	332,391
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.	(4,330,869)
<u>Total changes in net position of governmental activities</u>	<u>\$ (40,833,301)</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, 2017
Exhibit 5

	Original Budget	Final Budget	Actual	Variance With Final Positive (Negative)
Revenues				
Ad valorem taxes	\$ 30,492,247	\$ 30,517,832	\$ 30,631,513	\$ 113,681
Local option sales taxes	7,276,425	7,571,425	7,793,849	222,424
Other taxes and licenses	98,000	98,000	115,692	17,692
Unrestricted intergovernmental	6,433,660	7,279,011	6,785,550	(493,461)
Restricted intergovernmental	4,070,623	4,664,417	4,905,207	240,790
Restricted grants	-	43,000	43,000	-
Permits and fees	495,620	495,620	532,205	36,585
Restricted revenue	60,500	60,500	58,225	(2,275)
Sales and services	5,831,094	7,657,925	7,597,621	(60,304)
Investment earnings	1,775	17,145	41,453	24,308
Miscellaneous	54,270	103,671	107,000	3,329
Total revenues	54,814,214	58,508,546	58,611,315	102,769
Expenditures				
Current:				
General government	4,985,838	6,454,932	5,903,998	550,934
Public safety	17,541,653	20,002,489	18,372,464	1,630,025
Economic and physical development	827,765	1,699,877	1,004,737	695,140
Human services	17,060,909	17,562,793	15,710,404	1,852,389
Cultural and recreational	1,068,968	1,374,704	1,116,205	258,499
Environmental protection	956,614	956,614	789,538	167,076
Non-departmental	692,056	654,713	317,920	336,793
Intergovernmental:				
Education	11,464,600	11,611,855	11,586,779	25,076
Total expenditures	54,598,403	60,317,977	54,802,045	5,515,932
Revenues over (under) expenditures	215,811	(1,809,431)	3,809,270	5,618,701
Other financing sources (uses)				
Proceeds from sale of capital assets	-	64,615	69,728	5,113
Transfers to other funds	(4,318,704)	(3,729,864)	(3,714,913)	14,951
Total other financing uses	(4,318,704)	(3,665,249)	(3,645,185)	20,064
Appropriated fund balance	4,102,893	5,474,680	-	(5,474,680)
Net change in fund balance	<u>\$ -</u>	<u>\$ -</u>	164,085	<u>\$ 164,085</u>
Fund balance, beginning of year			17,080,044	
Increase in inventory			26,797	
Fund balance, end of year			<u>\$ 17,270,926</u>	
A legally budgeted Capital Reserve Fund is consolidated into the General Fund for reporting purposes:				
Investment earnings			\$ 3,836	
Transfers from other funds			(17,155)	
Fund balance, beginning of year			912,686	
Fund balance, end of year (Exhibit 4)			<u>\$ 18,170,293</u>	

The accompanying notes are an integral part of this statement.

Duplin County, North Carolina
Statement of Fund Net Position
Proprietary Funds
June 30, 2017
Exhibit 6

	Major		Nonmajor		
	Airport Commission Fund	Water Fund	Other Proprietary Funds	Total	Internal Service Fund
Assets					
Current assets:					
Cash and cash equivalents	\$ 267,652	\$ 6,905,126	\$ 2,671,755	\$ 9,844,533	\$ 3,025,674
Receivables, net	52,755	480,997	763,102	1,296,854	17,683
Inventories	19,160	36,639	-	55,799	-
Due from other funds	-	-	-	-	2,923
Restricted cash and cash equivalents	-	439,435	-	439,435	-
Total current assets	339,567	7,862,197	3,434,857	11,636,621	3,046,280
Noncurrent assets:					
Restricted cash and cash equivalents	28,071	7,578	1,076,971	1,112,620	-
Capital assets:					
Land and construction in progress	-	389,498	216,348	605,846	-
Other capital assets, net of depreciation	7,516,269	42,959,955	3,384,365	53,860,589	-
Total capital assets	7,516,269	43,349,453	3,600,713	54,466,435	-
Total noncurrent assets	7,544,340	43,357,031	4,677,684	55,579,055	-
Total assets	7,883,907	51,219,228	8,112,541	67,215,676	3,046,280
Deferred Outflows of Resources	41,326	370,707	343,809	755,842	-
Liabilities					
Current liabilities:					
Accounts payable and accrued liabilities	13,526	140,547	94,397	248,470	109,267
Customer deposits	-	439,435	-	439,435	-
Unearned revenue	-	-	1,350	1,350	-
Due to other funds	-	-	-	-	1,475
Notes payable - current	-	216,876	-	216,876	-
Due to the County-GO Bonds - current	-	570,000	-	570,000	-
Total current liabilities	13,526	1,366,858	95,747	1,476,131	110,742
Long-term liabilities:					
Compensated absences	12,628	48,832	72,802	134,262	-
Other post-employment benefit	83,502	316,944	694,684	1,095,130	-
Notes payable - Noncurrent	-	3,193,422	-	3,193,422	-
Due to the County-GO Bonds	-	13,651,310	-	13,651,310	-
Net pension liability	47,697	181,040	396,806	625,543	-
Total long-term liabilities	143,827	17,391,548	1,164,292	18,699,667	-
Total liabilities	157,353	18,758,406	1,260,039	20,175,798	110,742
Deferred Inflows of Resources	1,671	6,344	13,905	21,920	-
Net Position					
Net investment in capital assets	7,516,269	25,717,845	3,600,713	36,834,827	-
Restricted	28,071	447,013	1,076,971	1,552,055	-
Unrestricted	221,869	6,660,327	2,504,722	9,386,918	2,935,538
Total net position	\$ 7,766,209	\$ 32,825,185	\$ 7,182,406	\$ 47,773,800	\$ 2,935,538

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, 2017
Exhibit 7

	Major		Nonmajor		
	Airport Commission Fund	Water Fund	Other Proprietary Funds	Total	Internal Service Fund
Operating revenues					
Water sales	\$ -	\$ 3,333,326	\$ -	\$ 3,333,326	\$ -
Administration fees	-	2,187	-	2,187	-
Sales and rentals	518,839	-	-	518,839	-
Miscellaneous	-	65,461	-	65,461	-
Charges for services	-	-	3,887,392	3,887,392	5,418,052
Total operating revenues	518,839	3,400,974	3,887,392	7,807,205	5,418,052
Operating expenses					
Operating expenses	1,219,345	2,849,030	4,460,706	8,529,081	5,776,876
Operating income (loss)	(700,506)	551,944	(573,314)	(721,876)	(358,824)
Non-operating revenues (expenses)					
Investment earnings	1,278	55,255	16,184	72,717	13,824
Federal grants	-	124,118	221,558	345,676	-
State grants	-	1,967	553,792	555,759	-
Disposal tax revenues	-	-	141,491	141,491	-
Interest expense	-	(715,167)	-	(715,167)	-
Gain (loss) on disposal of capital assets	-	1,710	58,494	60,204	-
Miscellaneous	3,789	13,080	3,801	20,670	46,853
Total non-operating revenue (expense)	5,067	(519,037)	995,320	481,350	60,677
Income (loss) before transfers and capital contributions	(695,439)	32,907	422,006	(240,526)	(298,147)
Transfers in (out)	142,757	-	-	142,757	178,000
Capital contributions	95,624	875,073	-	970,697	-
Change in net position	(457,058)	907,980	422,006	872,928	(120,147)
Net position, beginning of year	8,223,267	31,917,205	6,760,400	46,900,872	3,055,685
Net position, end of year	\$ 7,766,209	\$ 32,825,185	\$ 7,182,406	\$ 47,773,800	\$ 2,935,538

The accompanying notes are an integral part of this statement.

Duplin County, North Carolina
Statement of Cash Flows
Proprietary Funds
June 30, 2017
Exhibit 8

	Major		Nonmajor		
	Airport Commission Fund	Water Fund	Other Proprietary Funds	Total	Internal Service Fund
Cash flows from operating activities					
Cash received from customers	\$ 594,951	\$ 3,346,508	\$ 3,959,225	\$ 7,900,684	\$ 5,405,566
Cash paid for goods and services	(409,654)	(860,687)	(2,494,557)	(3,764,898)	(5,771,999)
Cash paid to employees for services	(185,297)	(650,441)	(1,522,115)	(2,357,853)	-
Net cash provided (used) by operating activities	-	1,835,380	(57,447)	1,777,933	(366,433)
Cash flows from non-capital financing activities					
Transfers in	142,757	-	-	142,757	178,000
Miscellaneous	3,789	139,165	920,642	1,063,596	46,844
Net cash provided by non-capital financing activities	146,546	139,165	920,642	1,206,353	224,844
Cash flows from capital and related financing activities					
Capital contributions	95,624	875,073	-	970,697	-
Proceeds from sale of capital assets	-	1,710	58,494	60,204	-
Acquisition and construction of capital assets	(103,016)	(1,103,562)	(638,627)	(1,845,205)	-
Principal paid on bond maturities and notes payable	-	(751,584)	-	(751,584)	-
Interest paid on bond maturities and notes payable	-	(734,959)	-	(734,959)	-
Net cash used by capital and related financing activities	(7,392)	(1,713,322)	(580,133)	(2,300,847)	-
Cash flows from investing activities					
Interest on investments	1,278	55,255	16,184	72,717	13,824
Net cash provided by investing activities	1,278	55,255	16,184	72,717	13,824
Net increase (decrease) in cash and cash equivalents	140,432	316,478	299,246	756,156	(127,765)
Cash and cash equivalents, beginning of year	155,291	7,035,661	3,449,480	10,640,432	3,153,439
Cash and cash equivalents, end of year	\$ 295,723	\$ 7,352,139	\$ 3,748,726	\$ 11,396,588	\$ 3,025,674
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:					
Operating income (loss)	\$ (700,506)	\$ 551,944	\$ (573,314)	\$ (721,876)	\$ (358,824)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:					
Depreciation	601,382	1,213,696	398,535	2,213,613	-
Loss on disposal of assets	6,057	-	-	6,057	-
Changes in assets and liabilities:					
(Increase) decrease in accounts receivable	76,111	(54,467)	71,832	93,476	(17,333)
Increase (decrease) in due from other funds	-	-	-	-	4,847
(Increase) decrease in deferred outflows of resources for pensions	(32,523)	(105,619)	(270,511)	(408,653)	-
(Increase) decrease in inventory	3,272	(1,272)	-	2,000	-
Increase (decrease) in accounts payable	8,662	37,147	9,904	55,713	3,752
Increase (decrease) in due to other funds	-	(707)	(2,122)	(2,829)	1,125
Increase (decrease) in deferred revenues	-	-	1,350	1,350	-
(Increase) decrease in deferred inflows of resources for pensions	(3,339)	(12,036)	(27,985)	(43,360)	-
Increase (decrease) in customer deposits	-	20,515	-	20,515	-
Increase (decrease) in net pension liability	38,837	143,585	323,338	505,760	-
Increase (decrease) in OPEB obligation	(226)	36,709	6,007	42,490	-
Increase (decrease) in compensated absences	2,273	5,885	5,519	13,677	-
Total adjustments	700,506	1,283,436	515,867	2,499,809	(7,609)
Net cash provided (used) by operating activities	\$ -	\$ 1,835,380	\$ (57,447)	\$ 1,777,933	\$ (366,433)

The accompanying notes are an integral part of this statement.

Duplin County, North Carolina
Statement of Fiduciary Net Position
Fiduciary Funds
June 30, 2017
Exhibit 9

	Agency Funds
Assets	
Cash and cash equivalents	\$ 228,413
Miscellaneous receivables	61,106
Due from other governments	33,703
Total assets	\$ 323,222
Liabilities	
Miscellaneous liabilities	\$ 226,035
Due to other governments	94,176
Due to other governmental funds	3,011
Total liabilities	\$ 323,222

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 30th year-end, are presented as if they were a separate proprietary fund of the County (blended presentation). The Districts do not issue separate financial statements. Duplin County Industrial Facility and Pollution Control Financing Authority (the Authority) exists to issue and service revenue bond debt of private businesses for economic development purposes. The Authority has no financial transactions or account balances; therefore, it is not presented in the basic financial statements. The Duplin County Tourism Development Authority has elected not to issue separate financial statements, but to include all relevant information required by generally accepted accounting principles as supplementary information in the County's Comprehensive Annual Financial Report.

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

Basis of Presentation

Government-wide Statements: The statement of net position and the statement of activities display information about the primary government (the County) and its component units. These statements include the financial activities of the overall government, except for fiduciary activities. Eliminations have been made to minimize the double counting of internal activities. These statements distinguish between the *governmental* and *business-type activities* of the County. Governmental activities generally are financed through taxes, intergovernmental revenues, and other non-exchange transactions. Business-type activities are financed in whole or in part by fees charged to external parties. 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.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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.

Debt Service Fund - This fund accounts for cash reserves that are used to pay principal and interest for governmental activity type debt.

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 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.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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 30th, taxes receivable for property other than motor vehicles are materially past due and are not considered to be an available resource to finance the operations of the current year.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

As of September 1, 2013, State law altered the procedures for the assessment and collection of property taxes on registered motor vehicles in North Carolina. Effective with this change in the law, the State of North Carolina is responsible for billing and collecting the property taxes on registered motor vehicles on behalf of all municipalities and special tax districts. Property taxes are due when vehicles are registered. The billed taxes are applicable to the fiscal year in which they are received. Uncollected taxes that were billed in periods prior to September 1, 2014 and for limited registration plates are shown as a receivable in these financial statements and are offset by deferred inflows of resources.

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

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

Budgetary Data

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

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 Government Portfolio, a 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. The County's investment in the NCCMT is presented as cash on the statement of net position and as it represents cash, the value is its carrying-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, 2017:

Governmental Activities:

Revaluation Fund - G.S. 153A-150	\$ 765,264
Capital Project Fund	12,968,939
Debt Service Fund	30,050
School Planning Allocation Fund - Public School Building	
Capital Fund	1,567,961
Total governmental activities	\$ 15,332,214

Business-type Activities:

Water Fund	
Customer Deposits	\$ 439,435
Airport Commission Fund	28,071
Water Fund	7,578
Solid Waste Fund - environmental contingencies	1,076,971
Total business-type activities	\$ 1,552,055

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 1st, the beginning of the fiscal year. The taxes are due on September 1st (lien date); however, penalties and interest do not accrue until the following January 6th. These taxes are based on the assessed values as of January 1, 2016.

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:

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

Deferred Outflows/Inflows of Resources

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *Deferred Outflows of Resources*, represents a consumption of net position that applies to a future period and so will not be recognized as an expense or expenditure until then. The County has several 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.

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.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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

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

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

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

Restricted for 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 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 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)***Defined Benefit Pension Plans***

The County participates in three cost-sharing, multiple-employer, defined benefit pension plans that are administered by the State; the Local Governmental Employees' Retirement System (LGERS), the Registers of Deeds' Supplemental Pension Fund (RODSPF), and the Law Enforcement Officers' Special Separation Allowance (LEOSSA) (collectively, the "state-administered defined benefit pension plans"). For purposes of measuring the net pension asset or liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net positions of the state-administered defined benefit pension plans and additions to/deductions from the state-administered defined benefit pension plans' fiduciary net positions have been determined on the same basis as they are reported by the state-administered defined benefit pension plans. For this purpose, plan member contributions are recognized in the period in which the contributions are due. The County's employer contributions are recognized when due and the County has a legal requirement to provide the contributions. Benefits and refunds are recognized when due and payable in accordance with the terms of the state-administered defined benefit pension plans. Investments are reported at fair value.

Use of Estimates

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

Adoption of New Financial Accounting Standards

The following GASB Statements recently issued and adopted by the GASB impacted the Board's financial statements:

GASB Statement No. 77, Tax Abatement Disclosures ("GASB 77"), requires governments that enter into tax abatement agreements to disclose: (1) Brief descriptive information concerning the agreement; (2) The gross dollar amount of taxes abated during the period; and (3) Commitments made by government, other than to abate taxes, that are part of the tax abatement agreement. GASB 77 will be effective for fiscal years beginning after December 15, 2015. Currently, this new standard has minimal effect on the County's financial statements.

The County implemented GASB issued Statement No. 82 – Pension Issues-an amendment of GASB Statements No. 67, No. 68, and No. 73. This Statement addresses issues regarding (1) the presentation of payroll-related measures in required supplementary information, (2) the selection of assumptions and the treatment of deviations from the guidance in an Actuarial Standard of Practice for financial reporting purposes, and (3) the classification of payments made by employers to satisfy employee (plan member) contribution requirements. The County has implemented this provision for the year ended June 30, 2017. The implementation of this statement had no effect on net position of the County.

The County implemented GASB issued Statement No. 80 – Blending Requirements for Certain Component Units – An Amendment of GASB Statement No. 14. The objective of this Statement is to improve financial reporting for irrevocable split-interest agreements by providing recognition and measurement guidance for situations in which a government is a beneficiary of the agreement. The additional criterion requires blending of a component unit incorporated as a not-for-profit corporation in which the primary government is the sole corporate member. The additional criterion does not apply to component units included in the financial reporting entity pursuant to the provisions of Statement No. 39, determining whether certain organizations are component units.

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

In June 2015, the GASB issued Statement No. 75 – Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions. This Statement replaces the requirements of Statement No. 45, Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions, as amended, and No. 57, OPEB Measurements by Agent Employers and Agent Multiple-Employer Plans, for OPEB. The County is currently assessing the impact of GASB 84 on the financial statements for the year ending June 30, 2018.

In November 2016, the GASB issued Statement No. 83 – Certain Asset Retirement Obligations. This Statement will enhance comparability of financial statements among governments by establishing uniform criteria for governments to recognize and measure certain AROs, including obligations that may not have been previously reported. This Statement also will enhance the decision-usefulness of the information provided to financial statement users by requiring disclosures related to those AROs. The County is currently assessing the impact of GASB 83 on the financial statements for the year ending June 30, 2019.

In January 2017, the GASB issued Statement No. 84 – Fiduciary Activities. The requirements of this Statement will enhance consistency and comparability by (1) establishing specific criteria for identifying activities that should be reported as fiduciary activities and (2) clarifying whether and how business-type activities should report their fiduciary activities. Greater consistency and comparability enhances the value provided by the information reported in financial statements for assessing government accountability and stewardship. The County is currently assessing the impact of GASB 84 on the financial statements for the year ending June 30, 2020.

In March 2017, the GASB issued Statement No. 85 – Omnibus 2017. The objective of this Statement is to address practice issues that have been identified during implementation and application of certain GASB Statements. This Statement addresses a variety of topics including issues related to blending component units, goodwill, fair value measurement and application, and postemployment benefits (pensions and other postemployment benefits [OPEB]). The County is currently assessing the impact of GASB 85 on the financial statements for the year ending June 30, 2018.

In June 2017, the GASB issued Statement No. 87 – Leases which seeks to better meet the information needs of financial statement users by improving accounting and financial reporting for leases by governments. This Statement increases the usefulness of governments' financial statements by requiring recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. It establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. Under this Statement, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources, thereby enhancing the relevance and consistency of information about governments' leasing activities. The County is currently assessing the impact of GASB 87 on the financial statements for the year ending June 30, 2021.

In March 2016, the GASB issued Statement No. 81 – Irrevocable Split-Interest Agreements. The objective of this Statement is to improve accounting and financial reporting for irrevocable split-interest agreements by providing recognition and measurement guidance for situations in which a government is a beneficiary of the agreement. This Statement requires that a government that receives resources pursuant to an irrevocable split-interest agreement recognize assets, liabilities, and deferred inflows of resources at the inception of the agreement. Furthermore, this Statement requires that a government recognize assets representing its beneficial interests in irrevocable split-interest agreements that are administered by a third party, if the government controls the present service capacity of the beneficial interests. This Statement requires that a government recognize revenue when the resources become applicable to the reporting period. The County is currently assessing the impact of GASB 81 on the financial statements for the year ending June 30, 2018.

NOTE 2 – STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY***Deficit Fund Balance in an Individual Fund***

As of June 30, 2017, the Fire District Fund had a deficit fund balance of \$623. 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, 2018.

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 \$(49,157,311) consists of several elements as follows:

Description	Amount
Total fund balances - governmental funds	\$ 40,056,838
Internal service fund activities to benefit governmental activities	2,935,538
Capital assets used in governmental activities are not financial resources and are therefore not reported in the fund statements.	
Historical cost of capital assets	41,770,680
Accumulated depreciation	(20,374,597)
Capital assets, net	21,396,083
Net pension asset	79,482
Deferred inflows of resources reported in the fund statements but not the government-wide statements.	
Unavailable taxes receivable, net	1,463,618
Unavailable accounts receivable, net	9,414,944
Total	10,878,562
Contributions to pension plans in the current fiscal year are deferred outflows of resources on the Statement of Activities	6,062,535
Pension related deferrals	(247,171)
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	(58,345,538)
Compensated absences	(1,244,566)
Net pension liability	(6,966,262)
Other post-employment benefits	(12,195,763)
Law enforcement officers' special separation allowance	(1,535,414)
Notes payable	(9,675,462)
Accrued interest payable	(299,335)
Total	(90,262,340)
Total adjustment	(49,157,311)
Net position of governmental activities	\$ (9,100,473)

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 adjustments of \$2,400,301 is comprised of the following:

Description	Amount
Net change in fund balances - governmental funds	\$ (43,233,602)
Internal service fund activities to benefit governmental activities	(120,147)
Capital outlay expenditures recorded in the fund statements but capitalized as assets in the government-wide statements	1,415,706
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	(1,503,436)
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.	2,340,773
Increase in inventory on hand	26,796
Contributions to the pension plan in the current fiscal year are not included in the Statement of Activities	4,702,078
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	(11,162)
Other post-employment benefits	(1,005,464)
Law enforcement officers' special separation allowance	(54,057)
County portion of collective pension expense	(5,290,775)
Interest expense	5,323
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	(78,797)
Unavailable revenue related to public safety	1,497,005
Unavailable revenue related to economic and physical development	131,411
Unavailable revenue related to human services	345,047
Total adjustments	2,400,301
Change in net position of governmental activities	\$ (40,833,301)

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, 2017 the carrying amount of the County's deposits was \$3,102,992 and the bank balance was \$3,940,745. Of the bank balance, \$250,000 was covered by federal depository insurance and \$3,690,745 was covered by collateral held under the Pooling Method.

At June 30, 2017 the County had \$35,260 cash on hand.

At June 30, 2017 the carrying amount of the Tourism Development Authority's deposits was \$5,346 and the bank balance was \$8,584. The entire bank balance was covered by federal depository insurance at June 30, 2017.

NOTE 5 – INVESTMENTS

At June 30, 2017, the County's investment balances consisted of \$47,326,529 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. These amounts are included within cash on the statement of net position.

At June 30, 2017, the Tourism Development Authority's investments consisted of \$492,057 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. These amounts are included within cash on the statement of net position.

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
2016	\$ 3,579,308	\$ 205,812	\$ 3,785,120
2013-2015	10,578,680	79,341	10,658,021
Totals	\$ 14,157,988	\$ 285,153	\$ 14,443,141

NOTE 7 – RECEIVABLES

Receivables at the government-wide level at June 30, 2017, were as follows:

Governmental Activities:	Accounts	Taxes	Due from Other Governments	Other	Total
General	\$ 12,770,809	\$ 1,411,795	\$ 2,691,423	\$ -	\$ 16,874,027
Other funds	91,209	51,823	715,549	1,122,732	1,981,313
Totals	12,862,018	1,463,618	3,406,972	1,122,732	18,855,340
Allowance for doubtful accounts	(2,627,160)	(657,157)	-	-	(3,284,317)
Receivables, net	\$ 10,234,858	\$ 806,461	\$ 3,406,972	\$ 1,122,732	\$ 15,571,023

Business-type Activities:	Accounts	Taxes	Due from Other Governments	Other	Total
Airport	\$ 52,755	\$ -	\$ -	\$ -	\$ 52,755
County Water Fund	480,997	-	-	-	480,997
Solid Waste Fund	633,359	-	36,120	-	669,479
Transportation	93,623	-	-	-	93,623
Totals	1,260,734	-	36,120	-	1,296,854
Allowance for doubtful accounts	-	-	-	-	-
Receivables, net	\$ 1,260,734	\$ -	\$ 36,120	\$ -	\$ 1,296,854

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

Notes to Financial Statements

NOTE 7 – RECEIVABLES (continued)

Due from other governments at June 30, 2017 consists of the following:

Description	Governmental Activities	Business-type Activities
Sales tax refunds	\$ 1,019,220	\$ -
Local option sales taxes	2,018,608	-
Video programming distribution	5,762	-
White goods disposal taxes	-	5,768
Scrap tire disposal taxes	-	21,308
Solid waste disposal taxes	-	9,044
Grants	409,364	-
Totals	\$ 3,452,954	\$ 36,120

NOTE 8 – CAPITAL ASSETS

Governmental capital asset activity for the year ended June 30, 2017, was as follows:

Governmental Activities	Beginning Balances	Increases	Decreases	Ending Balances
Capital assets not being depreciated:				
Land	\$ 2,457,288	\$ 51,268	\$ (32,225)	\$ 2,476,331
Capital assets being depreciated:				
Buildings	25,826,449	689,488	-	26,515,937
Equipment	7,391,377	136,108	(11,636)	7,515,849
Vehicles	5,021,550	571,068	(330,055)	5,262,563
Total capital assets being depreciated	38,239,376	1,396,664	(341,691)	39,294,349
Less accumulated depreciation for:				
Buildings	9,965,936	578,814	-	10,544,750
Equipment	5,590,545	349,535	(11,636)	5,928,444
Vehicles	3,656,370	575,088	(330,055)	3,901,403
Total accumulated depreciation	19,212,851	1,503,437	(341,691)	20,374,597
Total capital assets being depreciated, net	19,026,525	(106,773)	-	18,919,752
Governmental activities capital assets, net	\$ 21,483,813	\$ (55,505)	\$ (32,225)	\$ 21,396,083

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

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

General government	\$	102,500
Public safety		834,073
Economic and physical development		114,807
Human services		177,026
Cultural and recreational		254,661
Environmental protection		20,370
Total depreciation expense	\$	1,503,437

Notes to Financial Statements

NOTE 8 – CAPITAL ASSETS (continued)

Business-type capital asset activity for the year ended June 30, 2017, was as follows:

Water Activities	Beginning Balances	Increases	Decreases	Ending Balances
Capital assets not being depreciated:				
Land	\$ 388,798	\$ 700	\$ -	\$ 389,498
Total capital assets not being depreciated	388,798	700	-	389,498
Capital assets being depreciated:				
Plants and distribution systems	59,654,187	1,075,658	-	60,729,845
Equipment	132,648	-	-	132,648
Vehicles	175,800	27,904	-	203,704
Total capital assets being depreciated	59,962,635	1,103,562	-	61,066,197
Less accumulated depreciation for:				
Plants and distribution systems	16,638,195	1,193,083	-	17,831,278
Equipment	127,886	3,364	-	131,250
Vehicles	126,465	17,249	-	143,714
Total accumulated depreciation	16,892,546	1,213,696	-	18,106,242
Total capital assets being depreciated, net	43,070,089	(110,134)	-	42,959,955
Water activities capital assets, net	\$ 43,458,887	\$ (109,434)	\$ -	\$ 43,349,453

Transportation Activities	Beginning Balances	Increases	Decreases	Ending Balances
Capital assets being depreciated:				
Equipment	\$ 17,504	\$ -	\$ -	\$ 17,504
Vehicles	655,164	169,747	(75,264)	749,647
Total capital assets being depreciated	672,668	169,747	(75,264)	767,151
Less accumulated depreciation for:				
Equipment	16,458	1,046	-	17,504
Vehicles	333,173	112,172	(75,264)	370,081
Total accumulated depreciation	349,631	113,218	(75,264)	387,585
Transportation activities capital assets, net	\$ 323,037	\$ 56,529	\$ -	\$ 379,566

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
Total capital assets not being depreciated	556,451	-	-	556,451
Capital assets being depreciated:				
Terminal and runways	14,990,955	96,652	-	15,087,607
Equipment	525,743	-	-	525,743
Vehicles	29,787	3,700	(26,837)	6,650
Total capital assets being depreciated	15,546,485	100,352	(26,837)	15,620,000
Less accumulated depreciation for:				
Terminal and runways	7,654,853	585,862	-	8,240,715
Equipment	397,605	15,212	-	412,817
Vehicles	29,787	308	(23,445)	6,650
Total accumulated depreciation	8,082,245	601,382	(23,445)	8,660,182
Total capital assets being depreciated, net	7,464,240	(501,030)	(3,392)	6,959,818
Airport activities capital assets, net	\$ 8,020,691	\$ (501,030)	\$ (3,392)	\$ 7,516,269

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	1,113,460	243,423	-	1,356,883
Vehicles	1,522,680	243,297	(73,036)	1,692,941
Total capital assets being depreciated	6,190,563	486,720	(73,036)	6,604,247
Less accumulated depreciation for:				
Buildings	1,260,602	62,152	-	1,322,754
Equipment	889,673	76,614	-	966,287
Vehicles	1,219,053	164,390	(73,036)	1,310,407
Total accumulated depreciation	3,369,328	303,156	(73,036)	3,599,448
Total capital assets being depreciated, net	2,821,235	183,564	-	3,004,799
Solid Waste activities capital assets, net	\$ 3,037,583	\$ 183,564	\$ -	\$ 3,221,147

NOTE 9 – CONSTRUCTION COMMITMENTS

The County has active construction projects at June 30, 2017. 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
BF Grady Sewer Project (Albertson Water)	\$ 1,376,430	\$ 913,763
Third Courthouse Conversion	771,838	304,569

NOTE 10 - PAYABLES

Payables at the government-wide level at June 30, 2017, were as follows:

Governmental Activities	Vendors	Salaries and Employee Benefits	Accrued Interest	Total
General	\$ 389,740	\$ 26,631	\$ 299,335	\$ 715,706
Other governmental funds	270,704	-	-	270,704
Total governmental activities	\$ 660,444	\$ 26,631	\$ 299,335	\$ 986,410

Business-type Activities	Vendors	Salaries and Employee Benefits	Accrued Interest	Total
Airport	\$ 13,526	\$ -	\$ -	\$ 13,526
County Water Fund	43,933	-	96,614	140,547
Solid Waste Fund	95,041	-	-	95,041
Transportation	706	-	-	706
Total business-type activities	\$ 153,206	\$ -	\$ 96,614	\$ 249,820

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

Plan Description: Duplin County contributes to the statewide Local Governmental Employees' Retirement System (LGERS), a cost-sharing multi-employer defined benefit pension plan administered by the State of North Carolina. LEGERS membership is comprised of general employees and local law enforcement officers (LEOs) of participating local governmental entities. Article 3 of G.S. Chapter 128 assigns the authority to establish and amend benefit provisions to the North Carolina General Assembly. Management of the plan is vested in the LGERS Board of Trustees, which consists of 13 members – nine appointed by the Governor, one appointed by the state Senate, one appointed by the state House of Representatives, and the State Treasurer and State Superintendent, who serve as ex-officio members. The Local Government Employees' Retirement System is included in the Comprehensive Annual Financial Report (CAFR) for the State of North Carolina. The State's CAFR includes financial statements and required supplementary information for LGERS.

NOTE 11 – PENSION PLAN OBLIGATIONS (continued)

That report may be obtained by writing to the Office of the State Controller, 1410 Mail Service Center, Raleigh, North Carolina 27669-1410, or by calling (919) 981-5454 or at www.osc.nc.gov.

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

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, 2017 was 8% of compensation for law enforcement officers and 7.38% 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 \$1,550,672 for the year ended June 30, 2017.

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, 2017, the County reported a liability of \$7,591,805 for its proportionate share of the net pension liability. The net pension asset was measured as of June 30, 2016. The total pension liability used to calculate the net pension asset was determined by an actuarial valuation as of December 31, 2015. The total pension liability was then rolled forward to the measurement date of June 30, 2016 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, 2016 the County's proportion was .35771%, which was an increase of .02799% from its proportion measured as of June 30, 2015.

NOTE 11 – PENSION PLAN OBLIGATIONS (continued)

For the year ended June 30, 2017, the County recognized pension expense of \$2,049,291. At June 30, 2017, 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	\$ 142,637	\$ 266,065
Change of assumptions	519,971	-
Net differences between projected and actual earnings on pension plan investments	4,197,312	-
Changes in proportion and differences between County contributions and proportionate share of contributions	172,542	-
Employer contributions subsequent to the measurement date	1,545,389	-
Total	\$ 6,577,851	\$ 266,065

\$1,545,389 reported as deferred outflows of resources related to pensions resulting from County contributions subsequent to the measurement date will be recognized as a decrease of the net pension liability in the year ended June 30, 2018. Other amounts reported as deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended June 30:	
2018	765,695
2019	765,896
2020	2,019,640
2021	1,215,166
Total	\$ 4,766,397

Actuarial Assumptions: The total pension liability in the December 31, 2015 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	3.0 percent
Salary increases	3.50 to 7.75 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, 2015 valuation were based on the results of an actuarial experience study for the period January 1, 2010 through December 31, 2014.

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

NOTE 11 – PENSION PLAN OBLIGATIONS (continued)

The projected long-term investment returns and inflation assumptions are developed through review of current and historical capital markets data, sell-side investment research, consultant whitepapers, and historical performance of investment strategies. Fixed income return projections reflect current yields across the U.S.

Treasury yield curve and market expectations of forward yields projected and interpolated for multiple tenors and over multiple year horizons. Global public equity return projections are established through analysis of the equity risk premium and the fixed income return projections. Other asset categories and strategies' return projections reflect the forgoing and historical data analysis. These projections are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target allocation and best estimates of arithmetic real rates of return for each major asset class as of June 30, 2016 are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Fixed Income	29.0%	1.4%
Global Equity	42.0%	5.3%
Real Estate	8.0%	4.3%
Alternatives	8.0%	8.9%
Credit	7.0%	6.0%
Inflation Protection	6.0%	4.0%
Total	100.0%	

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)	\$ 18,018,894	\$ 7,591,805	\$ (1,117,676)

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

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

All full-time County law enforcement officers are covered by the Separation Allowance. At December 31, 2016, 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 by making a deposit to the Post Employment Benefits Fund from the General fund. The amount of this contribution is based on the prior year actuarial study. Pension expenditures are made from the Post Employment Benefits Fund, which is maintained on the modified accrual basis of accounting. Employer contributions to the plan are recognized when due and when the County has made a formal commitment to provide the contributions. Benefits are recognized when due and payable in accordance with the terms of the plan.

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

Actuarial Assumptions:

The Entry Age Normal actuarial cost method was used in the December 31, 2015 valuation. The total pension liability (TPL) was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation:	3.0 percent
Projected salary increases:	3.50 to 7.35 percent, including inflation and productivity factor
Discount rate:	3.86 percent

The discount rate used to measure the TPL is the weekly average of the Bond Buyer General Obligation 20-year Municipal Bond Index determined at the end of each month.

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

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

NOTE 11 – PENSION PLAN OBLIGATIONS (continued)

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

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

Contributions:

The County is required by Article 12D of G.S. Chapter 143 to provide these retirement benefits and has chosen to fund the amounts necessary to cover the benefits earned on a pay as you go basis through appropriations made in the Post-Employment Benefits Fund operating budget. There were no contributions made by employees. The County's obligation to contribute to this plan is established and may be amended by the North Carolina General Assembly. Administration costs of the Separation Allowance are financed through investment earnings. The County paid \$48,977 as benefits came due for the reporting period.

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

At June 30, 2017, the County reported a total pension liability of \$1,535,414. The total pension liability was measured as of December 31, 2016 based on a December 31, 2015 actuarial valuation. The total pension liability was rolled forward to December 31, 2016 utilizing update procedures incorporating the actuarial assumptions. For the year ended June 30, 2017, the County recognized pension expense of \$137,672.

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ -	\$ -
Change of assumptions	-	34,051
County benefit payments and plan administrative expense made subsequent to the measurement date	19,044	-
Total	\$ 19,044	\$ 34,051

\$19,044 reported as deferred outflows of resources related to pensions resulting from benefit payments made and administrative expenses incurred subsequent to the measurement date will be recognized as a decrease of the total pension liability in the year ended June 30, 2018. Other amounts reported as deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended June 30:	
2018	(6,461)
2019	(6,461)
2020	(6,461)
2021	(6,461)
2022	(6,461)
Thereafter	(1,746)
Total	\$ (34,051)

NOTE 11 – PENSION PLAN OBLIGATIONS (continued)

\$19,044 paid as benefits came due subsequent to the measurement date are reported as deferred outflows of resources.

Sensitivity of the County's total pension liability to changes in the discount rate. The following presents the County's total pension liability calculated using the discount rate of 3.86 percent, as well as what the County's total pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (2.86 percent) or 1-percentage-point higher (4.86 percent) than the current rate:

	1% Decrease -2.86%	Current Discount Rate -3.86%	1% Increase -4.86%
Total pension liability	\$ 1,680,254	\$ 1,535,414	\$ 1,404,648

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

Total pension liability, beginning	\$ 1,481,357
Service cost at the end of the year	91,536
Interest	52,010
Change in benefit terms	-
Difference between expected and actuarial experience	-
Changes of assumptions and other inputs	(40,512)
Benefit payments	(48,977)
Other	-
Total pension liability, ending	<u>\$ 1,535,414</u>

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

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, 2017 were \$288,747, which includes \$159,768 from the County and \$49,799 from the law enforcement officers.

NOTE 11 – PENSION PLAN OBLIGATIONS (continued)***Deferred Compensation Plan***

The County offers its employees a deferred compensation plan created in accordance with Internal Revenue Code Section 457. The plan, which is available to all County employees, permits them to defer a portion of their salary until future years. The deferred compensation is not available to employees until termination, retirement, death, or unforeseeable emergency.

Registers of Deeds' Supplemental Pension Fund

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

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

Contributions: Benefits and administrative expenses are funded by investment income and 1.5% of the receipts collected by each County Commission under Article 1 of Chapter 161 of the North Carolina General Statutes. The statutory contribution currently has no relationship to the actuary's required contribution. The actuarially determined contribution this year and for the foreseeable future is zero. Registers of Deeds do not contribute. Contribution provisions are established by General Statute 161-50 and may be amended only by the North Carolina General Assembly. Contributions to the pension plan from the County were \$5,283 for the year ended June 30, 2017.

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

At June 30, 2017, the County reported an asset of \$79,482 for its proportionate share of the net pension asset. The net pension asset was measured as of June 30, 2016. The total pension liability used to calculate the net pension asset was determined by an actuarial valuation as of December 31, 2015. The total pension liability was then rolled forward to the measurement date of June 30, 2016 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, 2016, the County's proportion was .42513%, which is an increase of .00929% from its proportion measured as of June 30, 2015.

NOTE 11 – PENSION PLAN OBLIGATIONS (continued)

For the year ended June 30, 2017, the County recognized pension expense of \$4,640. At June 30, 2017, 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	\$ 85	\$ 1,029
Changes of assumptions	21,176	-
Net differences between projected and actual earnings on pension plan investments	136	-
Changes in proportion and differences between County contributions and proportionate share of contributions	-	2,037
County contributions subsequent to measurement date	5,283	-
Total	\$ 26,680	\$ 3,066

\$5,283 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, 2018. Other amounts reported as deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended June 30:	
2018	7,403
2019	8,349
2020	3,468
2021	(889)
Total	\$ 18,331

Actuarial Assumptions: The total pension liability in the December 31, 2015 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

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

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

The actuarial assumptions used in the December 31, 2015 valuation were based on the results of an actuarial experience study for the period January 1, 2010 through December 31, 2014.

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, 2016 is 1.4%.

The information above is based on 30 year expectations developed with the consulting actuary for the 2016 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 3.75%. The projection of cash flows used to determine the discount rate assumed that contributions from employers will be made at statutorily required rates. Based on these assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of the current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

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

	1% Decrease (2.75%)	Discount Rate (3.75%)	1% Increase (4.75%)
County's proportionate share of the net pension liability (asset)	\$ (64,088)	\$ (79,482)	\$ (92,415)

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 \$406,111 or 28.36% 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	\$ 1,432,184
Interest on net OPEB obligation	489,717
Adjustment to annual required contribution	(467,832)
Annual OPEB cost	1,454,069
Employer contributions made	(406,111)
Increase in net OPEB obligation	1,047,958
Net OPEB obligation, beginning of year	12,242,936
Net OPEB obligation, end of year	\$ 13,290,894

3 Year Trend Information

Fiscal Year Ended	Annual OPEB Cost	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation
June 30, 2017	\$ 1,454,069	27.90%	\$ 13,290,894
June 30, 2016	1,640,254	34.80%	12,242,936
June 30, 2015	1,665,095	20.63%	11,173,099

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.

NOTE 14 – DEFERRED OUTFLOWS AND INFLOWS OF RESOURCES

Government-Wide Activities	Deferred Outflows of Resources	Deferred Inflows of Resources
Pensions - difference between expected and actual experience		
LGERS	\$ 142,637	\$ 266,025
Register of Deeds	85	1,029
Pensions - change of assumptions		
LGERS	519,971	-
Register of Deeds	21,176	-
Pensions - net difference between projected and actual investment earnings		
LGERS	4,197,312	-
Register of Deeds	136	-
Pensions - changes in proportion and difference between employer contributions and proportionate share of contributions		
LGERS	172,542	-
Register of Deeds		2,037
Pensions - County contributions subsequent to the measurement date		
LGERS	1,545,389	-
Register of Deeds	5,283	-
Deferred loss on refunding of debt	213,846	-
Prepaid taxes not yet earned (General)	-	99,855
Prepaid taxes not yet earned (Special Revenue)	-	624
Totals	\$ 6,818,377	\$ 369,570

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, 2017, 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, which is being amortized over the term of the bonds.

The County's limited obligation bonds payable at June 30, 2017 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.	\$ 50,865,000
--	---------------

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. \$ 1,545,000

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. 3,195,000

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. 3,075,000

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. 3,620,000

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. 2,410,000

Total general obligation bonds	\$	13,845,000
---------------------------------------	-----------	-------------------

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
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	2,035,000	1,962,694	620,000	474,288
2023-2027	11,805,000	8,181,720	3,450,000	2,014,675
2028-2032	15,060,000	4,921,220	3,840,000	1,360,700
2033-2037	14,705,000	1,286,126	3,595,000	525,250
	50,865,000	\$ 25,076,486	13,845,000	\$ 6,419,944
Unamortized premiums on general obligation bonds	7,480,538		375,311	
Total carrying amount of debt	\$ 58,345,538		\$ 14,220,311	

As June 30, 2017, Duplin County had a legal debt margin of \$268,134,562.

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, 2017 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.	\$ 9,675,462
--	--------------

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.	\$ 7,500
---	----------

Water District F - \$490,199 1998 North Carolina Clean Water Revolving Loan to finance water system improvements; due in annual installments of \$24,510 plus interest through 2020; interest at 2.60 percent.	73,530
--	--------

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.	110,433
--	---------

Water District D - \$463,507 2010 ARRA Revolving Loan to finance water system improvements; due in annual installments of \$23,170 through 2030; no stated interest rate.	301,208
---	---------

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.	133,033
--	---------

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.	1,996,164
---	-----------

Water District G - \$202,554 State Revolving Loan to finance water system improvements; due in annual installments of \$8,899 through 2034; no stated interest rate.	151,282
--	---------

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.	637,147
--	---------

Total business-type activities notes payable	\$ 3,410,297
--	--------------

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 \$7,087,944 for governmental activities and \$893,061 for business-type activities:

Fiscal Year Ending June 30,	Governmental Activities		Business-type Activities	
	Principal	Interest	Principal	Interest
2018	\$ 179,157	\$ 399,113	\$ 216,872	\$ 70,157
2019	186,547	391,723	209,669	65,834
2020	194,243	384,027	209,976	61,786
2021	202,255	376,015	185,783	57,943
2022	210,598	367,672	186,110	54,091
2023-2027	1,190,689	1,700,661	862,216	240,690
2028-2032	1,453,383	1,433,967	807,393	150,728
2033-2037	1,783,812	1,107,538	347,091	82,059
2038-2042	2,183,353	707,997	92,465	53,789
2043-2047	2,091,425	219,231	108,500	37,234
2048-2052	-	-	127,315	17,807
2053-2054	-	-	56,907	943
Totals	\$ 9,675,462	\$ 7,087,944	\$ 3,410,297	\$ 893,061

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 \$9,675,452 relates to assets the County holds title. Unspent restricted cash related to this debt amounts to \$12,968,939.

Long-Term Obligation Activity

The following is a summary of changes in the County's long-term obligations for the year ended June 30, 2017:

Governmental Activities	Beginning Balances	Increases	Decreases	Ending Balances	Current Portion of Balance
Limited obligation bonds	\$ 60,514,251	\$ -	\$ (2,168,713)	\$ 58,345,538	\$ 1,705,000
Notes payable	9,847,522	-	(172,060)	9,675,462	179,157
Net pension liability (LGRS)	1,359,981	5,606,281	-	6,966,262	-
Other post-employment benefit	11,190,299	1,005,464	-	12,195,763	-
Compensated absences	1,233,404	11,162	-	1,244,566	-
LEO Special Separation Allowance	621,430	913,984	-	1,535,414	-
Total governmental activities	\$ 84,766,887	\$ 7,536,891	\$ (2,340,773)	\$ 89,963,005	\$ 1,884,157

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	\$ 14,775,403	\$ -	\$ (554,092)	\$ 14,221,311	\$ 570,000
Notes payable	3,626,882	-	(216,585)	3,410,297	216,872
Net pension liability (LGERS)	37,455	143,585	-	181,040	-
Other post-employment benefit	280,235	36,709	-	316,944	-
Compensated absences	42,947	5,885	-	48,832	-
Total water activities	\$ 18,762,922	\$ 186,179	\$ (770,677)	\$ 18,178,424	\$ 786,872

Airport Activities	Beginning Balances	Increases	Decreases	Ending Balances	Current Portion of Balance
Net pension liability (LGERS)	\$ 8,860	\$ 38,837	\$ -	\$ 47,697	\$ -
Other post-employment benefit	83,728	-	(226)	83,502	-
Compensated absences	10,355	2,273	-	12,628	-
Total airport activities	\$ 102,943	\$ 41,110	\$ (226)	\$ 143,827	\$ -

Solid Waste Activities	Beginning Balances	Increases	Decreases	Ending Balances	Current Portion of Balance
Other post-employment benefit	\$ 482,258	\$ -	\$ (5,008)	\$ 477,250	\$ -
Net pension liability (LGERS)	49,136	223,471	-	272,607	-
Compensated absences	44,941	9,079	-	54,020	-
Total solid waste activities	\$ 576,335	\$ 232,550	\$ (5,008)	\$ 803,877	\$ -

Transportation Activities	Beginning Balances	Increases	Decreases	Ending Balances	Current Portion of Balance
Other post-employment benefit	\$ 206,419	\$ 11,015	\$ -	\$ 217,434	\$ -
Net pension liability (LGERS)	24,332	99,867	-	124,199	-
Compensated absences	22,342	-	(3,560)	18,782	-
Total transportation activities	\$ 253,093	\$ 110,882	\$ (3,560)	\$ 360,415	\$ -

Total business-type activities	\$ 19,695,293	\$ 570,721	\$ (779,471)	\$ 19,486,543	\$ 786,872
---------------------------------------	----------------------	-------------------	---------------------	----------------------	-------------------

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, 2017, there were no industrial revenue bonds outstanding.

NOTE 19 – INTERFUND BALANCES AND ACTIVITY

Transfers to/from other funds during the year ended June 30, 2017, consist of the following:

Transfer Out	Transfer In	Amount
General Fund	Automation Enhancement and Preservation Fund	\$ 19,160
General Fund	Debt Service Fund	3,374,946
General Fund	Hospital Insurance Fund	178,000
General Fund	Airport Commission Fund	142,757
General Fund	Capital Project Fund	17,205
Capital Project Fund - School Fund	Debt Service Fund	1,199,945
Water Fund	Debt Service Fund	29,699
		<u>\$ 3,732,068</u>

The transfers from the General Fund to 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 Capital Project Fund – School Fund and Water Fund were made to provide sufficient financial resources to make the annual debt payments.

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, 2017 consist of the following:

Due To	Due From	Balance
General Fund	Emergency Telephone System Fund	\$ 59
General Fund	Agency Fund	3,011
General Fund	Hospital Insurance Fund	1,475
Hospital Insurance Fund	General Fund	2,923
Hospital Insurance Fund	Automation Enhancement and Preservation Fund	630
		<u>\$ 8,098</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, 2017.

Notes to Financial Statements

NOTE 20 – NET INVESTMENT IN CAPITAL ASSETS

	Governmental Activities	Business-type Activities
Capital assets	\$ 21,396,083	\$ 54,466,435
Notes payable	(9,675,462)	(14,221,311)
Limited obligation bonds	-	(3,410,297)
Net investment in capital assets	\$ 11,720,621	\$ 36,834,827

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	\$ 18,170,293
Less:	
Inventories	247,689
Stabilization by state statute	4,557,627
Appropriated fund balance in 2016 budget	2,912,341
Inspections	88,652
Event Center	90,361
Federally seized assets	48,416
Grants/projects	340,665
Health	574,967
Sheriff	63,997
Daycare	1,002
Economic development	591,119
Capital improvements	899,367
Remaining fund balance	\$ 7,754,090

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>	<i>2017</i>
Encumbrances:	
General Fund	\$ 687,503

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, 2017. 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, 2017. 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 \$1,764,000 and \$135,000 to the community college for operating and capital purposes, respectively, during the fiscal year ended June 30, 2017. 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, 2017. 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	\$ 55,005,363	\$ -
State Children's Insurance Program	1,333,201	-
Food stamps	16,400,489	-
Women, infants, and children	1,805,008	-
IV-E Adopt Subsidy and Vendor	191,868	48,855
IV-E Admin County Paid to CCI	17,753	8,877
IV-E Foster Care Title IV-E	202	-
IV-E Foster Care and Extend Max	13,652	3,407
IV-E Foster Care and Extend Reg	68,465	17,060
Refugee Assistance	8,711	-
TANF Payments and Penalties	234,253	-
CWS Adopt Subsidy and Vendor	-	98,656
SAA/SAD HB 1030	-	27,098
SC/SA Domicillary Care Payment	-	464,029
State Foster Home	-	38,079
Totals	\$ 75,078,965	\$ 706,061

NOTE 25 – SUMMARY DISCLOSURE OF SIGNIFICANT COMMITMENTS AND CONTINGENCIES***Federal and State Assisted Programs***

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

NOTE 26 – SUBSEQUENT EVENTS

Management has evaluated subsequent events through February 19, 2018, the date on which the financial statements were available to be issued.

NOTE 27 – CHANGE IN ACCOUNTING PRINCIPLES/RESTATEMENTS

The County implemented Governmental Accounting Standards Board (GASB) No. Statement 73, Accounting and Financial Reporting for Pensions and Related Assets That Are Not within the Scope of GASB Statement 68, and Amendments to Certain Provisions of GASB Statements 67 and 68, in the fiscal year ending June 30, 2017. The implementation of the statement required the County to record beginning and total pension liability and the effects on net position of benefit payments and administrative expenses paid by the County to the Law Enforcement Officers' Special Separation Allowance during the measurement period. As a result, net position for the governmental activities decreased \$859,927.

REQUIRED SUPPLEMENTARY INFORMATION

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

Law Enforcement Officers' Special Separation Allowance:

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

Other Postemployment Benefits:

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

Local Government Employees' Retirement System:

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

Register of Deeds:

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

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

Total pension liability	
Service cost at end of year	\$ 91,536
Interest	52,010
Changes in benefit terms	-
Difference between expected and actual experience	-
Changes in assumptions and other inputs	(40,512)
Benefit payments	(48,977)
Other	-
Net change in total pension liability	<u>54,057</u>
Total pension liability - beginning	<u>1,481,357</u>
Total pension liability - ending	<u><u>\$ 1,535,414</u></u>

* The amounts presented were determined as of the prior December 31.

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

**Schedule of Total Pension Liability as a Percentage of Covered Payroll
Law Enforcement Officers' Special Separation Allowance**

Total pension liability	\$ 1,535,414
Covered-employee payroll	3,399,215
Total pension liability as a percentage of covered-employee payroll	45.17%

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

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

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	\$ -	\$ 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	-	17,816,843	17,816,843	0.00%	16,326,767	109.13%
December 31, 2005	-	10,537,095	10,537,095	0.00%	13,688,546	76.98%

Schedule of Employer Contributions

Fiscal Year Ended	Annual Required Contribution *	Percentage Contributed *
June 30, 2017	\$ 1,432,184	28.36%
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)**

	2017	2016	2015	2014
County's proportion of the net pension liability (asset) %	0.358%	0.330%	0.322%	0.312%
County's proportionate share of the net pension liability (asset) \$	\$ 7,591,805	\$ 1,479,764	\$ (1,899,277)	\$ 3,762,003
County's covered-employee payroll	\$ 19,977,306	\$ 19,241,121	\$ 16,399,727	\$ 15,288,431
County's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	38.002%	7.691%	-7.124%	24.607%
Plan fiduciary net position as a percentage of the total pension liability	91.47%	98.09%	102.64%	94.35%

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

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

Schedule of County Contributions

	2017	2016	2015	2014
Contractually required contribution	\$ 1,545,389	\$ 1,373,736	\$ 1,370,791	\$ 1,339,314
Contributions in relation to the contractually required contribution	1,545,389	1,373,736	1,370,791	1,339,314
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -
County's covered-employee payroll	\$ 20,849,942	\$ 19,977,306	\$ 19,241,121	\$ 16,399,727
Contributions as a percentage of covered-employee payroll	7.412%	6.876%	7.124%	8.167%

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

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

	2017	2016	2015	2014
County's proportion of the net pension liability (asset) %	0.425%	0.416%	0.415%	-0.387%
County's proportionate share of the net pension liability (asset) \$	\$ (78,482)	\$ (96,367)	\$ (93,996)	\$ (82,685)
County's covered-employee payroll	\$ 68,983	\$ 57,721	\$ 57,721	\$ 57,721
County's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	113.770%	166.953%	162.845%	143.249%
Plan fiduciary net position as a percentage of the total pension liability	160.17%	197.29%	193.88%	190.50%

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

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

Schedule of County Contributions

	2017	2016	2015	2014
Contractually required contribution	\$ 5,283	\$ 4,877	\$ 3,386	\$ 3,386
Contributions in relation to the contractually required contribution	5,283	4,877	3,386	3,386
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -
County's covered-employee payroll	\$ 70,882	\$ 68,983	\$ 57,721	\$ 57,721
Contributions as a percentage of covered-employee payroll	7.453%	7.070%	5.866%	5.866%

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

COMBINING AND INDIVIDUAL FUND STATEMENTS AND SCHEDULES

GENERAL FUND

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

Duplin County, North Carolina
General Fund
Combining Balance Sheet
June 30, 2017
Exhibit B-1

	General Fund	Capital Reserve Fund	Total
Assets			
Cash and cash equivalents	\$ 13,672,321	\$ 899,367	\$ 14,571,688
Receivables, net	13,569,016	-	13,569,016
Due from other funds	5,116	-	5,116
Inventories	247,689	-	247,689
Total assets	\$ 27,494,142	\$ 899,367	\$ 28,393,509
Liabilities			
Accounts payable and accrued liabilities	\$ 416,371	\$ -	\$ 416,371
Due to other funds	2,982	-	2,982
Total liabilities	419,353	-	419,353
Deferred Inflows of Resources	9,803,863	-	9,803,863
Fund Balances			
Nonspendable - inventories	247,689	-	247,689
Restricted by state statute	4,557,627	-	4,557,627
Restricted for federally seized assets	48,416	-	48,416
Restricted for health	574,967	-	574,967
Restricted for grants/projects	340,665	-	340,665
Restricted for sheriff	63,997	-	63,997
Restricted for daycare	1,002	-	1,002
Restricted for economic development	591,119	-	591,119
Restricted for inspections	88,652	-	88,652
Restricted for Events Center	90,361	-	90,361
Committed for capital improvements	-	899,367	899,367
Assigned for subsequent year's expenditures	2,912,341	-	2,912,341
Unassigned	7,754,090	-	7,754,090
Total fund balances	17,270,926	899,367	18,170,293
Total liabilities, deferred inflows of resources, and fund balances	\$ 27,494,142	\$ 899,367	\$ 28,393,509

Duplin County, North Carolina
General Fund
Combining Schedule of Revenues, Expenditures,
and Changes in Fund Balances
For the Year Ended June 30, 2017
Exhibit B-2

	General Fund	Capital Reserve Fund	Total
Revenues			
Ad valorem taxes	\$ 30,631,513	\$ -	\$ 30,631,513
Local option sales taxes	7,793,849	-	7,793,849
Other taxes and licenses	115,692	-	115,692
Unrestricted intergovernmental	6,785,550	-	6,785,550
Restricted intergovernmental	4,905,207	-	4,905,207
Restricted grants	43,000	-	43,000
Permits and fees	532,205	-	532,205
Restricted revenue	58,225	-	58,225
Sales and services	7,597,621	-	7,597,621
Investment earnings	41,453	3,836	45,289
Contributions	39,875	-	39,875
Miscellaneous	67,125	-	67,125
Total revenues	58,611,315	3,836	58,615,151
Expenditures			
General government	5,903,998	-	5,903,998
Public safety	18,372,464	-	18,372,464
Economic and physical development	1,004,737	-	1,004,737
Human services	15,710,404	-	15,710,404
Cultural and recreational	1,116,205	-	1,116,205
Environmental protection	789,538	-	789,538
Education	11,586,779	-	11,586,779
Non-departmental	317,920	-	317,920
Total expenditures	54,802,045	-	54,802,045
Excess (deficiency) of revenues over expenditures	3,809,270	3,836	3,813,106
Other financing sources (uses)			
Transfers from other funds	-	(17,155)	(17,155)
Transfers to other funds	(3,714,913)	-	(3,714,913)
Proceeds from sale of capital assets	69,728	-	69,728
Total other financing sources (uses)	(3,645,185)	(17,155)	(3,662,340)
Net change in fund balance	164,085	(13,319)	150,766
Fund balances, beginning of year	17,080,044	912,686	17,992,730
Decrease in inventory	26,797	-	26,797
Fund balances, end of year	\$ 17,270,926	\$ 899,367	\$ 18,170,293

Duplin County, North Carolina
General Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual
For the Year Ended June 30, 2017
Exhibit B-3

	Final Budget	Actual	Variance Positive (Negative)
Revenues			
Ad Valorem Taxes:			
Taxes		\$ 30,300,629	
Penalties and interest		330,884	
Total	\$ 30,517,832	30,631,513	\$ 113,681
Local Option Sales Taxes:			
Article 39 and 44		2,809,028	
Article 40 one-half of one percent		2,539,243	
Article 42 one-half of one percent		103,827	
Article 46 one-quarter of one percent		994,263	
Article 44-524		1,347,488	
Total	7,571,425	7,793,849	222,424
Other Taxes and Licenses:			
Deed stamp excise tax		98,488	
Other taxes and licenses		17,204	
Total	98,000	115,692	17,692
Unrestricted Intergovernmental:			
Video programing distribution		22,843	
Medicaid hold harmless distribution		843,595	
State grants		5,919,112	
Total	7,279,011	6,785,550	(493,461)
Restricted Intergovernmental:			
State grants		4,004,262	
Federal grants		537,387	
Court facility fees		113,781	
Grants-Other		249,777	
Total	4,664,417	4,905,207	240,790
Restricted Grants:			
Vidant 4-H EFNEP		20,000	
Vidant - Pediatric Obesity		11,000	
Vidant - Diabetic Management grant		12,000	
Total	43,000	43,000	-

- continued -

Duplin County, North Carolina
General Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual
For the Year Ended June 30, 2017 (continued)
Exhibit B-3

	Final Budget	Actual	Variance Positive (Negative)
Permits and Fees:			
Building permit fees		119,320	
Building inspection fees		172,455	
Fire inspection fees		39,450	
Marriage license fees		19,500	
Register of deeds fees		181,480	
Total	495,620	532,205	36,585
Restricted Revenue:			
Social services fraud collections		44,024	
ABC profit distribution (10%)		14,201	
Total	60,500	58,225	(2,275)
Sales and Services:			
Ambulance and rescue squad fees		2,601,137	
Health department fees		1,262,575	
Medicaid EMR incentive revenue		21,250	
Nutrition fees		32,511	
Police protection/School resource officers		1,081,775	
Sheriff and jail fees		855,321	
Animal control fees		30,405	
Cabin Lake fees		59,559	
Library fees		13,323	
Event Center revenue		102,261	
Rental income		123,204	
Social services fees		45,087	
Aging department fees		29,418	
Other fees and services		1,339,795	
Total	7,657,925	7,597,621	(60,304)
Investment Earnings	17,145	41,453	24,308
Miscellaneous:			
Various contributions		15,647	
In-kind contributions		24,228	
ABC profit distribution (35%)		49,943	
Other revenues		17,182	
Total	103,671	107,000	3,329
Total revenues	58,508,546	58,611,315	102,769

- continued -

Duplin County, North Carolina
General Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual
For the Year Ended June 30, 2017 (continued)
Exhibit B-3

	Final Budget	Actual	Variance Positive (Negative)
Expenditures			
<u>General Government:</u>			
Governing Body:			
Salaries and employee benefits		86,780	
Other operating expenditures		143,726	
Total		230,506	
County Manager:			
Salaries and employee benefits		193,038	
Other operating expenditures		1,793	
Total		194,831	
Personnel:			
Salaries and employee benefits		215,888	
Other operating expenditures		23,420	
Total		239,308	
Finance:			
Salaries and employee benefits		484,043	
Other operating expenditures		28,855	
Total		512,898	
Information Technology:			
Salaries and employee benefits		397,737	
Other operating expenditures		29,836	
Capital Outlay		3,660	
Total		431,233	
Elections:			
Salaries and employee benefits		204,465	
Other operating expenditures		88,521	
Total		292,986	
Tax Administration:			
Salaries and employee benefits		778,675	
Other operating expenditures		344,811	
Total		1,123,486	

- continued -

Duplin County, North Carolina
General Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual
For the Year Ended June 30, 2017 (continued)
Exhibit B-3

	Final Budget	Actual	Variance Positive (Negative)
Central Supply:			
Purchases		1,059,696	
Register of Deeds:			
Salaries and employee benefits		272,555	
Other operating expenditures		71,077	
Total		343,632	
Housekeeping:			
Salaries and employee benefits		222,939	
Other operating expenditures		10,963	
Total		233,902	
Building Maintenance:			
Salaries and employee benefits		412,388	
Other operating expenditures		140,202	
Capital outlay		27,904	
Total		580,494	
Garage:			
Salaries and employee benefits		203,846	
Other operating expenditures		24,980	
Capital outlay		44,680	
Total		273,506	
Attorney:			
Salaries and employee benefits		298,791	
Other operating expenditures		88,729	
Total		387,520	
Total general government	6,454,932	5,903,998	550,934
			- continued -

Duplin County, North Carolina
General Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual
For the Year Ended June 30, 2017 (continued)
Exhibit B-3

	Final Budget	Actual	Variance Positive (Negative)
<u>Public Safety:</u>			
Sheriff:			
Salaries and employee benefits		3,218,141	
Other operating expenditures		596,112	
Capital outlay		262,452	
Total		4,076,705	
Court Facilities:			
Salaries and employee benefits		64,846	
Other operating expenditures		102,886	
Capital outlay		3,724	
Total		171,456	
Jury Commission:			
Other operating expenditures		3,683	
Adult Probation:			
Other operating expenditures		3,387	
Mental Health Transportation:			
Salaries and employee benefits		30,644	
Special Separation Allowance:			
Salaries and employee benefits		46,863	
Fingerprinting:			
Other operating expenditures		9,812	
Communications:			
Salaries and employee benefits		1,277,766	
Other operating expenditures		106,400	
Capital Outlay		38,114	
Total		1,422,280	
Special Response Team:			
Other operating expenditures		10,238	

- continued -

Duplin County, North Carolina
General Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual
For the Year Ended June 30, 2017 (continued)
Exhibit B-3

	Final Budget	Actual	Variance Positive (Negative)
School Resource Officer:			
Salaries and employee benefits		841,974	
Other operating expenditures		44,231	
Total		886,205	
Federally Seized Assets - IRS:			
Capital Outlay		20,658	
Total		20,658	
Federally Seized Assets - Justice Department:			
Other operating expenditures		4,795	
Total		4,795	
GIS-911 Functions:			
Salaries and employee benefits		6,760	
Addressing-911 Functions:			
Salaries and employee benefits		3,904	
Jail:			
Salaries and employee benefits		1,745,572	
Other operating expenditures		953,138	
Capital outlay		440	
Total		2,699,150	
Emergency Management:			
Salaries and employee benefits		74,949	
Other operating expenditures		33,772	
Capital outlay		8,043	
Total		116,764	
NC Communities Foundation Grant			
Other operating expenditures		1,000	

- continued -

Duplin County, North Carolina
General Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual
For the Year Ended June 30, 2017 (continued)
Exhibit B-3

	Final Budget	Actual	Variance Positive (Negative)
Jail Annex - State Prison Facility			
Salaries and employee benefits		599,658	
Other operating expenditures		141,464	
Capital outlay		1,875	
Total		742,997	
SCAPP - 2016 H1734-NC-AP			
Other operating expenditures		6,327	
Emergency Medical Services:			
Salaries and employee benefits		3,969,223	
Other operating expenditures		496,057	
Capital outlay		241,218	
Total		4,706,498	
Fire Marshall:			
Salaries and employee benefits		95,660	
Operating expenditures		13,969	
Contracted services		1,621,315	
Total		1,730,944	
Faison Substation:			
Salaries and employee benefits		76,981	
Operating expenditures		13,547	
Capital Outlay		33,349	
Total		123,877	
Building Inspections:			
Salaries and employee benefits		225,537	
Other operating expenditures		25,595	
Capital outlay		2,500	
Total		253,632	
Medical Examiner:			
Contracted services		32,600	

- continued -

Duplin County, North Carolina
General Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual
For the Year Ended June 30, 2017 (continued)
Exhibit B-3

	Final Budget	Actual	Variance Positive (Negative)
Animal Control:			
Salaries and employee benefits		178,139	
Other operating expenditures		99,442	
Capital outlay		1,875	
Total		279,456	
Concealed Handgun:			
Operating expenditures		25,045	
Capital outlay		5,500	
Total		30,545	
Gov Crime Commission - ICAC			
Other operating expenditures		12,589	
Capital Outlay		19,405	
Total		31,994	
Non-Emergency Medical Services:			
Salaries and employee benefits		270,032	
Other operating expenditures		23,968	
Total		294,000	
Third Courtroom Renovation			
Other operating expenditures		617,539	
Department of Justice - 2016APBX0148			
Other operating expenditures		6,581	
JCPC-Youth Shelter Days			
Other operating expenditures		1,170	
Total public safety	20,002,489	18,372,464	1,630,025

- continued -

Duplin County, North Carolina
General Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual
For the Year Ended June 30, 2017 (continued)
Exhibit B-3

	Final Budget	Actual	Variance Positive (Negative)
<u>Economic and Physical Development:</u>			
Planning:			
Salaries and employee benefits		73,545	
Other operating expenditures		4,828	
Capital outlay		625	
Total		78,998	
Central Plant - Duplin Commons:			
Other operating expenditures		38,848	
Westpark Business Technology Center:			
Other operating expenditures		37,287	
Economic Development:			
Salaries and employee benefits		120,773	
Other operating expenditures		206,923	
Total		327,696	
N.C. Cooperative Extension Service:			
Pesticide Container Grant 17-070-4008		8,183	
N.C. Cooperative Extension Service:			
Salaries and employee benefits		142	
Other operating expenditures		340,551	
Capital outlay		30,698	
Total		371,391	
N.C. Cooperative Extension 4-H Prevention Program:			
Salaries and employee benefits		23,513	
Other operating expenditures		9,691	
Total		33,204	
Industrial Park:			
Other operating expenditures		3,210	
JCPC - 4-H Outreach:			
Salaries and employee benefits		40,293	
Other operating expenditures		6,654	
Total		46,947	

- continued -

Duplin County, North Carolina
General Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual
For the Year Ended June 30, 2017 (continued)
Exhibit B-3

	Final Budget	Actual	Variance Positive (Negative)
Vidant 4-H EFNET Grant:			
Operating expenditures		28,323	
Livestock Facility:			
Operating expenditures		10,008	
Farm Services Agency:			
Other operating expenditures		12,142	
JCPC Juvenile Court Psychological Service:			
Operating expenditures		6,500	
Contribution to DOT Highway 24		2,000	
Total economic and physical development	1,699,877	1,004,737	695,140
<u>Human Services:</u>			
Health:			
Salaries and employee benefits		16,788	
Other operating expenditures		112,776	
Capital Outlay		4,450	
Total		134,014	
Environmental Health:			
Salaries and employee benefits		362,240	
Other operating expenditures		31,856	
Capital outlay		5,000	
Total		399,096	
Food & Lodging			
Other operating expenditures		288	
Total		288	

- continued -

Duplin County, North Carolina
General Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual
For the Year Ended June 30, 2017 (continued)
Exhibit B-3

	Final Budget	Actual	Variance Positive (Negative)
Communicable Disease:			
Salaries and employee benefits		126,847	
Other operating expenditures		27,326	
Total		154,173	
Immunization Action Plan:			
Salaries and employee benefits		105,246	
Other operating expenditures		122,007	
Total		227,253	
WIC - General Administration:			
Salaries and employee benefits		10,015	
WIC - Nutrition Education:			
Salaries and employee benefits		90,403	
Operating expenditures		14,214	
Total		104,617	
WIC - Breastfeeding Promotion:			
Salaries and employee benefits		9,966	
WIC - Client Services:			
Salaries and employee benefits		253,035	
Other operating expenditures		72,022	
Total		325,057	
Dental Program:			
Salaries and employee benefits		9,397	
Other operating expenditures		12,923	
Total		22,320	
Bioterrorism:			
Salaries and employee benefits		5,878	
Other operating expenditures		31,879	
Total		37,757	

- continued -

Duplin County, North Carolina
General Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual
For the Year Ended June 30, 2017 (continued)
Exhibit B-3

	Final Budget	Actual	Variance Positive (Negative)
Tuberculosis:			
Salaries and employee benefits		67,616	
Other operating expenditures		5,803	
Total		73,419	
March of Dimes - Centering Pregnancy:			
Other operating expenditures		315	
Primary Care:			
Salaries and employee benefits		762,751	
Other operating expenditures		71,739	
Total		834,490	
Community Health Promotion:			
Salaries and employee benefits		34,054	
Other operating expenditures		1,374	
Total		35,428	
Pregnancy Care Management:			
Salaries and employee benefits		112,080	
Other operating expenditures		6,432	
Total		118,512	
Pregnancy Care Management - Non Medicaid:			
Salaries and employee benefits		35,013	
Other operating expenditures		22	
Total		35,035	
Maternal Health:			
Salaries and employee benefits		253,047	
Other operating expenditures		49,756	
Capital outlay		2,610	
Total		305,413	
Family Planning:			
Salaries and employee benefits		184,989	
Other operating expenditures		49,616	
Capital outlay		2,610	
Total		237,215	

- continued -

Duplin County, North Carolina
General Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual
For the Year Ended June 30, 2017 (continued)
Exhibit B-3

	Final Budget	Actual	Variance Positive (Negative)
Child Health:			
Salaries and employee benefits		268,319	
Other operating expenditures		17,626	
Total		285,945	
CC4C:			
Salaries and employee benefits		153,600	
Other operating expenditures		5,437	
Total		159,037	
Social Services Administration:			
Salaries and employee benefits		5,704,455	
Other operating expenditures		399,161	
Capital outlay		82,642	
Total		6,186,258	
Social Services Building Expense:			
Salaries and employee benefits		42,553	
Other operating expenditures		148,280	
Total		190,833	
Work First/TANF:			
Assistance payments		181	
Total		181	
Title - IV D:			
Other operating expenditures		159,833	
Special Assistance for Adults:			
Assistance payments		491,466	
Foster Children:			
Assistance payments		273,486	
Medicaid Program:			
Assistance payments		405,187	

- continued -

Duplin County, North Carolina
General Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual
For the Year Ended June 30, 2017 (continued)
Exhibit B-3

	Final Budget	Actual	Variance Positive (Negative)
Aid to the Blind Program:			
Assistance payments		5,830	
Adoption Assistance:			
Assistance payments		46,843	
Crisis Intervention Program:			
Assistance payments		82,065	
Low Income Home Energy Assistance		234,200	
General Assistance:			
Assistance payments		58,440	
Daycare:			
Assistance payments		2,232,694	
Seniors' Health Insurance Information Program:			
Salaries and employee benefits		2,730	
Other operating expenditures		2,069	
Total		4,799	
Aging Program:			
Salaries and employee benefits		291,053	
Other operating expenditures		81,534	
Capital outlay		4,570	
Total		377,157	
Aging - Fan Program:			
Other operating expenditures		466	
Aging - In-Home Aid Services:			
Salaries and employee benefits		100,811	
Other operating expenditures		15,441	
Total		116,252	
Aging - Title III Transportation:			
Other operating expenditures		98,813	

- continued -

Duplin County, North Carolina
General Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual
For the Year Ended June 30, 2017 (continued)
Exhibit B-3

	Final Budget	Actual	Variance Positive (Negative)
Aging - Title III-F Health Promotion:			
Salaries and employee benefits		2,415	
Other operating expenditures		3,198	
Total		5,613	
Vidant Diabetes Management Grant:			
Other operating expenditures		11,894	
Aging - Housing & Home Improvements:			
Other operating expenditures		5,539	
Senior Center General Purpose			
Other operating expenditures		4,833	
Family Caregiver:			
Salaries and employee benefits		3,392	
Other operating expenditures		8,608	
Total		12,000	
Peer Breastfeeding:			
Salaries and employee benefits		21,345	
Nutrition - Home Bound Meals			
Salaries and employee benefits		36,301	
Other operating expenditures		75,106	
Total		111,407	
Nutrition :			
Salaries and employee benefits		72,060	
Other operating expenditures		171,076	
Total		243,136	
JCPC - Restitution/Teen Court:			
Other operating expenditures		70,730	
JCPC - Building Peace in Schools:			
Other operating expenditures		42,814	

- continued -

Duplin County, North Carolina
General Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual
For the Year Ended June 30, 2017 (continued)
Exhibit B-3

	Final Budget	Actual	Variance Positive (Negative)
JCPC - Administration:			
Other operating expenditures		978	
JCPC - Gang Awareness:			
Other operating expenditures		3,986	
Veteran's Service Officer:			
Salaries and employee benefits		133,409	
Other operating expenditures		13,549	
Total		146,958	
County Wellness Program:			
Salaries and employee benefits		228,833	
Other operating expenditures		61,503	
Total		290,336	
Cape Fear Obesity Clinic Grant:			
Salaries and employee benefits		3,576	
Other operating expenditures		18,780	
Total		22,356	
Vital Records:			
Salaries and employee benefits		4,999	
Operating Expenditures		70	
Total		5,069	
Contributions:			
Mental Health - Eastpointe Human Services		224,474	
STD Drugs:			
Other operating expenditures		645	
Senior Center Operations			
Operating expenditures		2,086	
Total		2,086	

- continued -

Duplin County, North Carolina
General Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual
For the Year Ended June 30, 2017 (continued)
Exhibit B-3

	Final Budget	Actual	Variance Positive (Negative)
EBOLA			
Salaries and employee benefits		5,453	
Operating expenditures		87	
Total		5,540	
Prescription Drug			
Salaries and employee benefits		4,497	
Total		4,497	
Total human services	17,562,793	15,710,404	1,852,389
<u>Cultural and Recreational</u>			
Museum:			
Salaries and employee benefits		22,130	
Other operating expenditures		9,799	
Total		31,929	
Library:			
Salaries and employee benefits		361,566	
Other operating expenditures		81,691	
Capital outlay-books		119,778	
Total		563,035	
Law Library			
Capital outlay		3,724	
Event Center:			
Salaries and employee benefits		79,288	
Other operating expenditures		259,279	
Total		338,567	
Parks and Recreation:			
Salaries and employee benefits		109,541	
Other operating expenditures		39,301	
Total		148,842	

- continued -

Duplin County, North Carolina
General Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual
For the Year Ended June 30, 2017 (continued)
Exhibit B-3

	Final Budget	Actual	Variance Positive (Negative)
State Department of Commerce Grant Museum:			
Salaries and employee benefits		17,026	
Other operating expenditures		1,378	
Total		18,404	
Contribution to Veterans Museum		1,000	
Contribution to Duplin Sweeties		500	
Contribution to Dixie Boys		500	
NC Science Museum			
Salaries and employee benefits		9,704	
Total cultural and recreational	1,374,704	1,116,205	258,499
<u>Environmental Protection:</u>			
Soil Conservation			
Salaries and employee benefits		297,172	
Operating expenditures		35,471	
Watershed maintenance		304,233	
Capital Outlay		27,407	
Total		664,283	
Contributions:			
Forestry service		125,255	
Total environmental protection	956,614	789,538	167,076
<u>Education:</u>			
Public schools - current expenditures		9,465,600	
Public schools - capital outlay		221,679	
Community colleges - current expenditures		1,764,000	
Community colleges - capital outlay		135,000	
Contribution to Beulaville Elementary Beta Club		500	
Total education	11,611,855	11,586,779	25,076

- continued -

Duplin County, North Carolina
General Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual
For the Year Ended June 30, 2017 (continued)
Exhibit B-3

	Final Budget	Actual	Variance Positive (Negative)
<u>Non-Departmental:</u>			
Post-employment healthcare benefits		308,590	
Other expenditures		9,330	
Total non-departmental	654,713	317,920	336,793
 Total expenditures	 60,317,977	 54,802,045	 5,515,932
 Revenues over (under) expenditures	 (1,809,431)	 3,809,270	 5,618,701
Other financing sources (uses)			
Transfers to other funds	(3,729,864)	(3,714,913)	14,951
Proceeds from sale of capital assets	64,615	69,728	5,113
Total other financing sources (uses)	(3,665,249)	(3,645,185)	20,064
 Appropriated fund balance	 5,474,680	 -	 (5,474,680)
 Net change in fund balance	 <u>\$ -</u>	 164,085	 <u>\$ 164,085</u>
 Fund balance, beginning of year		17,080,044	
 Decrease in inventory		26,797	
 Fund balance, end of year		<u>\$ 17,270,926</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, 2017
Exhibit B-4

		Actual			Variance
	Project	Prior Years	Current Year	Total to Date	Positive
	Authorization				(Negative)
Revenues					
Investment earnings	\$ 30,842	\$ 175,195	\$ 3,836	\$ 179,031	\$ 148,189
Expenditures					
Capital reserve	751,178	-	-	-	751,178
Revenues over (under) expenditures	(720,336)	175,195	3,836	179,031	899,367
Other financing sources (uses)					
Transfers from other funds	755,633	755,633	-	755,633	-
Transfers to other funds	(35,297)	(18,142)	(17,155)	(35,297)	-
Total other financing sources (uses)	720,336	737,491	(17,155)	720,336	-
Net change in fund balance	\$ -	\$ 912,686	(13,319)	\$ 899,367	\$ 899,367
Fund balance, beginning of year			912,686		
Fund balance, end of year			\$ 899,367		

NONMAJOR GOVERNMENTAL FUNDS

Duplin County, North Carolina
Non-Major Governmental Funds
Combining Balance Sheet
June 30, 2017
Exhibit C-1

	Special Revenue Funds	Capital Project Funds	Total
Assets			
Cash and cash equivalents	\$ 1,370,077	\$ 3,958,131	\$ 5,328,208
Restricted cash and cash equivalents	2,333,225	-	2,333,225
Receivables, net	1,265,764	715,549	1,981,313
Due from other funds	59	-	59
Total assets	\$ 4,969,125	\$ 4,673,680	\$ 9,642,805
Liabilities			
Accounts payable and accrued liabilities	\$ 51,284	\$ -	\$ 51,284
Due to other funds	630	-	630
Total liabilities	51,914	-	51,914
Deferred Inflows of Resources	1,175,178	-	1,175,178
Fund Balances			
Restricted by state statute	45,286	715,549	760,835
Restricted for schools	1,567,961	3,955,082	5,523,043
Restricted for E-911	613,196	-	613,196
Restricted for register of deeds	5,299	-	5,299
Restricted for tax revaluation and mapping	765,264	-	765,264
Committed for economic development	652,719	-	652,719
Committed for capital projects	-	3,049	3,049
Committed for various programs	98,053	-	98,053
Unassigned	(5,745)	-	(5,745)
Total fund balances	3,742,033	4,673,680	8,415,713
Total liabilities, deferred inflows of resources, and fund balances	\$ 4,969,125	\$ 4,673,680	\$ 9,642,805

Duplin County, North Carolina
Non-Major Governmental Funds
Combining Schedule of Revenues, Expenditures,
and Changes in Fund Balances
For the Year Ended June 30, 2017
Exhibit C-2

	Special Revenue Funds	Capital Project Funds	Total
Revenues			
Ad valorem taxes	\$ 882,825	\$ -	\$ 882,825
Local option sales taxes	1,995	2,753,695	2,755,690
Investment earnings	55,169	14,596	69,765
Restricted intergovernmental	1,900,940	63,603	1,964,543
Contributions	49,190	-	49,190
Sales and Services	39,663	-	39,663
Miscellaneous revenues	109,451	-	109,451
Total revenues	3,039,233	2,831,894	5,871,127
Expenditures			
General government	317,249	-	317,249
Public safety	1,000,787	-	1,000,787
Economic and Physical Development	878,008	106,762	984,770
Education	-	945,832	945,832
Capital Outlay	15,453	-	15,453
Total expenditures	2,211,497	1,052,594	3,264,091
Revenues over (under) expenditures	827,736	1,779,300	2,607,036
Other financing sources (uses)			
Transfers from other funds	19,160	-	19,160
Transfers to other funds	-	(1,199,945)	(1,199,945)
Total other financing sources (uses)	19,160	(1,199,945)	(1,180,785)
Net change in fund balances	846,896	579,355	1,426,251
Fund balances, beginning of year	2,895,137	4,094,325	6,989,462
Fund balances, end of year	\$ 3,742,033	\$ 4,673,680	\$ 8,415,713

SPECIAL REVENUE FUNDS

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

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

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

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

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

County Trust Fund - This fund accounts for funds to be used for restricted intergovernmental revenues and direct contributions which are for the direct benefit of County departments.

Duplin County, North Carolina
Non-Major Governmental Funds
Special Revenue Funds
Combining Balance Sheet
June 30, 2017
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	Community Development Block Grant 12-C-2414	Fire District Fund	County Trust Fund	Total
Assets											
Cash and cash equivalents	\$ 613,376	\$ 5,929	\$ -	\$ 650,724	\$ -	\$ 1,995	\$ -	\$ -	\$ -	\$ 98,053	\$1,370,077
Restricted cash and cash equivalents	-	-	765,264	-	1,567,961	-	-	-	-	-	2,333,225
Due from other funds	59	-	-	-	-	-	-	-	-	-	59
Receivables, net	38,205	1,900	-	1,122,732	-	-	18,582	27,400	56,945	-	1,265,764
Total assets	\$ 651,640	\$ 7,829	\$ 765,264	\$ 1,773,456	\$1,567,961	\$ 1,995	\$ 18,582	\$ 27,400	\$ 56,945	\$ 98,053	\$4,969,125
Liabilities											
Accounts payable and accrued liabilities	\$ 180	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 18,582	\$ 27,400	\$ 5,122	\$ -	\$ 51,284
Due to other funds	-	630	-	-	-	-	-	-	-	-	630
Total liabilities	180	630	-	-	-	-	18,582	27,400	5,122	-	51,914
Deferred Inflows of Resources	-	-	-	1,122,732	-	-	-	-	52,446	-	1,175,178
Fund Balances											
Restricted by state statute	38,264	1,900	-	-	-	-	-	-	5,122	-	45,286
Restricted for schools	-	-	-	-	1,567,961	-	-	-	-	-	1,567,961
Restricted for E-911	613,196	-	-	-	-	-	-	-	-	-	613,196
Restricted for register of deeds	-	5,299	-	-	-	-	-	-	-	-	5,299
Restricted for tax revaluation and mapping	-	-	765,264	-	-	-	-	-	-	-	765,264
Committed for economic development	-	-	-	650,724	-	1,995	-	-	-	-	652,719
Committed for various programs	-	-	-	-	-	-	-	-	-	98,053	98,053
Unassigned	-	-	-	-	-	-	-	-	(5,745)	-	(5,745)
Total fund balances	651,460	7,199	765,264	650,724	1,567,961	1,995	-	-	(623)	98,053	3,742,033
Total liabilities, deferred inflows of resources, and fund balances	\$ 651,640	\$ 7,829	\$ 765,264	\$ 1,773,456	\$1,567,961	\$ 1,995	\$ 18,582	\$ 27,400	\$ 56,945	\$ 98,053	\$4,969,125

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, 2017
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
Revenues											
Ad valorem taxes	\$ -	\$ -	\$ 117,564	\$ -	\$ -	\$ 765,261	\$ -	\$ -	\$ -	\$ -	\$ 882,825
Investment earnings	2,174	45	3,552	37,131	11,847	-	-	-	-	420	55,169
Restricted intergovernmental	458,524	-	-	-	744,366	-	433,265	27,538	217,205	20,042	1,900,940
Contributions	-	-	-	-	-	-	-	-	-	49,190	49,190
Sales taxes	-	-	-	-	-	-	1,995	-	-	-	1,995
Sales and services	-	-	-	-	-	-	-	-	-	39,663	39,663
Miscellaneous revenues	-	-	-	109,451	-	-	-	-	-	-	109,451
Total revenues	460,698	45	121,116	146,582	756,213	765,261	435,260	27,538	217,205	109,315	3,039,233
Expenditures											
General government	-	27,621	186,775	-	-	-	-	-	-	102,853	317,249
Public safety	236,282	-	-	-	-	764,505	-	-	-	-	1,000,787
Economic and physical development	-	-	-	200,000	-	-	433,265	27,538	217,205	-	878,008
Capital outlay	-	-	-	-	-	-	-	-	-	15,453	15,453
Total expenditures	236,282	27,621	186,775	200,000	-	764,505	433,265	27,538	217,205	118,306	2,211,497
Revenues over (under) expenditures	224,416	(27,576)	(65,659)	(53,418)	756,213	756	1,995	-	-	(8,991)	827,736
Other financing sources (uses)											
Transfers from other funds	-	19,160	-	-	-	-	-	-	-	-	19,160
Net change in fund balances	224,416	(8,416)	(65,659)	(53,418)	756,213	756	1,995	-	-	(8,991)	846,896
Fund balances, beginning of year	427,044	15,615	830,923	704,142	811,748	(1,379)	-	-	-	107,044	2,895,137
Fund balances, end of year	\$ 651,460	\$ 7,199	\$ 765,264	\$ 650,724	\$1,567,961	\$ (623)	\$ 1,995	\$ -	\$ -	\$ 98,053	\$3,742,033

Duplin County, North Carolina
Emergency Telephone System Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual
For the Year Ended June 30, 2017
Exhibit D-3

	Final Budget	Actual	Variance Positive (Negative)
Revenues			
Restricted intergovernmental:			
Emergency telephone fee	\$ 294,277	\$ 458,524	\$ 164,247
Investment earnings	-	2,174	2,174
Total revenues	294,277	460,698	166,421
Expenditures			
Public safety:			
Emergency telephone services:			
Operating expenditures	294,277	236,282	57,995
Total expenditures	294,277	236,282	57,995
Net change in fund balance	<u>\$ -</u>	224,416	<u>\$ 224,416</u>
Fund balance, beginning of year		427,044	
Fund balance, end of year		<u>\$ 651,460</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, 2017
Exhibit D-4

	Final Budget	Actual	Variance Positive (Negative)
Revenues			
Investment earnings	\$ -	\$ 45	\$ 45
Expenditures			
General government			
Operating expenditures	31,985	27,621	4,364
Total expenditures	31,985	27,621	4,364
Revenues over (under) expenditures	(31,985)	(27,576)	4,409
Other financing sources			
Transfers from other funds	20,000	19,160	(840)
Revenues and other financing sources over (under) expenditures	(11,985)	(8,416)	3,569
Appropriated fund balance	11,985	-	(11,985)
Net change in fund balance	<u>\$ -</u>	(8,416)	<u>\$ (8,416)</u>
Fund balance, beginning of year		15,615	
Fund balance, end of year		<u>\$ 7,199</u>	

Duplin County, North Carolina
Revaluation Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual
For the Year Ended June 30, 2017
Exhibit D-5

	Final Budget	Actual	Variance Positive (Negative)
Revenues			
Ad valorem taxes	\$ 117,564	\$ 117,564	\$ -
Investment earnings	-	3,552	3,552
Total revenues	117,564	121,116	3,552
Expenditures			
General Government:			
Salaries and employee benefits	139,637	139,535	102
Operating expenditures	97,695	47,240	50,455
Capital outlay	20,673	-	20,673
Total expenditures	258,005	186,775	71,230
Revenues over (under) expenditures	(140,441)	(65,659)	74,782
Appropriated fund balance	140,441	-	(140,441)
Net change in fund balance	<u>\$ -</u>	(65,659)	<u>\$ (65,659)</u>
Fund balance, beginning of year		830,923	
Fund balance, end of year		<u>\$ 765,264</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, 2017
Exhibit D-6

	Final Budget	Actual	Variance Positive (Negative)
Revenues			
Investment earnings	\$ -	\$ 37,131	\$ 37,131
Loan / lease payments	-	109,451	109,451
Total revenues	-	146,582	146,582
Expenditures			
Economic and physical development: Community development loans	400,000	200,000	200,000
Revenues over (under) expenditures	(400,000)	(53,418)	(346,582)
Appropriated fund balance	400,000	-	400,000
Net change in fund balance	<u>\$ -</u>	(53,418)	<u>\$ (53,418)</u>
Fund balance, beginning of year		704,142	
Fund balance, end of year		\$ 650,724	

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, 2017
Exhibit D-7

	Final Budget	Actual	Variance Positive (Negative)
Revenues			
Restricted intergovernmental:			
Education Lottery	\$ 64,000	\$ 744,366	\$ 680,366
Investment earnings	-	11,847	11,847
Total revenues	64,000	756,213	692,213
Expenditures			
Education			
Total expenditures	639,236	-	639,236
Revenues over (under) expenditures	(575,236)	756,213	1,331,449
Appropriated fund balance	575,236	-	(575,236)
Net change in fund balance	<u>\$ -</u>	756,213	<u>\$ 756,213</u>
Fund balance, beginning of year		811,748	
Fund balance, end of year		<u>\$ 1,567,961</u>	

Duplin County, North Carolina
Fire District Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual
For the Year Ended June 30, 2017
Exhibit D-8

	Final Budget	Actual	Variance Positive (Negative)
Revenues			
Ad valorem taxes	\$ 775,191	\$ 765,261	\$ (9,930)
Expenditures			
Public Safety:			
Commission to General Fund	21,387	20,953	434
Payment to State - motor vehicle collections	16,629	15,257	1,372
Oak Wolfe Fire District	57,278	54,954	2,324
Glisson Fire District	127,205	125,517	1,688
Sarecta Fire District	79,306	77,948	1,358
East Duplin Fire District	84,268	82,428	1,840
Albertson Fire District	73,355	73,086	269
Stacy Britt Fire District	117,687	118,780	(1,093)
Franklin Fire District	22,234	21,542	692
Northeast Fire District	175,842	174,040	1,802
Total expenditures	775,191	764,505	10,686
Net change in fund balance	<u>\$ -</u>	756	<u>\$ 756</u>
Fund balance, beginning of year		(1,379)	
Fund balance, end of year		<u>\$ (623)</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, 2017
Exhibit D-9

			Actual		
	Project	Prior Years	Current	Total to Date	Variance
	Authorization		Year		Positive
					(Negative)
Revenues					
Restricted intergovernmental:					
State grants	\$ 750,000	\$ 567,689	\$ 182,311	\$ 750,000	\$ -
Other Grants	397,851	-	250,954	250,954	(146,897)
Sales Taxes:	-	-	1,995	1,995	1,995
Total Revenues:	1,147,851	567,689	435,260	1,002,949	(144,902)
Expenditures					
Economic and physical development:					
Community development block grant	1,153,031	567,689	433,265	1,000,954	152,077
Revenues over (under) expenditures	(5,180)	-	1,995	1,995	7,175
Other Financing Sources					
Transfer from General Fund	5,180	-	-	-	(5,180)
Net change in fund balance	\$ -	\$ -	1,995	\$ 1,995	\$ 1,995
Fund balance, beginning of year			-		
Fund balance, end of year			\$ 1,995		

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, 2017
Exhibit D-10

			Actual		Variance
	Project		Current		Positive
	Authorization	Prior Years	Year	Total to Date	(Negative)
Revenues					
Restricted intergovernmental:					
State grants	\$ 225,000	\$ 74,233	\$ 27,538	\$ 101,771	\$(123,229)
Expenditures					
Economic and physical development:					
Community development block grant	225,000	74,233	27,538	101,771	123,229
Net change in fund balance	<u>\$ -</u>	<u>\$ -</u>	<u>-</u>	<u>\$ -</u>	<u>\$ -</u>
Fund balance, beginning of year				-	
Fund balance, end of year			\$ -		

Duplin County, North Carolina
Community Development Block Grant (2015-I-Project)
Schedule of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual
From Inception and for the Year Ended June 30, 2017
Exhibit D-11

		Actual			Variance
	Project	Prior Years	Current	Total to Date	Positive
	Authorization		Year		(Negative)
Revenues					
Restricted intergovernmental:					
State grants	\$ 282,683	\$ 65,478	\$ 217,205	\$ 282,683	\$ -
Expenditures					
Economic and physical development:					
Community development block grant	282,683	65,478	217,205	282,683	-
Net change in fund balance	<u>\$ 5,000</u>	<u>\$ -</u>	-	<u>\$ -</u>	<u>\$ (5,000)</u>
Fund balance, beginning of year			-		
Fund balance, end of year			\$ -		

CAPITAL PROJECT FUNDS

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

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

Capital Projects Fund - This fund accounts for 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, 2017
Exhibit E-1

	Capital Project Fund - School Fund	Industrial Expansion Capital Project Fund	Total
Assets			
Cash and cash equivalents	\$ 3,955,082	\$ 3,049	\$ 3,958,131
Receivables, net	715,549	-	715,549
Total assets	\$ 4,670,631	\$ 3,049	\$ 4,673,680
Liabilities			
Due to other funds	\$ -	\$ -	\$ -
Fund Balances			
Restricted by state statute	715,549	-	715,549
Restricted for schools	3,955,082	-	3,955,082
Committed for capital projects	-	3,049	3,049
Total fund balances	4,670,631	3,049	4,673,680
Total liabilities and fund balances	\$ 4,670,631	\$ 3,049	\$ 4,673,680

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, 2017
Exhibit E-2

	Capital Project Fund - School Fund	Capital Project Fund - JSCC	Industrial Expansion Capital Project Fund	Total
Revenues				
Local option sales taxes	\$ 2,753,695	\$ -	\$ -	\$ 2,753,695
Restricted intergovernmental	-	-	63,603	63,603
Investment earnings	14,234	229	133	14,596
Total revenues	2,767,929	229	63,736	2,831,894
Expenditures				
Economic and physical development	-	-	106,762	106,762
Education	733,924	211,908	-	945,832
Total expenditures	733,924	211,908	106,762	1,052,594
Revenues over (under) expenditures	2,034,005	(211,679)	(43,026)	1,779,300
Other financing sources (uses)				
Transfers to other funds	(1,199,945)	-	-	(1,199,945)
Total other financing sources (uses)	(1,199,945)	-	-	(1,199,945)
Net change in fund balances	834,060	(211,679)	(43,026)	579,355
Fund balances, beginning of year	3,836,571	211,679	46,075	4,094,325
Fund balances, end of year	\$ 4,670,631	\$ -	\$ 3,049	\$ 4,673,680

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, 2017
Exhibit E-3

	Final Budget	Actual	Variance Positive (Negative)
Revenues			
Local Option Sales Taxes:			
Article 40 one-half of one percent	\$ 819,821	\$ 917,898	\$ 98,077
Article 42 one-half of one percent	1,216,069	1,835,797	619,728
Total	2,035,890	2,753,695	717,805
Investment earnings	-	14,234	14,234
Total revenues	2,035,890	2,767,929	732,039
Expenditures			
Education:			
Capital outlay - Improvements to sites	342,000	233,194	108,806
Capital outlay - Equipment and furniture	307,000	307,000	-
Capital outlay - Vehicles	174,000	173,683	317
Capital outlay - Recreation	150,000	20,047	129,953
Total expenditures	973,000	733,924	239,076
Revenues over (under) expenditures	1,062,890	2,034,005	971,115
Other financing sources (uses)			
Transfers from other funds	137,110	-	(137,110)
Transfers to other funds	(2,947,160)	(1,199,945)	1,747,215
Total other financing sources (uses)	(2,810,050)	(1,199,945)	1,610,105
Appropriated fund balance	1,747,160	-	(1,747,160)
Net change in fund balance	<u>\$ -</u>	834,060	<u>\$ 834,060</u>
Fund balance, beginning of year		3,836,571	
Fund balance, end of year		<u>\$ 4,670,631</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, 2017
Exhibit E-4

	Final Budget	Actual	Variance Positive (Negative)
Revenues			
Investment earnings	\$ 229	\$ 229	\$ -
Expenditures			
Education:			
Capital outlay	211,908	211,908	-
Revenues over (under) expenditures	(211,679)	(211,679)	-
Appropriated fund balance	211,679	-	(211,679)
Net change in fund balance	<u>\$ -</u>	(211,679)	<u>\$ (211,679)</u>
Fund balance, beginning of year		211,679	
Fund balance, end of year		\$ -	

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, 2017
Exhibit E-5

	Project		Actual		Variance
	Authorization	Prior Years	Current Year	Total to Date	Positive (Negative)
Revenues					
Restricted intergovernmental					
State grants	\$ 63,603	\$ -	\$ 63,603	\$ 63,603	\$ -
Other grants	10,000	10,000	-	10,000	-
Total	73,603	10,000	63,603	73,603	-
Contributions	3,180	3,180	-	3,180	-
Investment earnings	-	939	133	1,072	1,072
Total revenues	76,783	14,119	63,736	77,855	1,072
Expenditures					
Economic and physical development:					
National Spinning	10,000	-	10,000	10,000	-
Economic Development Reserve	1,977	-	-	-	1,977
West Park Rail Repair	33,159	-	33,159	33,159	-
Villari Building Reuse Grant	66,783	3,180	63,603	66,783	-
Total expenditures	111,919	3,180	106,762	109,942	1,977
Revenues over (under) expenditures	(35,136)	10,939	(43,026)	(32,087)	3,049
Other financing sources (uses)					
Transfers from other funds	35,136	35,136	-	35,136	-
Net change in fund balance	\$ -	\$ 46,075	(43,026)	\$ 3,049	\$ 3,049
Fund balance, beginning of year			46,075		
Fund balance, end of year			\$ 3,049		

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, 2017
Exhibit E-6

			Actual		
	Project Authorization	Prior Years	Current Year	Total to Date	Variance Positive (Negative)
Revenues					
Restricted intergovernmental:					
State grants	\$ 3,788,099	\$ 93,335	\$ 939,175	\$ 1,032,510	\$ (2,755,589)
Federal grants	76,050	76,050	-	76,050	-
Sales tax refund	-	934	804,917	805,851	805,851
Total	3,864,149	170,319	1,744,092	1,914,411	(1,949,738)
Contributions	57,700	-	15,500	15,500	(42,200)
Total revenues	3,921,849	170,319	1,759,592	1,929,911	(1,991,938)
Expenditures					
Environmental Protection					
Farmland preservation	497,473	169,435	196,293	365,728	131,745
Cultural and Recreational					
Upgrades/repairs	35,297	18,142	17,155	35,297	-
Education					
School construction	62,261,411	2,875,884	45,735,168	48,611,052	13,650,359
NCDAS Stream Cleanout	1,249,426	-	-	-	1,249,426
BFG Sewer DWI	2,175,000	-	777,086	777,086	1,397,914
Total expenditures	66,218,607	3,063,461	46,725,702	49,789,163	16,429,444
Revenues over (under) expenditures	(62,296,758)	(2,893,142)	(44,966,110)	(47,859,252)	14,437,506
Other financing sources (uses)					
Proceeds from debt issuance	60,514,251	60,514,251	-	60,514,251	-
Interest	-	32,959	135,481	168,440	168,440
Transfers from other funds	1,782,507	18,142	17,205	35,347	(1,765,302)
Net change in fund balance	\$ -	\$57,672,210	(44,813,424)	\$ 12,858,786	\$ 12,840,644
Fund balance, beginning of year			57,672,210		
Fund balance, end of year			\$ 12,858,786		

ENTERPRISE FUNDS

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

Airport Commission Fund -This fund is used to account for the operations and maintenance of public airport facilities and provide hangar rental and fueling services to the flying public.

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

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

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

Duplin County, North Carolina
Non-Major Proprietary Funds – Enterprise Funds
Combining Statement of Fund Net Position
June 30, 2017
Exhibit F-1

	Solid Waste Fund	Transportation Development Plan Fund	Total
Assets			
Current assets:			
Cash and cash equivalents	\$ 1,937,200	\$ 734,555	\$ 2,671,755
Receivables, net	669,479	93,623	763,102
Total current assets	2,606,679	828,178	3,434,857
Noncurrent assets:			
Restricted cash and cash equivalents	1,076,971	-	1,076,971
Capital assets:			
Land and construction in progress	216,348	-	216,348
Other capital assets, net of depreciation	3,004,799	379,566	3,384,365
Total capital assets	3,221,147	379,566	3,600,713
Total noncurrent assets	4,298,118	379,566	4,677,684
Total assets	6,904,797	1,207,744	8,112,541
Deferred Outflows of Resources	236,198	107,611	343,809
Liabilities			
Current liabilities:			
Accounts payable and accrued liabilities	93,691	706	94,397
Deferred revenue	1,350	-	1,350
Total current liabilities	95,041	706	95,747
Long-term liabilities:			
Compensated absences	54,020	18,782	72,802
Net pension liability	272,607	124,199	396,806
Other post-employment benefit	477,250	217,434	694,684
Total long-term liabilities	803,877	360,415	1,164,292
Total liabilities	898,918	361,121	1,260,039
Deferred Inflows of Resources	9,553	4,352	13,905
Net Position			
Net investment in capital assets	3,221,147	379,566	3,600,713
Restricted	1,076,971	-	1,076,971
Unrestricted	1,934,406	570,316	2,504,722
Total net position	\$ 6,232,524	\$ 949,882	\$ 7,182,406

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, 2017
Exhibit F-2

	Solid Waste Fund	Transportation Development Plan Fund	Total
Operating revenues			
Charges for services/sale of goods	\$ 3,250,833	\$ 636,559	\$ 3,887,392
Operating expenses			
Operating expenses	3,450,133	1,010,573	4,460,706
Operating income (loss)	(199,300)	(374,014)	(573,314)
Non-operating revenues (expenses)			
Investment earnings	13,503	2,681	16,184
Federal Grants	221,558	-	221,558
State grants	-	553,792	553,792
Disposal tax revenues	141,491	-	141,491
Gain (loss) on disposal of capital assets	9,102	49,392	58,494
Miscellaneous	4,801	(1,000)	3,801
Total non-operating revenue (expense)	390,455	604,865	995,320
Change in net position	191,155	230,851	422,006
Net position, beginning of year	6,041,369	719,031	6,760,400
Net position, end of year	\$ 6,232,524	\$ 949,882	\$ 7,182,406

Duplin County, North Carolina
Non-Major Proprietary Funds – Enterprise Funds
Combining Statement of Cash Flows
For the Year Ended June 30, 2017
Exhibit F-3

	Solid Waste Fund	Transportation Development Plan Fund	Total
Cash flows from operating activities			
Cash received from customers	\$ 3,353,122	\$ 606,103	\$ 3,959,225
Cash paid for goods and services	(2,012,652)	(481,905)	(2,494,557)
Cash paid to employees for services	(1,122,861)	(399,254)	(1,522,115)
Net cash (used) provided by operating activities	217,609	(275,056)	(57,447)
Cash flows from non-capital financing activities			
Miscellaneous	367,850	552,792	920,642
Cash flows from capital and related financing activities			
Proceeds from sale of capital assets	9,102	49,392	58,494
Acquisition and construction of capital assets	(468,880)	(169,747)	(638,627)
Net cash provided (used) by capital and related financing activities	(459,778)	(120,355)	(580,133)
Cash flows from investing activities			
Interest on investments	13,503	2,681	16,184
Net increase (decrease) in cash and cash equivalents	139,184	160,062	299,246
Cash and cash equivalents, beginning of year	2,874,987	574,493	3,449,480
Cash and cash equivalents, end of year	\$ 3,014,171	\$ 734,555	\$ 3,748,726
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:			
Operating income (loss)	\$ (199,300)	\$ (374,014)	\$ (573,314)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:			
Depreciation	285,316	113,219	398,535
Changes in assets, deferred outflows of resources			
liabilities and deferred inflows of resources:			
(Increase) decrease in accounts receivable	102,289	(30,457)	71,832
(Increase) decrease in deferred outflows of resources for pensions	(188,062)	(82,449)	(270,511)
Increase (decrease) in accounts payable	10,089	(185)	9,904
Increase (decrease) in due to other funds	(2,122)	-	(2,122)
Increase (decrease) in deferred revenue	1,350	-	1,350
Increase (decrease) in deferred inflows of resources for pensions	(19,493)	(8,492)	(27,985)
Increase (decrease) in net pension liability	223,471	99,867	323,338
Increase (decrease) in OPEB obligation	(5,008)	11,015	6,007
Increase (decrease) in compensated absences	9,079	(3,560)	5,519
Total adjustments	416,909	98,958	515,867
Net cash provided (used) by operating activities	\$ 217,609	\$ (275,056)	\$ (57,447)

Duplin County, North Carolina
Water Fund
Schedule of Revenues and Expenditures – Budget and Actual (Non-GAAP)
For the Year Ended June 30, 2017
Exhibit F-4

	Final Budget	Actual	Variance Positive (Negative)
Operating revenues			
Water sales	\$ 2,828,092	\$ 3,164,169	\$ 336,077
Water taps	136,026	169,157	33,131
Administration fees	1,064	2,187	1,123
Other operating revenues	65,165	65,461	296
Total operating revenues	3,030,347	3,400,974	370,627
Non-operating revenues			
Federal Grants	101,000	124,118	23,118
State Grants	-	1,967	1,967
Investment earnings	-	55,255	55,255
Miscellaneous	-	13,080	13,080
Total operating revenues	101,000	194,420	93,420
Total revenues	3,131,347	3,595,394	464,047
Expenditures			
Administration expenditures:			
Salaries and employee benefits		718,965	
Other administration expenditures		135,911	
Capital outlay		31,654	
Total	927,113	886,530	40,583
County operating expenditures:			
Repairs		1,942	
Other operating expenditures		76,437	
Total	88,510	78,379	10,131
Albertson operating expenditures:			
Repairs		76,324	
Other operating expenditures		28,168	
Total	120,223	104,492	15,731
B water operating expenditures:			
Repairs		51,548	
Other operating expenditures		50,396	
Total	117,289	101,944	15,345
D water operating expenditures:			
Repairs		27,112	
Other operating expenditures		53,418	
Total	87,933	80,530	7,403
E water operating expenditures:			
Repairs		45,871	
Other operating expenditures		23,287	
Total	84,615	69,158	15,457

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, 2017
Exhibit F-4

	Final Budget	Actual	Variance Positive (Negative)
F water operating expenditures:			
Repairs		109,195	
Other operating expenditures		78,561	
Total	208,913	187,756	21,157
G water operating expenditures:			
Repairs		50,821	
Other operating expenditures		57,377	
Total	125,106	108,198	16,908
Debt Service:			
Principal retirements		751,584	
Interest and fees		715,738	
Total	1,500,652	1,467,322	33,330
Total expenditures	3,260,354	3,084,309	176,045
Revenues over (under) expenditures	(129,007)	511,085	640,092
Other financing sources (uses)			
Proceeds from sale of capital assets	-	1,710	1,710
Total	-	1,710	1,710
Revenues and other financing sources over (under) expenditures and other financing uses	(129,007)	512,795	641,802
Appropriated fund balance	129,007	-	(129,007)
Revenues, other financing sources, and appropriated fund balance over (under) expenditures and other financing uses	\$ -	\$ 512,795	\$ 512,795
Reconciliation from budgetary basis (modified accrual) to full accrual:			
Revenues, other financing sources, and appropriated fund balance over expenditures and other financing uses		\$ 512,795	
Reconciling items:			
Capital outlay		31,654	
Depreciation		(1,213,696)	
Increase in accrued interest payable		571	
Principal debt retirement		751,584	
Amortization of premium on refunding bonds		19,093	
Amortization of deferred loss on refunding		(10,925)	
Capital contributions		875,073	
Increase in compensated absences		(5,885)	
Increase in deferred outflows of resources - pensions		116,544	
Decrease in deferred inflows of resources - pensions		12,036	
Increase in net pension liability		(143,585)	
Increase in OPEB obligation		(36,709)	
Total reconciling items		395,755	
Change in net position		\$ 908,550	

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, 2017
Exhibit F-5

	Final Budget	Actual	Variance Positive (Negative)
Non-operating revenues			
Investments earnings	\$ 562,081	\$ 562,081	\$ -
Expenditures			
Debt Service:			
Principal retirements		535,000	
Interest and fees		562,081	
Total expenditures	1,097,085	1,097,081	4
Revenues over (under) expenditures	(535,004)	(535,000)	4
Other financing sources			
Principal received from water district GO bonds	535,004	535,000	4
Revenues and other financing sources over expenditures	\$ -	\$ -	\$ -
Reconciliation from budgetary basis (modified accrual) to full accrual basis:			
Revenues and other financing sources over expenditures		\$ -	
Reconciling items			
Principal received from water districts		(535,000)	
Debt principal payment		535,000	
Amortization of bond premium paid to water districts		(19,092)	
Amortization of limited obligation bond premium		19,092	
Decrease in accrued interest receivable		(1,300)	
Decrease in accrued interest payable		1,300	
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, 2017
Exhibit F-6

	Final Budget	Actual	Variance Positive (Negative)
Operating revenues			
Charges for services	\$ 560,671	\$ 636,559	\$ 75,888
Non-operating revenues			
Investments earnings	-	2,681	2,681
State grants	597,287	553,792	(43,495)
Contributions	25,000	-	(25,000)
Miscellaneous	-	(1,000)	(1,000)
Total non-operating revenues	622,287	555,473	(66,814)
Total revenues	1,182,958	1,192,032	9,074
Expenditures			
Salaries and employee benefits		455,781	
Operating expenditures		229,281	
Capital outlay		169,747	
DOT Rural General Public Grant		93,828	
Workfirst transportation assistance		15,375	
Elderly/Disabled transportation assistance		70,320	
NCDOT 5310 grant expenditures		16,388	
Total expenditures	1,243,726	1,050,720	193,006
Revenues over (under) expenditures	(60,768)	141,312	202,080
Other financing sources			
Proceeds from sale of capital assets	49,392	49,392	-
Appropriated fund balance	11,376	-	(11,376)
Revenues, other financing sources and appropriated fund balance over expenditures	\$ -	\$ 190,704	\$ 190,704
Reconciliation from budgetary basis (modified accrual) to full accrual:			
Revenues, other financing sources and appropriated fund balance over expenditures		\$ 190,704	
Reconciling items:			
Depreciation		(113,219)	
Decrease in compensated absences		3,560	
Increase in OPEB obligation		(11,015)	
Increase in net pension liability		(99,867)	
Increase in deferred outflows of resources - pensions		82,449	
Decrease in deferred inflows of resources - pensions		8,492	
Capital outlay		169,747	
Total reconciling items		40,147	
Change in net position		\$ 230,851	

Duplin County, North Carolina
 Airport Commission Fund
 Schedule of Revenues and Expenditures – Budget and Actual (Non-GAAP)
 For the Year Ended June 30, 2017
 Exhibit F-7

	Final Budget	Actual	Variance Positive (Negative)
Operating revenues			
Sales and rentals	\$ 527,868	\$ 518,839	\$ (9,029)
Non-operating revenues			
Rental income	3,024	3,024	-
Investment earnings	100	1,278	1,178
Miscellaneous	2,000	765	(1,235)
Total non-operating revenues	5,124	5,067	(57)
Total revenues	532,992	523,906	(9,086)
Expenditures			
Operating expenditures:			
Salaries and employee benefits		188,833	
Purchases		312,921	
Other operating expenditures		107,795	
Total operating expenditures	628,644	609,549	19,095
Revenues over (under) expenditures	(95,652)	(85,643)	10,009
Other financing sources (uses)			
Transfers from other funds	142,757	142,757	-
Transfers to other funds	(47,105)	(34,924)	12,181
Total other financing sources (uses)	95,652	107,833	12,181
Revenues and other financing sources under expenditures and other financing uses	\$ -	\$ 22,190	\$ 22,190

Reconciliation from budgetary basis (modified accrual to full accrual:

Revenues and other financing sources under expenditures and other financing uses

\$ 22,190

Reconciling items:

Depreciation	(601,382)
Increase in compensated absences	(2,273)
Decrease in OPEB obligation	226
Increase in deferred outflows of resources - pensions	32,523
Decrease in deferred inflows of resources - pensions	3,339
Basis in retired assets	(3,392)
Increase in net pension liability	(38,837)
From Airport Commission Capital Project Fund:	
Capital contribution	95,624
Transfers to Airport Commission Capital Project Fund	34,924
Total reconciling items	(479,248)
Change in net position	\$ (457,058)

Duplin County, North Carolina
Solid Waste Fund
Schedule of Revenues and Expenditures – Budget and Actual (Non-GAAP)
For the Year Ended June 30, 2017
Exhibit F-8

	Final Budget	Actual	Variance Positive (Negative)
Operating revenues			
Disposal fees	\$ 1,700,000	\$ 1,422,988	\$ (277,012)
User fees	1,284,926	1,531,821	246,895
Landfill fees	115,000	175,963	60,963
Sale of recyclables	55,000	120,061	65,061
Total operating revenues	3,154,926	3,250,833	95,907
Non-operating revenues			
Investments earnings	-	13,503	13,503
Federal Grants	214,973	221,558	6,585
Disposal tax revenues	118,000	141,491	23,491
Miscellaneous	-	4,801	4,801
Total non-operating revenues	332,973	381,353	48,380
Total revenues	3,487,899	3,632,186	144,287
Expenditures			
Collections:			
Salaries and employee benefits		767,309	
Operating expenditures		648,455	
Disposals:			
Salaries and employee benefits		210,073	
Operating expenditures		1,177,741	
Capital outlay		468,880	
Recycling:			
Salaries and employee benefits		142,561	
Operating expenditures		29,821	
Tire collection:			
Salaries and employee benefits		3,096	
Operating expenditures		84,502	
White goods:			
Salaries and employee benefits		4,785	
Operating expenditures		65,752	
Total expenditures	4,118,912	3,602,975	515,937
Revenues under expenditures	(631,013)	29,211	660,224
Other financing sources			
Proceeds from sale of capital assets	-	9,102	9,102
Appropriated fund balance	631,013	-	(631,013)
Revenues, other financing sources, and appropriated fund balance under expenditures	\$ -	\$ 38,313	\$ 38,313

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

Revenues, other financing sources, and appropriated fund balance under expenditures	\$ 38,313
Reconciling items:	
Depreciation	(285,316)
Increase in compensated absences	(9,079)
Decrease in OPEB obligation	(5,008)
Increase in net pension liability	(223,471)
Increase in deferred outflows of resources - pensions	188,062
Decrease in deferred inflows of resources - pensions	18,774
Capital outlay	468,880
Total reconciling items	152,842
Change in net position	\$ 191,155

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, 2017
 Exhibit F-9

		Actual			Variance
	Project	Prior Years	Current Year	Total to Date	Positive
	Authorization				(Negative)
Revenues					
State grants	\$ 172,740	\$ 78,357	\$ 94,383	\$ 172,740	\$ -
Contributions	60,762	23,654	37,108	60,762	-
Investment earnings	103	15	88	103	-
Total revenues	233,605	102,026	131,579	233,605	-
Expenditures					
Terminal area plan	91,707	89,160	2,547	91,707	-
Parking Lot #36	26,897	-	26,897	26,897	-
State RW Wide/Overlay	37,582	-	37,582	37,582	-
State Grant Obstruction/Clearing	32,173	-	32,173	32,173	-
Total expenditures	188,359	89,160	99,199	188,359	-
Revenues over (under) expenditures	45,246	12,866	32,380	45,246	-
Other financing sources					
Transfers to other funds	(45,246)	-	29	29	45,275
Revenues and other financing sources over (under) expenditures	\$ -	\$ 12,866	\$ 32,409	\$ 45,275	\$ 45,275

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, 2017
Exhibit F-10

		Actual			Variance
	Project	Prior Years	Current Year	Total to Date	Positive
	Authorization				(Negative)
Revenues					
State grants	\$ 3,179,577	\$ 3,179,577	\$ -	\$ 3,179,577	\$ -
Local option sales taxes	51,383	51,383	951	52,334	951
Total revenues	3,230,960	3,230,960	951	3,231,911	951
Expenditures					
Project expenditures	3,268,960	3,033,435	223,887	3,257,322	11,638
Revenues over (under) expenditures	(38,000)	197,525	(222,936)	(25,411)	12,589
Other financing sources					
Transfers from other funds	38,000	-	25,411	25,411	(12,589)
Revenues and other financing sources					
over (under) expenditures	\$ -	\$ 197,525	\$ (197,525)	\$ -	\$ -

Duplin County, North Carolina
Water District F Water Improvements Project Fund
Schedule of Revenues and Expenditures – Budget and Actual (Non-GAAP)
From Inception and for the Year Ended June 30, 2017
Exhibit F-11

			Actual			Variance
	Project	Prior Years	Current Year	Total to Date		Positive
	Authorization					(Negative)
Revenues						
Local option sales taxes	\$ 1,553	\$ -	\$ 1,553	\$ 1,553	\$ -	-
Expenditures						
Project expenditures	75,186	-	75,186	75,186	-	-
Revenues over (under) expenditures	(73,633)	-	(73,633)	(73,633)	-	-
Other financing sources						
Transfer from Water District F	73,633	-	73,633	73,633	-	-
Total other financing sources	73,633	-	73,633	73,633	-	-
Revenues and other financing sources over expenditures	\$ -	\$ -	\$ -	\$ -	\$ -	-

DEBT SERVICE FUND

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

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, 2017
Exhibit G-1

	Final Budget	Actual	Variance Positive (Negative)
Revenues			
Investment earnings	\$ -	\$ 2,958	\$ 2,958
Expenditures			
Debt service:			
Principal retirement		1,947,060	
Interest and fees		2,626,734	
Bond Issuance Costs		1,250	
Total expenditures	4,604,800	4,575,044	29,756
Revenues over (under) expenditures	(4,604,800)	(4,572,086)	32,714
Other financing sources (uses)			
Transfers from other funds	4,604,800	4,574,891	(29,909)
Net change in fund balance	<u>\$ -</u>	2,805	<u>\$ 2,805</u>
Fund balance, beginning of year		609,241	
Fund balance, end of year		<u>\$ 612,046</u>	

TRUST AND AGENCY FUNDS

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

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

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

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

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

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, 2017
Exhibit H-1

	Final Budget	Actual	Variance Positive (Negative)
Revenues			
Restricted Intergovernmental:			
Unauthorized substance tax	\$ 15,025	\$ 20,042	\$ 5,017
Investment earnings	28.00	420	392
Miscellaneous revenue:			
Fees and commissions	37,665	39,663	1,998
Donations	8,549	49,190	40,641
Total	46,214	88,853	42,639
Total revenues	61,267	109,315	48,048
Expenditures			
Public safety			
Sheriff/jail		57,705	
Human services			
General aging trust		289	
Senior games		153	
Senior citizens trips		34,947	
Animal control		9,759	
Capital outlay		15,453	
Total expenditures	168,286	118,306	49,980
Revenues over (under) expenditures	(107,019)	(8,991)	98,028
Appropriated fund balance	107,019	-	(107,019)
Net change in fund balance	<u>\$ -</u>	(8,991)	<u>\$ (8,991)</u>
Fund balance, beginning of year		107,044	
Fund balance, end of year		<u>\$ 98,053</u>	

Duplin County, North Carolina
Agency Funds
Combining Statement of Fiduciary Net Position
June 30, 2017
Exhibit H-2

	Motor Vehicle Tax Fund	County Agency Fund	Social Services Fund	Register of Deeds Trust Fund	Board of Education Fines and Forfeitures Fund	Total
Assets						
Cash and cash equivalents	\$ -	\$ 111,721	\$ 93,635	\$ 23,057	\$ -	\$ 228,413
Miscellaneous receivables	60,473	633	-	-	-	61,106
Due from other governments	33,703	-	-	-	-	33,703
Total assets	\$ 94,176	\$ 112,354	\$ 93,635	\$ 23,057	\$ -	\$ 323,222
Liabilities						
Miscellaneous liabilities	\$ -	\$ 109,343	\$ 93,635	23,057	\$ -	\$ 226,035
Due to other governments	94,176	-	-	-	-	94,176
Due to other governmental funds	-	3,011	-	-	-	3,011
Total liabilities	\$ 94,176	\$ 112,354	\$ 93,635	\$ 23,057	\$ -	\$ 323,222

Duplin County, North Carolina
Agency Funds
Combining Statement of Changes in Assets and Liabilities
For the Year Ended June 30, 2017
Exhibit H-3

	Balance July 01, 2016	Additions	Deductions	Balance June 30, 2017
<u>Ad Valorem and Motor Vehicle Tax Fund</u>				
Assets				
Cash and cash equivalents	\$ -	\$ 1,983,946	\$ 1,983,946	\$ -
Miscellaneous receivables	3,623	60,473	3,623	60,473
Due from other governments	35,901	33,703	35,901	33,703
Total assets	\$ 39,524	\$ 2,078,122	\$ 2,023,470	\$ 94,176
Liabilities				
Due to other governments	\$ 39,524	\$ 2,078,122	\$ 2,023,470	\$ 94,176
Total liabilities	\$ 39,524	\$ 2,078,122	\$ 2,023,470	\$ 94,176
<u>County Agency Fund</u>				
Assets				
Cash and cash equivalents	\$ 78,199	\$ 1,213,437	\$ 1,179,915	\$ 111,721
Miscellaneous receivables	513	633	513	633
Total assets	\$ 78,712	\$ 1,214,070	\$ 1,180,428	\$ 112,354
Liabilities				
Miscellaneous liabilities	\$ 75,377	\$ 1,192,579	\$ 1,158,613	\$ 109,343
Due to other governmental funds	3,335	21,491	21,815	3,011
Total liabilities	\$ 78,712	\$ 1,214,070	\$ 1,180,428	\$ 112,354
<u>Social Services Fund</u>				
Assets				
Cash and cash equivalents	\$ 75,623	\$ 123,272	\$ 105,260	\$ 93,635
Liabilities				
Miscellaneous liabilities	\$ 75,623	\$ 123,272	\$ 105,260	\$ 93,635
<u>Register of Deeds Trust Fund:</u>				
Assets				
Cash and cash equivalents	\$ 11,436	\$ 159,588	\$ 147,967	\$ 23,057
Miscellaneous receivables	150	-	150	-
Cash and cash equivalents	\$ 11,586	\$ 159,588	\$ 148,117	\$ 23,057
Liabilities				
Miscellaneous liabilities	\$ 11,586	\$ 159,588	\$ 148,117	\$ 23,057
Total liabilities	\$ 11,586	\$ 159,588	\$ 148,117	\$ 23,057

Duplin County, North Carolina
Agency Funds
Combining Statement of Changes in Assets and Liabilities
For the Year Ended June 30, 2017
Exhibit H-3

	Balance July 1, 2016	Additions	Deductions	Balance June 30, 2017
<u>Board of Education Fines and Forfeitures Fund</u>				
Assets				
Cash and cash equivalents	\$ -	\$ 72,353	\$ 72,353	\$ -
Miscellaneous receivables	25	-	25	-
Total assets	\$ 25	\$ 72,353	\$ 72,378	\$ -
Liabilities				
Miscellaneous liabilities	\$ 25	\$ -	\$ 25	\$ -
Due to other governmental funds	-	72,353	72,353	-
Total liabilities	\$ 25	\$ 72,353	\$ 72,378	\$ -
<u>Totals - All Agency Funds:</u>				
Assets				
Cash and cash equivalents	\$ 165,408	\$ 3,552,596	\$ 3,489,591	\$ 228,413
Miscellaneous receivables	4,161	61,106	4,161	61,106
Due from other governments	35,901	33,703	35,901	33,703
Total assets	\$ 205,470	\$ 3,647,405	\$ 3,529,653	\$ 323,222
Liabilities				
Miscellaneous liabilities	\$ 162,611	\$ 1,475,439	\$ 1,412,015	\$ 226,035
Due to other governmental funds	3,335	21,491	21,815	3,011
Due to other governments	42,859	2,171,966	2,117,638	94,176
Total liabilities	\$ 208,805	\$ 3,668,896	\$ 3,551,468	\$ 323,222

INTERNAL SERVICE FUND

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

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

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, 2017
Exhibit I-1
Variance
Positive
(Negative)

	Final Budget	Actual	Variance Positive (Negative)
Revenues			
Operating revenues:			
Charges for services	\$ 5,420,000	\$ 5,418,052	\$ (1,948)
Non-operating revenues:			
Investment earnings	6,284	13,824	7,540
Other revenue	52,500	46,853	(5,647)
Total	58,784	60,677	1,893
Total revenues	5,478,784	5,478,729	(55)
Expenditures			
Operating expenditures	5,936,784	5,776,876	159,908
Revenues over (under) expenditures	(458,000)	(298,147)	159,853
Other financing sources			
Transfer from other funds	178,000	178,000	-
Appropriated fund balance	280,000	-	(280,000)
Net change in fund balance	<u>\$ -</u>	(120,147)	<u>\$ (120,147)</u>
Fund balance, beginning of year		3,055,685	
Fund balance, end of year		<u>\$ 2,935,538</u>	

COMPONENT UNIT

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

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

Duplin County, North Carolina
Duplin County Tourism Development Authority
Supplemental Statement of Net Position
June 30, 2017
Exhibit J-1

Assets

Current assets:		
Cash and cash equivalents	\$	497,403
Accounts receivable		18,941
Total current assets		516,344
Total assets		516,344

Liabilities

Current liabilities:		
Accounts payable		3,457
Total current liabilities		3,457
Long-term liabilities:		
Compensated absences		4,068
Total liabilities		7,525

Net Position

Restricted:		
Stabilization by state statute		18,941
Unrestricted		489,878
Total net position	\$	508,819

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, 2017
Exhibit J-2

Functions/Programs	Expenses	Net (Expense) Revenue and Changes in Net Position
		Governmental Activities
Governmental Activities:		
Economic and physical development	\$ 221,475	\$ (221,475)
General Revenues:		
Occupancy taxes		\$ 256,509
Sales and services		4,380
Investment earnings		2,061
Total general revenues		262,950
Change in net position		41,475
Net position, beginning of year		467,344
Net position, ending of year		\$ 508,819

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

Duplin County, North Carolina
Duplin County Tourism Development Authority
Supplemental Balance Sheet
June 30, 2017
Exhibit J-3

Assets

Cash and cash equivalents	\$ 497,403
Accounts receivable	18,941
<hr/>	
Total assets	\$ 516,344
<hr/>	

Liabilities

Accounts payable and accrued liabilities	\$ 3,457
<hr/>	

Fund Balances

Restricted:	
Stabilization by state statute	18,941
Unassigned	493,946
Total fund balances	512,887
<hr/>	
Total liabilities and fund balances	\$ 516,344
<hr/>	

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

Total fund balances - General Fund	\$ 512,887
------------------------------------	------------

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	(4,068)
<hr/>	
Net position of governmental activities	\$ 508,819
<hr/>	

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

Duplin County, North Carolina
Duplin County Tourism Development Authority
Supplemental Schedule of Revenues, Expenditures,
and Changes in Fund Balance
June 30, 2017
Exhibit J-4

Revenues

Occupancy taxes	\$ 256,509
Sales and services	4,380
Investment earnings	2,025
Other revenue	36
Total revenues	262,950

Expenditures

Salaries and employee benefits	109,414
Advertising	55,242
Promotion and entertainment	19,635
Travel, training, and meals	6,703
Other operating expenditures	30,733
Total expenditures	221,727

Net change in fund balance	41,223
Fund balance, beginning of year	471,664
Fund balance, end of year	\$ 512,887

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

Net changes in fund balance - General Fund \$ 41,223

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	252
Total changes in governmental activities	\$ 41,475

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, 2017
Exhibit J-5

	Original Budget	Final Budget	Actual	Variance with Final Positive (Negative)
Revenues				
Occupancy taxes	\$ 208,148	\$ 208,148	\$ 256,509	\$ 48,361
Sales and services	3,000	3,000	4,380	1,380
Investment earnings	-	-	2,025	2,025
Other revenue	-	-	36	36
Total revenues	211,148	211,148	262,950	51,802
Expenditures				
Salaries and employee benefits			109,414	
Advertising			55,242	
Promotion and entertainment			19,635	
Travel, training, and meals			6,703	
Other operating expenditures			30,733	
Total expenditures	211,148	246,607	221,727	24,880
Revenues over (under) expenditures	-	(35,459)	41,223	76,682
Fund balance appropriated	-	35,459	-	(35,459)
Net change in fund balance	<u>\$ -</u>	<u>\$ -</u>	41,223	<u>\$ 41,223</u>
Fund balance, beginning of year			471,664	
Fund balance, end of year			<u>\$ 512,887</u>	

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

OTHER SCHEDULES

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

Schedule of Ad Valorem Taxes Receivable

Analysis of Current Tax Levy - County-wide Levy

Analysis of Current Tax Levy- Secondary Market Disclosures

Computation of Legal Debt Margin

Duplin County, North Carolina
General Fund
Schedule of Ad Valorem Taxes Receivable
June 30, 2017
Exhibit K-1

Fiscal Year	Uncollected Balance June 30, 2016	Additions	Collections and Credits	Uncollected Balance June 30, 2017
2016-2017	\$ -	\$ 30,904,493	\$ 30,012,861	\$ 891,632
2015-2016	845,764	-	526,181	319,583
2014-2015	344,300	-	176,248	168,052
2013-2014	229,346	-	85,781	143,565
2012-2013	167,095	-	52,220	114,875
2011-2012	118,009	-	35,041	82,968
2010-2011	100,033	-	19,771	80,262
2009-2010	87,402	-	14,961	72,441
2008-2009	88,098	-	10,981	77,117
2007-2008	95,129	-	9,199	85,930
2006-2007	92,385	-	92,385	-
Totals	\$ 2,167,561	\$ 30,904,493	\$ 31,035,629	2,036,425

Prior year property taxes being collected through garnishments	20,910
Prior year vehicle taxes being collected through garnishments	1,331
Discoveries due to business personal property tax audits	8,340

Less allowance for uncollectible accounts (657,157)

Ad valorem taxes receivable, net \$ 1,409,849

Reconcilement with revenues:

Ad valorem taxes	\$ 30,631,513
Reconciling items:	
Returned checks	(2,662)
Interest and penalties collected	(330,884)
Adjustments	(10,315)
Underpayments	141
Fines and forfeitures	59,783
Discounts allowed	286,609
Property taxes allocated to the Revaluation Fund	117,564
Taxes written off	22,240
Prior years releases	261,640
Total collections and credits	\$ 31,035,629

Duplin County, North Carolina
Analysis of Current Tax Levy
County-wide Levy
For the Year Ended June 30, 2017
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	\$ 4,185,580,685	0.73	\$ 30,554,739	\$ 27,297,357	\$ 3,257,382
Penalties			62,146	62,146	-
Total	4,185,580,685		30,616,885	27,359,503	3,257,382
Discoveries:					
Current year taxes	16,363,836	0.73	119,456	119,456	-
Prior year's taxes	-		168,152	168,152	-
Total	16,363,836		287,608	287,608	-
Total property valuation	\$ 4,201,944,521				
Net levy			30,904,493	27,647,111	3,257,382
Uncollected taxes at June 30, 2017			(891,632)	(891,632)	-
Current year's taxes collected			\$ 30,012,861	\$ 26,755,479	\$ 3,257,382
Current levy collection percentage			97.11%	96.77%	100.00%

Assessed Valuation:

Assessment ratio*	100.00%
Real property	\$ 3,536,160,799
Personal property	524,295,469
Public service companies**	141,488,253
Total assessed valuation	4,201,944,521
Tax rate per \$100	0.73
Tax levy (including discoveries, releases, and abatements)	30,674,195
Penalties	62,146
Prior year's taxes	168,152
Net levy	\$ 30,904,493

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, 2017:

Fire Protection District	Levy
Oak Wolfe	\$ 52,152
Glisson	128,506
Sarecta	87,352
East Duplin	77,285
Albertson	66,266
Stacy Britt	113,078
Franklin	21,982
Northeast	174,152
Total	\$ 720,773

* 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, 2017
 Exhibit K-4

Assessed value of taxable property	\$ 4,201,944,521
Debt limit per G.S. 159-55	8.00%
<u>Total</u>	<u>336,155,562</u>
Gross debt:	
Limited obligation bonds	72,566,849
Notes payable	13,085,759
<u>Total gross debt</u>	<u>85,652,608</u>
Less: Debt incurred for water activities	
Limited obligation bonds	(14,221,311)
Notes payable	(3,410,297)
<u>Total debt incurred for water activities</u>	<u>(17,631,608)</u>
<u>Total amount of debt applicable to debt limit (net debt)</u>	<u>68,021,000</u>
<u>Legal debt margin</u>	<u>\$ 268,134,562</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>	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Governmental Activities:										
Net investment in capital assets	\$ 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	\$ 11,720,621
Restricted	-	-	-	8,197,122	9,542,550	8,512,963	9,561,211	10,597,209	69,340,867	26,883,229
Unrestricted	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)	(47,704,323)
Total governmental activities	\$ 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	\$ (9,100,473)
Business-type Activities:										
Net investment in capital assets	\$ 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	\$ 36,834,827
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	1,552,055
Unrestricted	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	9,386,918
Total business-type activities	\$ 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	\$ 47,773,800
Primary Government:										
Net investment in capital assets	\$ 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	\$ 48,555,448
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	28,435,284
Unrestricted	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)	(38,317,405)
Total primary government	\$ 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	\$ 38,673,327

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

<i>Year Ended June 30,</i>	2008	2009	2010	2011
Expenses:				
Governmental Activities:				
General Government	\$ 6,120,389	\$ 6,130,831	\$ 7,207,316	\$ 7,367,762
Public Safety	13,207,438	14,625,588	14,561,356	14,687,927
Economic & Physical Development	2,882,505	2,358,124	2,494,733	2,613,007
Human Services	17,298,237	17,332,594	16,732,852	15,960,082
Environmental Protection	478,370	513,483	723,221	536,068
Cultural and Recreational	1,017,310	872,582	827,686	688,051
Education	10,957,705	12,304,442	15,585,786	11,580,259
Non-departmental	257,326	255,663	310,502	1,239,610
Interest on long-term debt	954,607	895,065	826,828	784,577
Total governmental activities	53,173,887	55,288,372	59,270,280	55,457,343
Business-type Activities:				
Airport	1,078,481	985,170	1,087,058	1,102,790
Water and Sewer	4,083,009	4,082,107	4,255,842	4,196,653
Transportation	1,026,490	1,037,242	1,056,522	1,180,039
Solid Waste	3,256,153	3,111,559	3,054,194	3,109,941
Total business-type activities	9,444,133	9,216,078	9,453,616	9,589,423
 Total primary government expenses	 62,618,020	 64,504,450	 68,723,896	 65,046,766
Program Revenues:				
Governmental Activities:				
Charges for Services:				
General Government	2,143,126	1,653,004	1,587,363	4,247,238
Public Safety	2,578,622	2,351,226	3,033,182	3,608,791
Economic & Physical Development	18,420	37,231	25,041	75,360
Human Services	896,186	665,457	817,614	3,554,262
Environmental Protection	44,820	44,640	-	69,975
Cultural and Recreational	124,027	279,504	287,214	73,267
Education	-	-	-	-
Non-departmental	-	-	-	-
Operating Grants & Contributions	11,246,185	11,576,726	12,394,237	11,192,637
Capital Grants & Contributions	227,218	371,005	1,990,921	2,054,956
Total governmental activities	17,278,604	16,978,793	20,135,572	24,876,486
Business-type Activities:				
Charges for Services:				
Airport	533,460	387,988	677,984	507,905
Water and Sewer	3,813,219	3,829,327	4,259,400	4,049,271
Transportation	504,707	508,027	497,901	502,920
Solid Waste	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	7,870,145	8,893,964	10,017,390	8,768,193
 Total primary government	 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	2017
Expenses:						
Governmental Activities:						
General Government	\$ 6,613,472	\$ 6,215,976	\$ 5,884,447	\$ 5,901,684	\$ 6,005,791	\$ 8,542,667
Public Safety	18,267,162	18,488,567	17,821,492	17,884,866	18,234,164	19,402,748
Economic & Physical Development	5,088,488	3,107,600	1,363,220	1,157,204	2,212,425	1,976,207
Human Services	17,806,856	17,199,716	16,015,053	16,123,169	15,893,046	16,019,157
Environmental Protection	728,522	792,256	704,203	784,371	820,683	1,196,025
Cultural and Recreational	864,163	1,239,294	1,204,921	1,316,387	1,247,747	1,252,365
Education	11,933,998	13,238,503	13,334,623	12,370,800	17,458,221	56,099,066
Non-departmental	273,150	281,301	287,491	283,606	348,401	338,290
Interest on long-term debt	660,077	527,820	431,245	399,966	407,858	2,621,411
Total governmental activities	62,235,888	61,091,033	57,046,695	56,222,053	62,628,336	107,447,936
Business-type Activities:						
Airport	1,214,843	1,138,106	1,796,254	1,178,655	1,171,327	1,219,345
Water and Sewer	4,095,462	4,568,959	3,347,524	3,364,680	3,287,578	3,564,197
Transportation	1,073,935	993,244	1,073,121	982,263	893,886	1,010,573
Solid Waste	3,299,368	3,274,051	2,971,828	2,937,828	3,054,834	3,450,133
Total business-type activities	9,683,608	9,974,360	9,188,727	8,463,426	8,407,625	9,244,248
Total primary government expenses	71,919,496	71,065,393	66,235,422	64,685,479	71,035,961	116,692,184
Program Revenues:						
Governmental Activities:						
Charges for Services:						
General Government	2,669,151	2,431,141	1,636,600	338,946	380,791	1,417,008
Public Safety	3,037,248	9,156,791	2,907,354	3,205,147	2,941,953	4,950,790
Economic & Physical Development	241,156	82,813	68,137	2,130,015	2,563,454	7,670
Human Services	3,251,599	3,368,702	4,412,664	1,405,313	1,296,812	1,424,395
Environmental Protection	45,705	44,857	2,198	-	-	44,429
Cultural and Recreational	253,422	275,133	149,585	141,903	159,423	175,143
Education	-	-	-	-	-	-
Non-departmental	-	25,069	-	-	-	-
Operating Grants & Contributions	9,940,908	10,831,435	10,586,282	12,636,041	13,236,891	12,885,635
Capital Grants & Contributions	4,308,980	2,217,868	920,045	789,856	218,971	3,181,966
Total governmental activities	23,748,169	28,433,809	20,682,865	20,647,221	20,798,295	24,087,036
Business-type Activities:						
Charges for Services:						
Airport	626,515	536,690	498,854	470,181	499,186	518,839
Water and Sewer	3,900,461	4,449,982	4,274,645	3,291,059	3,298,641	3,400,974
Transportation	497,992	570,637	625,597	551,984	739,667	636,559
Solid Waste	2,963,339	2,753,962	2,740,153	2,925,014	3,052,257	3,250,833
Operating Grants & Contributions	-	500,262	586,312	568,871	414,531	553,792
Capital Grants & Contributions	1,080,859	2,298,916	3,402,150	909,055	296,978	1,318,340
Total business-type activities	9,069,166	11,110,449	12,127,711	8,716,164	8,301,260	9,679,337
Total primary government	32,817,335	39,544,258	32,810,576	29,363,385	29,099,555	33,766,373

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

Year Ended June 30,	2012	2013	2014	2015	2016	2017
Net (Expense)/Revenue						
Governmental Activities	(38,487,719)	(32,657,224)	(36,363,830)	(35,574,832)	(41,830,041)	(83,360,900)
Business-type Activities	(614,442)	1,136,089	2,938,984	252,738	(106,365)	435,089
Total primary government net (expense)/revenue	(39,102,161)	(31,521,135)	(33,424,846)	(35,322,094)	(41,936,406)	(82,925,811)
General Revenues and Other Changes in Net Position						
Governmental Activities:						
Property Taxes	27,863,938	28,484,431	30,238,201	30,948,358	30,694,864	31,435,541
Local Option Sales Taxes	7,285,383	7,774,019	7,885,364	8,283,242	8,721,257	10,549,539
Other Taxes and Licenses	341,863	107,583	655,664	94,972	106,156	115,692
Investment earnings	50,115	48,818	25,582	80,380	135,757	253,493
Miscellaneous	438,680	126,967	192,631	148,911	202,458	246,363
Gain on sale of assets	-	-	598,597	-	54,395	69,728
Transfers	(200,000)	(127,584)	(219,978)	(115,773)	(132,487)	(142,757)
Total governmental activities	35,779,979	36,414,234	39,376,061	39,440,090	39,782,400	42,527,599
Business-type Activities:						
Other Taxes and Licenses	-	-	-	131,116	136,548	141,491
Investment earnings	8,911	603,100	4,197	90,619	30,113	72,717
Capital Contributions	-	-	236,037	-	-	-
Miscellaneous	177,156	86,164	176,833	33,364	38,249	20,670
Gain on sale of assets	-	-	-	-	-	60,204
Transfers	200,000	127,584	219,978	115,773	132,487	142,757
Total business-type activities	386,067	816,848	637,045	370,872	337,397	437,839
Total primary government	36,166,046	37,231,082	40,013,106	39,810,962	40,119,797	42,965,438
Change in Net Position						
Governmental Activities	(2,707,740)	3,757,010	3,012,231	3,865,258	(2,047,641)	(40,833,301)
Business-type Activities	(228,375)	1,952,937	3,576,029	623,610	231,032	872,928
Total primary government	\$ (2,936,115)	\$ 5,709,947	\$ 6,588,260	\$ 4,488,868	\$ (1,816,609)	\$ (39,960,373)

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,	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
General Fund:										
Reserved	\$ 3,372,280	\$ 2,867,035	\$ 3,202,779	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unreserved	11,607,071	11,149,753	9,147,734	-	-	-	-	-	-	-
Nonspendable	-	-	-	256,409	301,552	248,895	292,590	270,487	220,892	247,689
Restricted	-	-	-	3,420,640	3,934,839	3,668,612	5,496,662	5,315,068	5,529,512	6,356,806
Committed	-	-	-	1,420,897	1,157,686	1,049,178	958,041	928,805	912,686	899,367
Assigned	-	-	-	4,340,052	3,088,498	1,970,089	2,404,214	2,560,129	4,102,893	2,912,341
Unassigned	-	-	-	3,465,614	3,720,583	6,267,563	6,254,031	7,617,518	7,226,747	7,754,090
Total fund balances	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	18,170,293
All Other Governmental Funds:										
Reserved	702,352	605,276	846,328	-	-	-	-	-	-	-
Unreserved	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	20,526,423
Committed	-	-	-	3,074,777	1,553,354	1,139,665	1,690,366	1,742,146	1,465,899	1,365,867
Assigned	-	-	-	1,133,302	870,818	263,849	-	-	-	-
Unassigned	-	-	-	(1,628)	(3,111)	(2,669)	(4,655)	(3,748)	(6,341)	(5,745)
Total fund balances	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	21,886,545
Total Governmental Funds:										
Reserved	4,074,632	3,472,311	4,049,107	-	-	-	-	-	-	-
Unreserved	22,419,679	21,016,191	18,261,385	-	-	-	-	-	-	-
Nonspendable	-	-	-	256,409	301,552	248,895	292,590	270,487	220,892	247,689
Restricted	-	-	-	7,638,678	9,542,095	8,512,963	9,561,211	10,597,209	69,340,867	26,883,229
Committed	-	-	-	4,495,674	2,711,040	2,188,843	2,648,407	2,670,951	2,378,585	2,265,234
Assigned	-	-	-	5,473,354	3,959,316	2,233,938	2,404,214	2,560,129	4,102,893	2,912,341
Unassigned	-	-	-	3,463,986	3,717,472	6,264,894	6,249,376	7,613,770	7,220,406	7,748,345
Total fund balances	\$ 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	\$ 40,056,838

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

<i>Year Ended June 30,</i>	2008	2009	2010	2011
Revenues:				
Ad Valorem Taxes	\$ 24,667,222	\$ 25,487,215	\$ 26,095,978	\$ 26,391,065
Local Option Sales Taxes	11,142,288	9,273,969	7,733,398	7,116,858
Other Taxes and Licenses	623,379	671,008	619,734	639,270
Unrestricted Intergovernmental	34,860	34,720	49,420	40,320
Restricted Intergovernmental	10,591,612	10,785,191	11,551,993	11,465,028
Restricted Revenue	-	-	-	-
Permits and Fees	836,316	665,357	633,671	637,857
Sales and Services	5,536,981	5,724,280	6,070,328	7,106,383
Investment Earnings	1,124,025	521,735	139,089	71,566
Miscellaneous	447,608	302,329	201,486	570,214
Total revenues	55,004,291	53,465,804	53,095,097	54,038,561
Expenditures:				
General Government	6,037,685	5,832,069	6,813,324	7,191,915
Public Safety	13,097,186	13,606,623	14,113,545	14,126,640
Economic & Physical Development	2,006,142	1,917,473	1,822,711	1,796,732
Human Services	17,171,101	16,542,424	15,835,849	15,890,421
Cultural and Recreational	861,214	804,946	746,683	639,411
Environmental Protection	465,397	490,848	688,093	525,607
Capital Projects	774,436	400,068	350,399	671,627
Non-Departmental	235,405	255,663	310,503	302,078
Education	10,957,705	12,304,442	10,790,002	11,580,259
Debt Service:				
Principal Retirement	2,235,326	2,366,847	2,231,976	1,974,780
Interest and Fees	990,836	863,468	863,060	784,577
Total expenditures	54,832,433	55,384,871	54,566,145	55,484,047
Revenues over (under) expenditures	171,858	(1,919,067)	(1,471,048)	(1,445,486)
Other Financing Sources (Uses):				
Proceeds from the sale of assets	-	42,615	51,577	26,689
Proceeds from the issuance of debt	-	-	-	-
Capital Contributions	-	-	-	1,460,672
Transfers from other funds	4,833,727	3,615,102	4,260,101	3,290,436
Transfers to other funds	(5,019,307)	(4,065,681)	(5,101,968)	(4,233,907)
Total other financing sources (uses)	(185,580)	(407,964)	(790,290)	543,890
Extraordinary Items	-	-	-	-
Net Change in Fund Balances	\$ (13,722)	\$ (2,327,031)	\$ (2,261,338)	\$ (901,596)
Debt service as a percentage of noncapital expenditures	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	2017
Revenues:						
Ad Valorem Taxes	\$ 28,095,424	\$ 28,346,279	\$ 30,468,449	\$ 30,948,358	\$ 30,682,355	\$ 31,514,338
Local Option Sales Taxes	7,285,383	7,774,019	7,885,364	8,283,242	8,721,257	10,549,539
Other Taxes and Licenses	145,704	97,104	93,773	94,971	106,156	115,692
Unrestricted Intergovernmental	47,439	73,019	5,803,596	6,237,452	6,417,293	6,785,550
Restricted Intergovernmental	13,117,770	11,852,896	5,890,692	6,099,987	6,819,598	8,629,342
Restricted Revenue	-	195,724	227,379	113,733	117,630	101,225
Permits and Fees	557,317	566,950	484,499	485,252	564,286	532,205
Sales and Services	7,491,979	7,641,452	7,200,636	7,124,707	7,463,901	7,637,284
Investment Earnings	50,115	47,849	25,329	79,939	129,377	253,493
Miscellaneous	1,815,320	1,121,074	382,019	178,916	299,710	265,641
Total revenues	58,606,451	57,716,366	58,461,736	59,646,557	61,321,563	66,384,309
Expenditures:						
General Government	5,877,641	5,426,249	5,685,098	5,815,830	5,869,801	6,221,247
Public Safety	16,454,417	15,743,723	17,184,943	17,490,472	17,926,635	19,373,251
Economic & Physical Development	2,258,125	950,949	1,237,107	1,036,274	2,123,020	1,989,507
Human Services	15,785,872	15,182,432	15,533,403	15,910,100	15,680,629	15,710,404
Cultural and Recreational	739,981	1,147,418	1,032,756	1,049,119	1,100,142	1,133,360
Environmental Protection	659,560	663,609	684,793	773,739	807,473	985,831
Capital Projects	3,333,076	3,278,940	-	-	-	792,539.00
Non-Departmental	198,766	198,446	222,715	262,439	298,806	317,920
Education	11,198,335	12,335,205	13,334,623	12,370,800	17,458,221	58,267,779
Debt Service:						
Principal Retirement	1,922,382	1,956,821	1,382,410	1,448,697	164,794	1,947,060
Interest and Fees	697,461	609,929	524,290	472,703	434,471	2,627,984
Total expenditures	59,125,616	57,493,721	56,822,138	56,630,173	61,863,992	109,366,882
Revenues over (under) expenditures	(519,165)	222,645	1,639,598	3,016,384	(542,429)	(42,982,573)
Other Financing Sources (Uses):						
Proceeds from the sale of assets	77,396	72,300	44,351	28,239	61,357	69,728
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	4,611,256
Transfers to other funds	(3,887,616)	(3,658,742)	(3,499,417)	(3,494,472)	(1,890,439)	(4,932,013)
Total other financing sources (uses)	(622,604)	(655,284)	(575,627)	(437,533)	60,143,122	(251,029)
Extraordinary Items	-	-	598,597	-	-	-
Net Change in Fund Balances	\$ (1,141,769)	\$ (432,639)	\$ 1,662,568	\$ 2,578,851	\$ 59,600,693	\$ (43,233,602)
Debt service as a percentage of noncapital expenditures	4.54%	4.56%	3.41%	3.44%	0.99%	4.24%

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

<i>Year Ended June 30,</i>	Real Property	Personal Property	Public Service Companies	Total	Total Direct Tax Rate
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
2017	3,536,160,799	524,295,469	141,488,253	4,201,944,521	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, 2017 and went into effect during the year ended June 30, 2018. 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>	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Duplin County	0.7900	0.7900	0.6900	0.6900	0.7100	0.7100	0.7200	0.7300	0.7300	0.7300
Municipality Rates:										
Beulaville	0.5100	0.5100	0.4400	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	0.3000	0.3000	0.3000	0.3000	0.3000	0.3000	0.3000
Kenansville	0.4950	0.4950	0.3950	0.3950	0.3900	0.4200	0.4500	0.4500	0.4500	0.4700
Magnolia	0.6500	0.6500	0.6500	0.6500	0.6500	0.6600	0.6600	0.6600	0.6600	0.6600
Rose Hill	0.6650	0.6650	0.6400	0.6400	0.6400	0.6400	0.6900	0.6900	0.6900	0.7500
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	0.5600	0.5600	0.5600	0.5600	0.5600	0.5600	0.5900	0.5900
Warsaw	0.5900	0.5900	0.5500	0.5500	0.5500	0.5500	0.5500	0.5500	0.5500	0.5500
Fire Protection Districts:										
Oak Wolfe	0.0500	0.0500	0.0500	0.0500	0.0500	0.0500	0.0500	0.0500	0.0500	0.0500
Glisson	0.0650	0.0650	0.0650	0.0650	0.0650	0.0650	0.0650	0.0650	0.0650	0.0650
Sarecta	0.0550	0.0550	0.0550	0.0550	0.0550	0.0550	0.0550	0.0550	0.0550	0.0550
East Duplin	0.0525	0.0525	0.0525	0.0458	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	0.0650	0.0650	0.0650	0.0630	0.0630	0.0630	0.0630	0.0630	0.0630	0.0630
Franklin	0.0800	0.0800	0.0800	0.0800	0.0800	0.0750	0.0750	0.0750	0.0800	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

		Year Ended June 30, 2017			Year Ended June 30, 2008		
Taxpayer	Type of Business	Assessed Value	Rank	Percentage of Total Taxable Assessed Value	Assessed Value	Rank	Percentage of Total Taxable Assessed Value
Butterball LLC	Poultry Processing	\$ 132,563,296	1	3.15%			
Murphy-Brown LLC	Livestock	106,368,609	2	2.53%			
House of Raeford	Livestock	70,188,537	3	1.67%	\$ 33,588,232	7	1.14%
Guilford Mills	Textiles	51,301,063	4	1.22%	47,774,314	3	1.62%
Duke Energy Progress	Utility	51,487,588	5	1.23%	28,596,819	8	0.97%
Duplin Land Development	Real Estate	45,680,452	6	1.09%	47,391,074	4	1.61%
Nash Johnson & Sons	Livestock	46,037,575	7	1.10%	37,310,122	5	1.27%
Murphy Family Ventures	Livestock	40,952,224	8	0.97%			
United States Cold Storage	Storage/Transport	37,930,567	9	0.90%			
Four County EMC	Utility	28,334,747	10	0.67%	18,548,695	10	0.63%
Carolina Turkeys	Poultry Processing				91,957,423	1	3.13%
Murphy Farms, Inc	Feed				51,253,344	2	1.74%
Carroll's' Foods	Livestock				34,524,462	6	1.17%
Murfam, Inc	Livestock				20,353,452	9	0.69%
		<u>\$ 610,844,658</u>		<u>14.54%</u>	<u>\$ 411,297,937</u>		<u>13.97%</u>

Source: Duplin County Tax Office

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

Year Ended June 30,	Tax Levy	Collected within the Year of Levy			Collections in Subsequent Years	Total Collections to Date	
		Amount	Percentage of Levy	Amount		Percentage of Levy	
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%	568,905	29,541,198	99.30%	
2016	26,948,314	26,102,572	96.86%	526,180	26,628,753	98.81%	
2017	27,647,111	26,755,479	96.77%		26,755,479	96.77%	

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		
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
2017	-	-	58,345,538	9,675,462		-	3,410,297	-	14,221,311		85,652,608

<i>June 30,</i>	Total Debt as a Percentage of Personal Income	Per Capita
2008	2.73%	\$ 754
2009	2.52%	697
2010	2.22%	643
2011	2.06%	591
2012	1.77%	546
2013	2.51%	774
2014	1.49%	489
2015	1.53%	494
2016	8.38%	1,505
2017	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,	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
General Bonded Debt Outstanding:										
General Obligation Bonds	\$ 20,309,400	\$ 19,500,200	\$ 18,686,000	\$ 17,868,500	\$ 17,043,300	\$ 15,915,000	\$ -	\$ -	\$ -	\$ -
Percentage of Estimated Actual Property Value	0.66%	0.62%	0.50%	0.48%	0.45%	0.41%	0.00%	0.00%	0.00%	0.00%
Per Capita	\$ 357.50	\$ 339.52	\$ 318.46	\$ 299.83	\$ 283.90	N/A	N/A	N/A	N/A	N/A
Assessed Value of Taxable Property	\$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	4,201,944,521
	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)	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	336,155,562
Gross Debt:										
General Obligation Bonds	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	72,566,849
Certificates of Participation	8,775,000	8,016,977	6,415,000	5,180,000	3,880,000	2,520,000	1,290,000	-	-	-
Notes Payable	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	13,085,759
Capital Leases	49,131	14,465	-	-	-	-	-	-	-	-
Total gross debt	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	85,652,608
Less: Debt Incurred for Water Activities	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	17,631,608
Total Debt Applicable to Debt Limit (Net Debt)	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	68,021,000
Legal Debt Margin	\$ 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	\$ 268,134,562
Total Debt Applicable to the Limit as a Percentage of the Debt Limit	9.48%	8.44%	6.27%	5.58%	4.87%	4.09%	3.50%	3.09%	20.91%	20.23%

<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
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	1,851,108,000	31,112	9,315	456	9.4%
2014	58,710	1,932,762,000	32,419	9,597	461	9.4%
2015	59,159	1,911,853,000	32,317	9,703	513	6.1%
2016	58,969	1,059,083,240	17,960	9,952	602	5.1%
2017	60,130	1,139,162,850	18,945	9,860	574	4.6%

Sources:

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

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

2017				2008			
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%
Duplin County Schools	1000+	3	5.00%	House of Raeford	1000+	3	5.00%
House of Raeford	500-999	4	3.00%	Duplin County Board of Education	500-999	4	3.00%
Murphy Family Ventures, LLC	500-999	5	3.00%	Guilford Mills, Inc.	500-999	5	3.00%
County of Duplin	500-999	6	3.00%	Murphy Family Ventures, LLC	500-999	6	3.00%
Lear Corporation	500-999	7	3.00%	Bay Valley Foods, LLC	500-999	7	3.00%
Bay Valley Foods, LLC	500-999	8	3.00%	County of Duplin	500-999	8	3.00%
Vidant Medical Center	250-499	9	2.00%	Johnson Breeders, Inc.	250-499	9	2.00%
Burch Equipment, LLC	250-499	10	2.00%	Duplin General Hospital, Inc.	250-499	10	2.00%
	-		29.00%		-		29.00%
Total employment	23,467		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	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
General Government:										
Governing Board	6	6	6	6	6	6	6	5	5	5
Attorney	2	2	2	2	2	3	3	3	3	4
Finance	7	7	7	7	7	7	7	7	8	8
Tax Administration	16	16	16	16	15	15	16	16	16	16
Elections	3	3	4	4	4	4	3	3	3	3
Register of Deeds	7	7	6	6	6	6	6	5	5	5
County Manager	3	3	3	3	3	3	3	3	2	2
Personnel	2	2	2	2	2	3	3	3	3	3
Information Technology	5	5	5	7	7	7	6	8	9	8
Garage	3	3	3	3	3	3	3	3	4	4
Building Maintenance	8	8	8	9	9	9	9	9	9	9
Housekeeping	6	8	8	8	8	7	8	8	8	7
Public Safety:										
Sheriff	50	50	51	51	49	49	51	51	51	51
Court Facilities	2	2	2	2	2	2	2	2	2	2
Communications	21	22	22	22	23	22	23	24	28	26
Faison Substation	3	3	3	3	3	2	2	2	2	2
School Resource Officers	9	9	9	9	9	9	16	16	16	16
Calypso Substation	1	1	1	0	0	0	0	0	0	0
Federally Seized Assets	0	2	0	0	0	0	0	0	0	0
Jail	26	26	27	28	28	32	32	35	35	35
Jail Annex	0	0	0	0	0	0	0	0	9	13
JSCC-School Resource Officer	0	2	1	1	0	0	0	0	0	0
Emergency Management	2	3	2	2	2	2	2	2	2	2
Fire Marshall	2	2	2	2	2	1	1	1	1	2
Building Inspections	4	4	4	3	4	4	4	4	4	4
Emergency Medical Services	74	73	69	70	74	74	74	74	73	70
E-911	1	0	0	0	0	0	0	0	0	0
Animal Services	3	3	3	3	3	3	3	4	4	4
Economic and Physical Development:										
Planning	1	1	1	1	1	1	1	1	1	1
Economic Development	3	2	2	2	2	2	2	2	2	2
NC Arts Grant-Se Agri Tour	1	1	1	1	1	1	1	1	0	0
Tourism Development	2	2	2	2	2	2	2	2	2	2
JCPC-Duplin Parenting	1	1	1	1	1	1	1	0	0	0
JCPC-4-H Outreach	1	1	1	1	1	1	1	1	1	1
Environmental Protection:										
Soil Conservation	6	6	6	6	6	6	6	6	6	6

Duplin County, North Carolina
Full-time County Government Employees by Function/Program
Last Ten Years
Table 13

Function/Program	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Human Services:										
Health	36	35	35	34	32	32	34	35	37	36
Environmental Health	7	7	7	7	6	6	6	6	6	6
Healthy Beginnings	0	0	0	0	1	1	1	0	0	0
Smart Start Child Care	1	1	1	1	0	0	0	0	0	0
Dental Program	2	0	2	3	4	4	5	2	2	2
Bioterrorism	1	0	0	0	0	0	0	0	0	0
County Wellness	0	0	1	0	1	2	0	2	1	1
Health and Wellness Grant	2	2	2	2	2	0	2	0	0	0
Cap Fear Chronic Disease Grant	0	0	1	1	0	0	0	0	0	0
Community Health	0	1	1	1	1	0	0	0	0	0
Pregnancy Care Management	0	0	0	0	0	1	1	1	0	0
Maternal Care Coordination	0	0	0	0	1	0	0	0	0	0
Maternal Health	1	1	1	1	1	1	1	1	1	1
Family Planning	1	1	1	1	0	0	0	0	0	0
WIC	0	0	0	10	10	10	10	10	8	8
Child Health	2	2	2	2	2	2	2	2	2	2
Interpreter Grant	1	1	1	1	0	0	0	0	0	0
CCHC	0	0	0	0	0	0	0	0	1	1
Social Services Administration	115	115	115	115	110	110	110	110	118	120
Social Services Security	0	2	1	1	0	0	0	0	0	0
Title IV-D Child Support	2	2	2	2	2	2	0	0	0	0
Social Services Building	2	2	2	1	1	1	1	1	1	1
County Aging	8	8	8	8	8	8	8	8	8	6
Aging In Home Aid Services	3	3	3	3	3	6	6	6	8	8
Senoir Center	1	1	1	1	0	0	0	0	0	0
Family Caregiver	1	1	1	1	1	1	1	1	0	0
Veteran's Service Officer	1	1	1	1	1	2	3	3	3	3
Nutrition Homebound Meals	1	1	1	1	1	1	1	1	1	1
Nutrition	6	6	5	5	5	5	5	5	5	6
Cultural and Recreational:										
Library	11	11	11	11	11	11	13	13	12	12
Parks and Recreation	4	4	3	3	3	2	3	3	3	3
Events Center	2	0	0	3	3	3	3	2	2	2
Museum	1	1	1	1	1	0	1	1	1	1
Water:										
County Water	13	13	13	13	13	13	13	13	13	14
Transportation	14	14	14	23	20	15	19	16	17	17
Airport	2	3	3	3	3	3	3	3	3	3
Solid Waste:										
Solid Waste Collections	26	26	26	27	27	27	29	29	29	29
Solid Waste Disposal	3	3	3	3	4	4	5	5	5	5
Solid Waste Recycling	3	3	2	2	2	2	3	3	3	3
Totals	551	554	548	571	562	559	585	582	604	604

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

Function Program	2008	2009	2010	2011
Airport:				
Gallons-Aviation Gas Sold (yearly)	21,456.23	9,235.79	28,183.24	27,568.94
Gallons-Jet Fuel Sold (yearly)	105,303.58	89,930.33	97,545.11	73,272.04
EMS:				
Transports	4724	4800	5274	5510
Environmental Health:				
Well Permits Issued	N/A	65	27	31
Food & Lodging Inspections	N/A	348	218	202
On Site Evaluations	N/A	222	109	70
Other Permits/Inspections	N/A	506	246	203
Inspections:				
Building Inspections	2529	4818	4311	6618
Mobile/Modular Homes	155	341	279	231
New Dwellings (Residential)	36	69	67	59
Multi-Family Dwellings	0	1	0	0
Commercial	19	30	32	33
Other Inspections	1099	2240	2306	2203
Health Department:				
Primary Care Physicals	N/A	207	122	71
Primary Care Treatments	N/A	2445	1335	1021
Family Planning Physicals	N/A	510	325	184
Maternal Health Patients	N/A	1017	656	382
Maternal Health Patients (non-english speaking)	N/A	795	513	281
Maternal Health Visits	N/A	1273	875	486
Child Health Physicals	N/A	399	451	293
Medications Dispensed	N/A	2175	1340	1046
Immunizations Provided	N/A	2204	2986	1310
Dental Services Provided	N/A	N/A	N/A	339
WIC number seen	N/A	N/A	N/A	927
TB Cases/Suspects	N/A	25	12	15
TB Skin Test	N/A	624	412	324
STD/CD	N/A	166	88	76
HIV/AIDS	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	2017
Airport:						
Gallons-Aviation Gas Sold (yearly)	39,071.59	26,674.61	21,962.31	19,206.19	27,727.40	28,496.10
Gallons-Jet Fuel Sold (yearly)	67,319.76	63,208.59	63,134.42	83,071.13	106,860.68	112,959.21
EMS:						
Transports	5702	6097	9056	6875	7938	6279
Environmental Health:						
Well Permits Issued	N/A	44	83	37	89	116
Food & Lodging Inspections	N/A	146	731	472	771	801
On Site Evaluations	N/A	117	316	210	293	358
Other Permits/Inspections	N/A	407	423	740	956	1086
Inspections:						
Building Inspections	7589	7019	6511	6624	6279	9256
Mobile/Modular Homes	303	269	232	248	227	259
New Dwellings (Residential)	42	64	43	42	44	50
Multi-Family Dwellings	15	27	24	13	30	41
Commercial	N/A	N/A	N/A	N/A	N/A	N/A
Other Inspections	2565	2526	N/A	N/A	N/A	N/A
Health Department:						
Primary Care Physicals	N/A	95	474	6702	5653	462
Primary Care Treatments	N/A	1279	5212	8299	7207	6347
Family Planning Physicals	N/A	255	686	1703	1258	1167
Maternal Health Patients	N/A	679	313	1189	1449	1491
Maternal Health Patients (non-english speaking)	N/A	479	219	0	N/A	N/A
Maternal Health Visits	N/A	700	1733	2166	2637	1697
Child Health Physicals	N/A	408	1035	1050	1108	942
Medications Dispensed	N/A	1262	2999	421	1688	N/A
Immunizations Provided	N/A	1965	3117	3211	3149	7028
Dental Services Provided	N/A	599	1258	572	190	114
WIC number seen	N/A	3913	20346	7987	12249	20689
TB Cases/Suspects	N/A	6	7	312	19	10
TB Skin Test	N/A	267	342	83	0	N/A
STD/CD	N/A	107	661	842	704	523
HIV/AIDS	N/A	10	N/A	0	0	N/A

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

(Continued)

Function Program	2008	2009	2010	2011
Register of Deeds:				
Marriage License Issued	343	310	331	356
Death Certificates Issued	2936	2379	2418	2404
Birth Certificates Issued	2208	1823	2245	1980
Sheriff:				
Number of Vehicles	65	72	71	76
Number of Officers/Jailers	78	82	80	80
Civil papers processed	6621	6394	6497	6525
Social Services:				
Child Support Collections	\$5,774,649	\$5,954,184	\$6,078,335	\$6,122,099
Solid Waste:				
MSW	17,317.30	20,740.14	21,401.27	22,234.40
C & D	2,770.54	2,684.83	2,355.02	1,751.70
Tires	780.65	816.07	766.17	738.58
Oil	6,866.00	11,143.00	6,582.00	9,088.00
Mixed Recycle	75.99	99.14	114.14	112.82
Glass	119.89	133.32	144.61	137.50
Cardboard	749.71	655.02	468.35	441.72
Plastics	62.93	72.37	165.53	87.89
Mixed Paper	207.14	220.29	222.88	202.70
Cans	27.65	34.22	35.96	34.48
Water:				
Residential Customers	6,051	6,167	6,279	6,363
Commerical Customers	104	103	100	110
Production	438,808,000	518,408,000	520,255,000	526,945,000
Residential Consumption	331,190,000	343,252,000	339,377,000	341,565,000
Commerical Consumption	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	2017
Register of Deeds:						
Marriage License Issued	298	336	322	324	309	325
Death Certificates Issued	2560	2306	2349	2200	2039	1840
Birth Certificates Issued	2304	2183	2220	2097	2073	2237
Sheriff:						
Number of Vehicles	73	73	83	95	95	95
Number of Officers/Jailers	75	83	92	96	96	100
Civil papers processed	6332	6137	6220	5795	5795	6096
Social Services:						
Child Support Collections	\$6,005,674	\$5,913,960	\$5,310,732	\$5,952,202	\$6,152,924	\$6,249,887
Solid Waste:						
MSW	22,828.02	21,256.50	20,774.99	24,114.38	26,584.78	27,570.21
C & D	2,087.54	1,787.94	1,927.24	1,950.82	1,899.29	3,313.00
Tires	595.00	579.23	613.27	746.50	588.15	601.22
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	103.53
Glass	161.14	140.98	150.40	121.73	136.69	131.16
Cardboard	474.23	254.26	227.94	339.86	328.22	140.47
Plastics	73.04	60.95	55.52	51.57	54.13	50.77
Mixed Paper	184.85	174.97	173.11	157.12	153.01	180.83
Cans	29.06	26.14	25.50	22.56	25.29	24.51
Water:						
Residential Customers	6,460	6,541	6,667	6,850	6,840	6,961
Commerical Customers	115	115	115	113	131	135
Production	541,992,000	551,092,000	555,715,000	585,100,000	586,155,000	597,514,000
Residential Consumption	334,186,000	333,657,000	342,482,000	344,629,000	306,281,000	319,357,000
Commerical Consumption	160,345,000	162,608,000	162,068,000	171,031,000	151,902,000	154,498,000

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

Function/Program	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
General Government:										
Number of Buildings	9	9	9	9	9	9	9	9	9	9
Value of Buildings/contents	\$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	\$8,905,194
Public Safety:										
Number of patrol vehicles	61	69	68	73	69	69	74	77	90	89
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	15	13	13	13	13	13	14	14	14	14
Number of jail beds	98	98	98	98	98	98	98	98	98	118
Cultural & Recreational:										
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
Enterprise Funds:										
Solid Waste convenience sites	15	15	15	15	15	15	15	15	15	15
Number of Water Tanks	12	12	12	12	12	12	12	12	12	12
Number of Water pumping sites	15	15	15	15	15	15	15	15	15	15
Number of Transportation vehicles	14	15	14	15	14	14	14	14	14	14

Compliance Section

**INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER
FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS
BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN
ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS***

To the Board of County Commissioners
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, 2017, and the related notes to the financial statements, which collectively comprise the County's basic financial statements and have issued our report thereon dated February 19, 2018. 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.

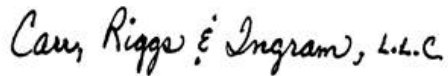
Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or, significant deficiencies. Given these limitations, during our audit we did not 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.

Handwritten signature in cursive script that reads "Cary Riggs & Ingram, L.L.C."

Goldsboro, North Carolina

February 19, 2018

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

To the Board of County Commissioners
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, 2017. 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.

Auditors' 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, 2017.

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.

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

Goldsboro, North Carolina
February 19, 2018

**INDEPENDENT AUDITORS' 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, 2017. 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.

Auditors' 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, 2017.

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.

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

Goldsboro, North Carolina
February 19, 2018

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

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

 \$ 1,963,473

Auditee qualified as a low risk auditee?

_____ Yes X No

Internal control over financial reporting:

- Material weaknesses identified?	<u> </u> Yes	<u> X </u> 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
NC Clean Water Revolving Loan & Grant Program

Section II - Financial Statement Findings

None reported.

Section III - Federal Award Findings and Questioned Costs

None reported.

Section IV - State Award Findings and Questioned Costs

None reported.

Section II - Financial Statement Findings

None reported.

Section III - Federal Award Findings and Questioned Costs

None reported.

Section IV - State Award Findings and Questioned Costs

None reported.

Section II - Financial Statement Findings

None reported.

Section III - Federal Award Findings and Questioned Costs

None reported.

Section IV - State Award Findings and Questioned Costs

None reported.

Duplin County, North Carolina
Schedule of Federal and State Awards
For the Year Ended June 30, 2017
Page 1 of 7

Grantor/Passthrough Grantor/Program Title	Federal CFDA Number	State/ Passthrough Grantor's Number	Federal (Direct & Passthrough) Expenditures	State Expenditures	Local Expenditures
Federal Awards:					
<u>U.S. Department of Agriculture:</u>					
NC Department of Health and Human Services: Division of Social Services:					
<u>Supplemental Nutrition Assistance Program (SNAP) Cluster</u>					
Food Stamps Administrative Match for the Supplemental Nutrition Assistance Program	10.561		\$ 709,001	\$ -	\$ 709,001
Total Supplemental Nutrition Assistance Program (SNAP) Cluster			709,001	-	709,001
Passed through the NC Department of Health and Human Services Division of Public Health:					
Administration:					
Special Supplemental Nutrition Program for Women, Infants, and Children	10.557		471,807	-	-
Direct Benefit Payments:					
Special Supplemental Nutrition Program for Women, Infants, and Children	10.557		1,333,201	-	-
Total U.S. Department of Agriculture			2,514,009	-	709,001
<u>U.S. Institute of Museum and Library Services:</u>					
Passed through the NC Department of Cultural Resources:					
LSTA Planning Grant	45.310		1,168	-	-
<u>U.S. Department of Housing and Urban Development:</u>					
Passed through NC Department of Commerce:					
Community Development Block Grant	14.228	2015-I-Project	198,831	-	-
Community Development Block Grant	14.228	12-C-2494	526,196	-	-
Total U.S. Department of Housing and Urban Development			725,027	-	-
<u>U.S. Department of Homeland Security:</u>					
Passed through NC Department of Public Safety:					
Disaster Grants - Public Assistance (Presidentially Declared Disaster)	97.036		455,880	-	-
Emergency Management Performance Grants	97.042	2014-37061	38,584	-	-
Total U.S. Department of Homeland Security			494,464	-	-
<u>U.S. Department of Transportation:</u>					
Passed through the NC Department of Transportation:					
Formula Grants For Rural Areas	20.509		313,524	-	-
Airport Improvement Program	20.106		90,620	-	-
<u>Transit Services Programs Cluster</u>					
Capital Assistance Program for Elderly Persons with Disabilities	20.513		10,481	-	-
Total Transit Services Programs Cluster			10,481	-	-
Total U.S. Department of Transportation			414,625	-	-

Duplin County, North Carolina
Schedule of Federal and State Awards
For the Year Ended June 30, 2017
Page 2 of 7

Grantor/Passthrough Grantor/Program Title	Federal CFDA Number	State/ Passthrough Grantor's Number	Federal (Direct & Passthrough) Expenditures	State Expenditures	Local Expenditures
<u>U.S. Department of Health and Human Services:</u>					
Passed through the NC Department of Health and Human Services Division of Aging and Adult Services:					
Passed through the Eastern Carolina Council:					
<u>Aging Cluster:</u>					
Special Programs for the Aging - Title III B Grants for Supportive Services and Senior	93.044		57,118	3,361	6,720
Special Programs for the Aging - Title III C Nutrition Services	93.045		212,299	15,884	21,580
Nutrition Services Incentive Program	93.053		40,680	-	-
Total Aging Cluster			310,097	19,245	28,300
HCCBG - In Home/Support Services	93.667		7,421	212	848
HCCBG - State	N/A		-	145,574	16,176
Title III-D Preventive Health	93.043		4,133	243	486
Family Caregiver Support Title III-E	93.052		8,654	-	2,413
Operation Fan		NC-15	-	466	-
Senior Center Development		NC-15	-	3,179	-
Social Service Block Grant (SSBG) - In Home Services	93.667		130	-	19
Passed through the NC Department of Health and Human Services Division of Public Health:					
Office of Population Affairs:					
Family Planning Services Title X	93.217		39,958	-	-
Passed through the NC Department of Health and Human Services Division of Social Services:					
Administration for Children and Families:					
Family Preservation	93.556		14,053	-	-
<u>Temporary Assistance for Needy Families (TANF) Cluster:</u>					
Temporary Assistance for Needy Families (TANF)/Work First	93.558		900,967	-	334,857
Temporary Assistance for Needy Families	93.558		11,897	-	-
TANF/Work First - Direct Benefit Payments	93.558		234,253	-	181
Total Temporary Assistance for Needy Families (TANF) Cluster			1,147,117	-	335,038
AFDC Payments - Direct Benefit Payments	93.560		(64)	(18)	(18)
Child Support Enforcement	93.563		528,055	-	272,028
Refugee Assistance Payment	93.566		8,711	-	-
Low Income Home Energy Assistance:					
Crisis Intervention	93.568		80,580	-	-
Administration	93.568		50,765	-	-
Energy Assistance Payments	93.568		1,905	-	-
Permanency Planning - Families for Kids	93.645		16,215	-	5,405

Duplin County, North Carolina
Schedule of Federal and State Awards
For the Year Ended June 30, 2017
Page 3 of 7

Grantor/Passthrough Grantor/Program Title	Federal CFDA Number	State/ Passthrough Grantor's Number	Federal (Direct & Passthrough) Expenditures	State Expenditures	Local Expenditures
<u>U.S. Department of Health and Human Services (continued):</u>					
<u>Foster Care and Adoption Cluster:</u>					
Title IV-E CPS	93.658		77,618	45,548	32,070
Title IV-E Foster Care	93.658		186,429	28,133	118,565
Title IV-E Adoption	93.659		-	-	-
Foster Care	N/A		13,962	-	-
Adoption Assistance - Direct Benefit Payments	93.658		191,868	48,855	48,855
Foster Care - Direct Benefit Payments	93.659		202	-	100
Total Foster Care and Adoption Cluster			470,079	122,536	199,590
Adult Protective Services	93.667		20,600	-	6,867
Social Services Block Grant (SSBG)	93.667		224,357	19,716	81,357
<u>Subsidized Child Care Cluster:</u>					
Division of Social Services:					
Child Care Development Fund - Administration	93.596		102,262	-	-
Division of Child Development:					
Child Care and Development Fund - Discretionary	93.575		927,449	-	-
Child Care and Development Fund - Mandatory	93.596		372,431	-	-
Child Care and Development Fund - Match	93.596		87,889	-	-
Total Child Care Cluster			1,490,031	-	-
Temporary Assistance for Needy Families	93.558		295,228	-	-
Foster Care Title IV-E	93.658		28,385	14,211	-
State Appropriations	N/A		-	187,677	-
TANF-MOE	N/A		-	187,448	-
Total Subsidized Child Care Cluster			1,813,644	389,336	-
Passed through the NC Department of Health and Human Services Division of Medical Assistance:					
<u>Medicaid Cluster Cluster:</u>					
Medical Assistance Program - Direct Benefit Payments	93.778		53,198,874	28,168,356	-
State Children's Insurance Program - Direct Benefit Payments	93.767		1,262,434	6,320	-
Total Medicaid Cluster:			54,461,308	28,174,676	-
Passed through the NC Department of Health and Human Services Division of Social Services:					
Links	93.674		3,169	792	-
Medical Assistance Program Administration	93.778		1,806,489	7,721	710,421
State Children's Insurance Program - NC Health Choice	93.767		74,196	71	115

Duplin County, North Carolina
Schedule of Federal and State Awards
For the Year Ended June 30, 2017
Page 4 of 7

Grantor/Passthrough Grantor/Program Title	Federal CFDA Number	State/ Passthrough Grantor's Number	Federal (Direct & Passthrough) Expenditures	State Expenditures	Local Expenditures
<u>U.S. Department of Health and Human Services (continued):</u>					
<u>Foster Care and Adoption Cluster:</u>					
Title IV-E CPS	93.658		77,618	45,548	32,070
Title IV-E Foster Care	93.658		186,429	28,133	118,565
Title IV-E Adoption	93.659		-	-	-
Foster Care	N/A		13,962	-	-
Adoption Assistance - Direct Benefit Payments	93.658		191,868	48,855	48,855
Foster Care - Direct Benefit Payments	93.659		202	-	100
Total Foster Care and Adoption Cluster			470,079	122,536	199,590
Adult Protective Services	93.667		20,600	-	6,867
Social Services Block Grant (SSBG)	93.667		224,357	19,716	81,357
<u>Subsidized Child Care Cluster:</u>					
Division of Social Services:					
Child Care Development Fund - Administration	93.596		102,262	-	-
Division of Child Development:					
Child Care and Development Fund - Discretionary	93.575		927,449	-	-
Child Care and Development Fund - Mandatory	93.596		372,431	-	-
Child Care and Development Fund - Match	93.596		87,889	-	-
Total Child Care Cluster			1,490,031	-	-
Temporary Assistance for Needy Families	93.558		295,228	-	-
Foster Care Title IV-E	93.658		28,385	14,211	-
State Appropriations	N/A		-	187,677	-
TANF-MOE	N/A		-	187,448	-
Total Subsidized Child Care Cluster			1,813,644	389,336	-
Passed through the NC Department of Health and Human Services Division of Medical Assistance:					
<u>Medicaid Cluster Cluster:</u>					
Medical Assistance Program - Direct Benefit Payments	93.778		53,198,874	28,168,356	-
State Children's Insurance Program - Direct Benefit Payments	93.767		1,262,434	6,320	-
Total Medicaid Cluster:			54,461,308	28,174,676	-
Passed through the NC Department of Health and Human Services Division of Social Services:					
Links	93.674		3,169	792	-
Medical Assistance Program Administration	93.778		1,806,489	7,721	710,421
State Children's Insurance Program - NC Health Choice	93.767		74,196	71	115

Duplin County, North Carolina
Schedule of Federal and State Awards
For the Year Ended June 30, 2017
Page 5 of 7

Grantor/Passthrough Grantor/Program Title	Federal CFDA Number	State/ Passthrough Grantor's Number	Federal (Direct & Passthrough) Expenditures	State Expenditures	Local Expenditures
Centers for Disease Control and Prevention:					
Passed through the NC Department of Health and Human Services Division of Public Health:					
Emergency Preparedness (PHEP) Aligned Cooperative Agreement	93.074		42,188	-	-
Project Grants and Cooperative Agreements for Tuberculosis Control Programs	93.116		29,579	-	-
Immunization Grants	93.268		7,166	-	-
Preventive Health & Human Services Block Grant funded solely with Prevention & Public	93.758		26,708	-	-
Preventive Health Services - Sexually Transmitted Diseases Control Grants	93.977		989	-	-
Immunization Action Plans	93.539		10,148	-	-
Health Resources and Services Administration:					
Passed through the NC Department of Health and Human Services Division of Public Health:					
Maternal and Child Health Services Block Grant	93.994		86,967	65,608	-
Prescription Drug Overdose Prevention Program	93.136		1,500	-	-
Comprehensive HIV Prevention Project	93.940		3,000	-	-
Total U.S. Department of Health and Human Services			61,299,817	28,949,357	1,659,045

State Awards:

<u>NC Department of Health and Human Services:</u>					
Division of Social Services:					
County Funded Programs			-	-	385,841
Energy Assistance Private GRA			-	-	-
Non-Allocating County COS			-	-	62,576
AFDC Incentive/Program Integrity			-	3,262	-
Child Welfare/CPS/CS LD			-	52,781	-
Work First Non-Reimbursable			-	-	25
CSE Disaster Non-Reimbursable			-	-	6,984
Direct Benefit Payments:					
Child Welfare Services Adoption Subsidy			-	98,655	18,517
State/County Special Assistance Domiciliary Care			-	464,029	468,049
SFHF Maximization			-	(294)	(294)
State Foster Home			-	38,079	38,078
SSA/SAD HB 1030			-	27,098	22,610
Total Division of Social Services			-	683,610	1,002,386

Duplin County, North Carolina
Schedule of Federal and State Awards
For the Year Ended June 30, 2017
Page 6 of 7

Grantor/Passthrough Grantor/Program Title	Federal CFDA Number	State/ Passthrough Grantor's Number	Federal (Direct & Passthrough) Expenditures	State Expenditures	Local Expenditures
Division of Public Health:					
Food and Lodging Fees			-	13,639	-
Aid-To-County			-	2,023	-
HMHC - Family Planning			-	6,724	-
General Aid to Counties			-	80,554	-
General Communicable Disease Control			-	4,440	-
Risk Reduction/Health Promotion			-	-	-
Maternal Health (HMHC)			-	10,531	-
Women's Health Service Fund			-	8,661	-
Tuberculosis			-	34,549	-
Child Health			-	1,998	-
PCM for Women Ineligible for Medicaid			-	9,645	-
HIV/STD State			-	500	-
STD Drugs			-	645	-
Total Division of Public Health			-	173,909	-
Total NC Department of Health and Human Services			-	857,519	1,002,386
<u>NC Department of Transportation:</u>					
Rural Operating Assistance Program - Work First		DOT-16CL	-	15,377	-
Rural Operating Assistance Program - EDTAP		DOT-16CL	-	70,320	-
Rural Operating Assistance Program - Rural General Public		DOT-16CL	-	88,073	-
Airport Improvement Program		DOT-8	-	61,754	-
Formula Grants for Rural Areas		DOT-11	-	8,358	-
Formula Grants for Rural Areas		DOT-14	-	22,472	-
Total NC Department of Transportation			-	266,354	-
<u>NC Department of Environmental Quality:</u>					
Division of Water:					
WIF - CDBG Community Development Block Grant			-	264,099	-
WIF - CW Special Appropriated Projects		DEQ-10	-	735,343	-
WIF - General Wastewater Revolving			-	23,039	-
Total NC Department of Environmental Quality			-	1,022,481	-
<u>NC Department of Public Safety:</u>					
Office of Juvenile Justice:					
4-H Outreach			-	47,664	-
Youth Shelter			-	4,168	-
Administration			-	1,103	-
Juvenile Court			-	6,000	-
Building Peace			-	42,910	-
Restitution/Teen Court			-	70,008	-
Total NC Department of Public Safety			-	171,853	-

Duplin County, North Carolina
Schedule of Federal and State Awards
For the Year Ended June 30, 2017
Page 7 of 7

Grantor/Passthrough Grantor/Program Title	Federal CFDA Number	State/ Passthrough Grantor's Number	Federal (Direct & Passthrough) Expenditures	State Expenditures	Local Expenditures
<u>NC Department of Public Instruction:</u>					
Public School Building Capital Funds			-	744,366	-
<u>NC Department of Commerce:</u>					
Rural Center Grants		G40431004115MUS	-	58,000	-
<u>NC Department of Military and Veterans Affairs:</u>					
State Aid			-	2,130	-
<u>NC Department of Agriculture:</u>					
State Expenditures			-	230,250	-
<u>NC Department of Natural and Cultural Resources:</u>					
Aid to Public Libraries			-	122,312	-
Total Awards			\$ 65,449,110	\$ 32,424,622	\$ 3,370,432

Notes to the Schedule of Expenditures of Federal and State Awards

NOTE 1 – BASIS OF PRESENTATION

The accompanying schedule of expenditures of federal and state awards (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, 2017. The information in the SEFSA is presented in accordance with the requirements of Title 2 *US Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* and the State Single Audit Implementation Act. Because the SEFSA 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. Duplin County has elected not to use the 10—percent de minimus indirect cost rate as allowed under the Uniform Guidance.

NOTE 3 – PROGRAM CLUSTERS

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

- Subsidized Child Care
- Foster Care and Adoption

NOTE 4 – FEDERAL PASS-THROUGH FUNDS

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

NOTE 5 – CONTINGENCIES

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

NOTE 6 – NONCASH ASSISTANCE

The County did not receive any federal noncash assistance for the fiscal year ended June 30, 2017.

NOTE 7 – INDIRECT COSTS

The County has elected not to use the 10 percent de minimus cost rate.

NOTE 8 – LOANS AND LOAN GUARANTEES

The County did not have any loans or loan guarantee programs required to be reported on the schedule for the fiscal year ending June 30, 2017.