

Comprehensive Annual Financial Report

For the Year Ended June 30, 2018

Duplin County



North Carolina

**DUPLIN COUNTY  
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June 30, 2018**

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## FINANCIAL SECTION



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## **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, as of and for the year then ended June 30, 2018, and the related notes to the financial statements, which collectively comprise Duplin County's basic financial statements as listed in the table of contents.

### ***Management's Responsibility for the Financial Statements***

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

### ***Auditors' Responsibility***

Our responsibility is to express opinions on these financial statements based on our audit. We 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 the Duplin County TDA 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 opinions, based on our audit, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, business-type activities, the discretely presented component units, each major fund, and the aggregate remaining fund information of Duplin County, North Carolina as of June 30, 2018, and the respective changes in financial position and cash flows, where applicable, thereof and the respective budgetary comparison for the General Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

### ***Other Matters***

#### *Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis, the Other Postemployment Benefits Schedules of Changes in the Net OPEB Liability and related Ratios, the Local Government Employees' Retirement System Schedules of the County's Proportionate Share of Net Pension Liability 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, the Law Enforcement Officers' Special Separation Allowance schedules of the Changes in Total Pension Liability and Total Pension Liability as a Percentage of Covered Payroll, 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 and Schedule of Expenditures of Federal and State Awards, *Title 2 U.S. Code of Federal Regulations (CFR) Part 200*, Uniform Administrative Requirements, Cost Principles, and Audit



Requirements for Federal Awards and the *State Single Audit Implementation Act* are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining and individual fund financial statements, budgetary schedules, other schedules and the Schedule of Expenditures of Federal and State Awards are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America by us. 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 June 19, 2019 on our consideration of 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.

*Thompson, Price, Scott, Adams & Co., P.A*

*Thompson, Price, Scott, Adams & Co., P.A*

*Wilmington, North Carolina*

*June 19, 2019*

## MANAGEMENT'S DISCUSSION AND ANALYSIS

## Management's Discussion and Analysis

As management of Duplin County, we offer readers of Duplin County's (the "County") financial statements this narrative overview and analysis of the financial activities of the County for the fiscal year ended June 30, 2018. 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

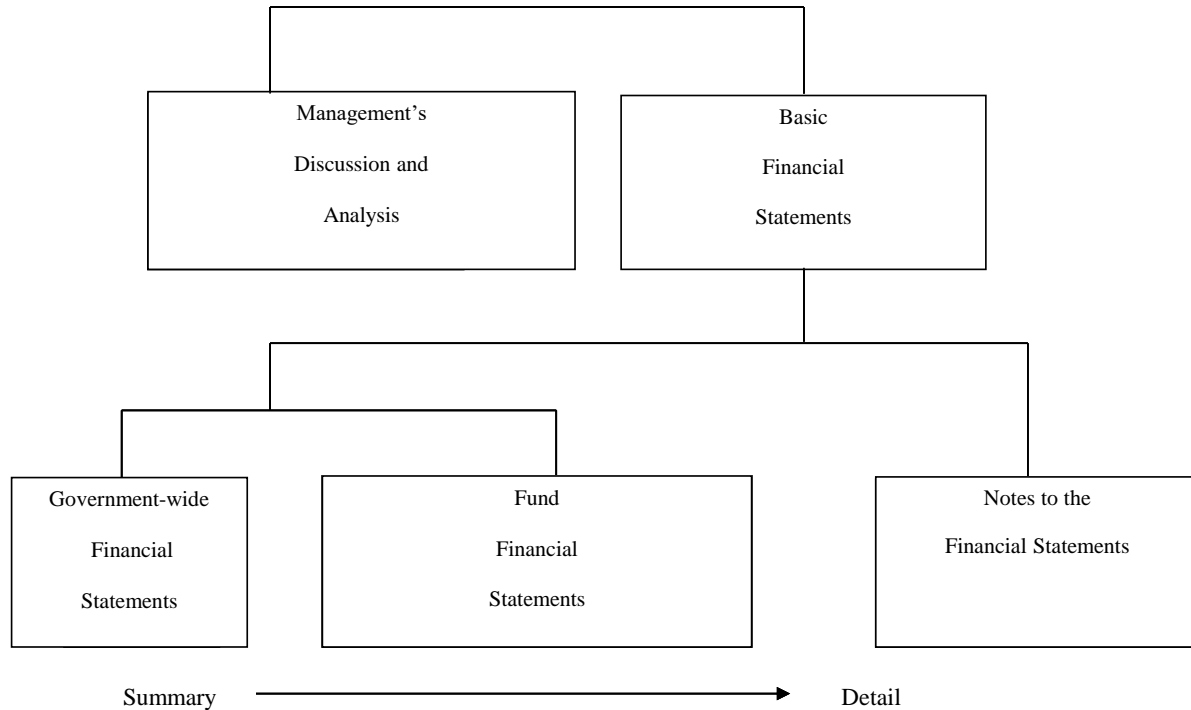
- The assets and deferred outflows of resources of Duplin County exceeded its liabilities and deferred inflows of resources at the close of the fiscal year by \$16,067,192 (net position).
- The government's total net position decreased by \$13,190,448 primarily due to a decrease in net position in the governmental activities.
- As of the close of the current fiscal year, Duplin County's governmental funds reported combined ending fund balances of \$27,170,563, after a net decrease in fund balance of \$12,900,975. Approximately 74.91% of this total amount, or \$20,354,525, is restricted or non-spendable.
- At the end of the current fiscal year, unassigned fund balance for the consolidated General Fund was \$6,822,256, or 13.00% of total General Fund expenditures.
- Duplin County's total debt decreased by \$1,967,584 during the current fiscal year.

### 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 (see Figure 1). The basic financial statements present two different views of the County through the use of government-wide statements and fund financial statements. In addition to the basic financial statements, this report contains other supplemental information that will enhance the reader's understanding of the financial condition of the Duplin County.

### Required Components of Annual Financial Report

Figure 1



#### Basic Financial Statements

The first two statements (Exhibits 1&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 3-9) 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 government fund statements; 2) the budgetary comparison statements; 3) the proprietary governmental funds statements; 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 major and non-major governmental funds, all of which are added together in one column on the basic financial statements. Budgetary information required by the General Statutes also can be found in this part of the statements.

Following the Notes is the required supplemental information. This section contains funding information about the County's Other Post Employment Benefit Plan and Pension Plans.

## Government-Wide Financial Statements

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

The two government-wide statements report the County's net position and how it has changed. Net position is the difference between the County's total assets and 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 three categories: 1) governmental activities, 2) business-type activities, and 3) Component Units. The governmental activities include most of the County's basic services such as 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 government-wide financial statements are on Exhibits 1 and 2 of this report.

## Fund Financial Statements

The Fund Financial Statements (see Figure 1) 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 North Carolina General Statutes or the County's budget ordinance. All of the funds of the County can be divided into three categories: governmental funds, proprietary funds, and fiduciary fund.

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 the 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 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 government activities (reported in the Statement of Net Position and the Statement of Activities) and governmental funds is described in a reconciliation that is a part of the fund financial statements.

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

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 agency funds.

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.

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.

### **Government Wide Financial Analysis**

As noted earlier, net position, over time, may serve as a useful indicator of a government's financial position. For Duplin County, assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$16,067,192 at the close of the most recent fiscal year.

By far, the largest portion, \$48,684,827 (303%), of Duplin County's net position reflects its net investment in capital assets (e.g., land, buildings, machinery, and equipment), less any related debt used to acquire those assets that are still outstanding. 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 related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to repay these liabilities.

At the end of the current fiscal year, Duplin County had an additional portion net position \$16,132,544 (100.4%) that represents resources subject to external restrictions on how they may be used. The remaining balance of (\$48,750,179) is unrestricted.

**Duplin County's Net Position**

**Figure 2**

	Governmental Activities		Business-Type Activities		Total	
	2018	2017	2018	2017	2018	2017
Current and other assets	\$ 40,683,053	\$ 54,737,974	\$ 13,714,414	\$ 12,749,241	\$ 54,397,467	\$ 67,487,215
Capital assets	21,221,263	21,396,083	54,901,763	54,466,435	76,123,026	75,862,518
Total assets	61,904,316	76,134,057	68,616,177	67,215,676	130,520,493	143,349,733
Deferred outflows of resources	3,850,443	6,062,535	537,905	755,842	4,388,348	6,818,377
Long-term liabilities outstanding	93,978,095	88,078,848	19,502,242	18,699,667	113,480,337	106,778,515
Other liabilities	1,295,678	2,870,567	1,609,061	1,476,131	2,904,739	4,346,698
Total liabilities	95,273,773	90,949,415	21,111,303	20,175,798	116,385,076	111,125,213
Deferred inflows of resources	2,271,568	347,650	185,006	21,920	2,456,574	369,570
Net Position:						
Net investment in capital assets	11,724,958	11,720,621	36,959,869	36,834,827	48,684,827	48,555,448
Restricted	14,578,586	26,883,229	1,553,958	1,552,055	16,132,544	28,435,284
Unrestricted	(58,094,126)	(47,704,323)	9,343,947	9,386,918	(48,750,179)	(38,317,405)
Total net position	\$(31,790,582)	\$ (9,100,473)	\$ 47,857,774	\$ 47,773,800	\$ 16,067,192	\$ 38,673,327

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

- Continued diligence in the collection of property taxes by maintaining a collection percentage of 97.00%.
- Management's proactive stance on monitoring spending across County departments to ensure compliance with the budget.

**Duplin County**  
**Changes in Net Position**  
**Figure 3**

	Governmental Activities		Business-Type Activities		Total	
	2018	2017	2018	2017	2018	2017
<b>Revenues:</b>						
Program Revenues						
Charges for Services	\$ 8,311,368	\$ 8,019,435	\$ 7,864,668	\$ 7,807,205	\$ 16,176,036	\$ 15,826,640
Operating grants and contributions	6,496,102	12,885,635	1,122,273	553,792	7,618,375	13,439,427
Capital grants and contributions	4,746,206	3,181,966	473,085	1,318,340	5,219,291	4,500,306
General revenues:						
Property taxes	30,585,513	31,435,541	-	-	30,585,513	31,435,541
Other taxes	11,552,292	10,665,231	-	141,491	11,552,292	10,806,722
Other	400,295	569,584	524,516	153,591	924,811	723,175
<b>Total revenues</b>	<b>62,091,776</b>	<b>66,757,392</b>	<b>9,984,542</b>	<b>9,974,419</b>	<b>72,076,318</b>	<b>76,731,811</b>
<b>Expenses:</b>						
General government	7,800,214	8,542,667	-	-	7,800,214	8,542,667
Public Safety	21,030,262	19,402,748	-	-	21,030,262	19,402,748
Economic and physical development	4,835,483	1,976,207	-	-	4,835,483	1,976,207
Human services	14,256,638	16,019,157	-	-	14,256,638	16,019,157
Cultural and recreation	1,296,894	1,252,365	-	-	1,296,894	1,252,365
Environmental protection	39,471	1,196,025	-	-	39,471	1,196,025
Non-departmental	-	338,290	-	-	-	338,290
Education	24,465,008	56,099,066	-	-	24,465,008	56,099,066
Interest on long-term debt	2,348,721	2,621,411	-	-	2,348,721	2,621,411
Airport	-	-	1,263,303	1,219,345	1,263,303	1,219,345
Water	-	-	3,251,642	3,564,197	3,251,642	3,564,197
Transportation/Solid Waste	-	-	4,679,130	4,460,706	4,679,130	4,460,706
<b>Total expenses</b>	<b>76,072,691</b>	<b>107,447,936</b>	<b>9,194,075</b>	<b>9,244,248</b>	<b>85,266,766</b>	<b>116,692,184</b>
Increase (decrease) in net position before transfers and special items	(13,980,915)	(40,690,544)	790,467	730,171	(13,190,448)	(39,960,373)
Transfers	(99,006)	(142,757)	99,006	142,757	-	-
Increase (decrease) in net position	(14,079,921)	(40,833,301)	889,473	872,928	(13,190,448)	(39,960,373)
Net position, beginning, previously reported	(9,100,473)	31,732,828	47,773,800	46,900,872	38,673,327	78,633,700
Restatement	(8,610,188)	-	(805,499)	-	(9,415,687)	-
Net position, beginning, restated	(17,710,661)	31,732,828	46,968,301	46,900,872	29,257,640	78,633,700
Net position, ending	\$ (31,790,582)	\$ (9,100,473)	\$ 47,857,774	\$ 47,773,800	\$ 16,067,192	\$ 38,673,327

**Governmental activities:** Governmental activities decreased the County's net position by \$14,079,921.

**Business-type activities:** Business-type activities increased the County's net position by \$889,473.



## Financial Analysis of the County's Funds

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

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

The general fund is the chief operating fund of the County. At the end of the current fiscal year, the County's fund balance available in the General Fund was \$6,822,256 while total fund balance reached \$16,398,798. The County currently has an unassigned fund balance of 13.00% of GF expenditures while total fund balance represents 31.24% of the same amount.

At June 30, 2018, the governmental funds of the County reported a combined fund balance of \$27,170,563, a \$12,900,975 decrease over last year.

### 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.

**Proprietary Funds:** The County's proprietary funds provide the same type of information found in the government-wide statements but in more detail. The total increase in net position was \$889,473.

### Capital Asset and Debt Administration

Capital assets. The Duplin County's investment in capital assets for its governmental and business-type activities as of June 30, 2018, totals \$76,123,026 (net of accumulated depreciation). These assets include land, buildings, automotive equipment, office and other equipment, and water and sewer lines.

Major capital assets transactions during the year include:

- Munis Software
- Tax Package System
- Security System

**Duplin County's Capital Assets**  
 (net of depreciation)  
**Figure 4**

	Governmental Activities		Business-Type Activities		Total	
	2018	2017	2018	2017	2018	2017
Land	\$ 2,476,331	\$ 2,476,331	\$ 1,162,297	\$ 1,162,297	\$ 3,638,628	\$ 3,638,628
Buildings	15,732,627	15,971,187	2,169,517	2,231,669	17,902,144	18,202,856
Plant and systems	-	-	42,869,468	42,898,567	42,869,468	42,898,567
Airport terminals and runways	-	-	7,087,164	6,846,892	7,087,164	6,846,892
Equipment	1,835,089	1,587,405	684,739	504,920	2,519,828	2,092,325
Vehicles	1,177,216	1,361,160	928,578	822,090	2,105,794	2,183,250
<b>Total</b>	<b>\$ 21,221,263</b>	<b>\$ 21,396,083</b>	<b>\$ 54,901,763</b>	<b>\$ 54,466,435</b>	<b>\$ 76,123,026</b>	<b>\$ 75,862,518</b>

Additional information on Duplin County's capital assets can be found in the notes to the financial statements.

**Long-Term Debt.** At the end of the current fiscal year, Duplin County had a total long-term debt of \$83,685,024

**Duplin County's Outstanding Debt**  
**Figure 5**

	Governmental Activities		Business-type Activities		Total	
	2018	2017	2018	2017	2018	2017
Limited obligation bonds	\$ 56,246,825	\$ 58,345,538	\$ 13,632,219	\$ 14,221,311	\$ 69,879,044	\$ 72,566,849
Notes Payable	9,496,305	9,675,462	4,309,675	3,410,297	13,805,980	13,085,759
<b>Total</b>	<b>\$ 65,743,130</b>	<b>\$ 68,021,000</b>	<b>\$ 17,941,894</b>	<b>\$ 17,631,608</b>	<b>\$ 83,685,024</b>	<b>\$ 85,652,608</b>

Duplin County's total governmental debt decreased by \$1,967,584 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 \$275,437,787.

Additional information regarding Duplin County's long-term debt can be found in 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.

- 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.
- The assessed value of real and personal property increased by \$67,737,350 or 1.61%.

### **Budget Highlights for the Fiscal Year Ending June 30, 2019**

#### **Governmental Activities**

The County approved an original \$55,623,558 million general fund budget. This represents a slight decrease over the original budget adopted for FY 2018 a decrease over the final budget for FY 2018. The property rate for tax year FY 2019 increased to \$0.7150 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 2018-2019 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 2017 statistics, Duplin County ranks number 1 in the state in cash receipts from the sale of pork and poultry with total sales for all livestock and crops county wide of \$1.063 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.

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.

In 2018 Optima KV began converting hog waste to natural gas that utilizes covered hog lagoons to capture methane which is scrubbed and pressurized and inserted directly onto a Piedmont Natural Gas pipeline. The project is the first of its kind that is operational in Duplin County.

Other similar projects are in development in Duplin County to produce compost and natural gas from hog waste and poultry litter.

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, 2018**

	Primary Government			Component Unit
	Governmental Activities	Business-type Activities	Total	Duplin County Tourism Development Authority
<b>ASSETS</b>				
<b>Current assets:</b>				
Cash and cash equivalents	\$ 21,849,917	\$ 10,533,777	\$ 32,383,694	\$ 512,623
Accounts receivable, net	15,317,492	1,584,001	16,901,493	23,992
Inventories	262,389	42,678	305,067	-
	37,429,798	12,160,456	49,590,254	536,615
<b>Noncurrent assets:</b>				
Restricted cash and cash equivalents	3,186,389	1,553,958	4,740,347	-
Net pension asset	66,866	-	66,866	-
Capital assets:				
Land, non-depreciable improvements, and construction in progress	2,476,331	1,162,297	3,638,628	-
Other capital assets, net of depreciation	18,744,932	53,739,466	72,484,398	-
Total capital assets	21,221,263	54,901,763	76,123,026	-
Total assets	61,904,316	68,616,177	130,520,493	536,615
<b>DEFERRED OUTFLOWS OF RESOURCES</b>	3,850,443	537,905	4,388,348	24,317
<b>LIABILITIES</b>				
Accounts payable and accrued liabilities	1,295,678	294,706	1,590,384	2,200
Customer deposits	-	460,935	460,935	-
Notes payable current	186,547	268,420	454,967	-
Limited obligation bonds - current	1,775,000	585,000	2,360,000	-
Long term liabilities				
Compensated absences payable	1,215,044	133,967	1,349,011	5,309
Other post-employment benefit	20,458,968	1,837,205	22,296,173	-
Total pension liability - LEO	1,632,207	-	1,632,207	-
Notes payable	9,309,758	4,041,255	13,351,013	-
Limited obligation bonds	54,471,825	13,047,219	67,519,044	-
Net pension liability - LGERS	4,928,746	442,596	5,371,342	26,124
Total long-term liabilities	92,016,548	19,502,242	111,518,790	31,433
Total liabilities	95,273,773	21,111,303	116,385,076	33,633
<b>DEFERRED INFLOWS OF RESOURCES</b>	2,271,568	185,006	2,456,574	2,537
<b>NET POSITION</b>				
Net investment in capital assets	11,724,958	36,959,869	48,684,827	-
Restricted	14,578,586	1,553,958	16,132,544	23,992
Unrestricted	(58,094,126)	9,343,947	(48,750,179)	500,770
Total net position	\$ (31,790,582)	\$ 47,857,774	\$ 16,067,192	\$ 524,762

Duplin County, North Carolina  
Statement of Activities  
For the Year Ended June 30, 2018

Functions/Programs	Program Revenues				Net (Expense) Revenue and Changes in Net Position			Duplin County Tourism Development Authority
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government		Total	
					Governmental Activities	Business-type Activities		
<b>Primary government:</b>								
Governmental Activities:								
General government	\$ 7,800,214	\$ 2,200,505	\$ 424,811	\$ -	\$ (5,174,898)	\$ -	\$ (5,174,898)	
Public safety	21,030,262	4,813,088	655,803	-	(15,561,371)	-	(15,561,371)	
Environmental protection	39,471	139,852	59,822	-	160,203	-	160,203	
Economic and physical development	4,835,483	-	-	2,889,460	(1,946,023)	-	(1,946,023)	
Human services	14,256,638	1,157,923	5,355,666	-	(7,743,049)	-	(7,743,049)	
Cultural and recreational	1,296,894	-	-	-	(1,296,894)	-	(1,296,894)	
Education	24,465,008	-	-	1,856,746	(22,608,262)	-	(22,608,262)	
Interest on long-term debt	2,348,721	-	-	-	(2,348,721)	-	(2,348,721)	
Total governmental activities	<u>76,072,691</u>	<u>8,311,368</u>	<u>6,496,102</u>	<u>4,746,206</u>	<u>(56,519,015)</u>	<u>-</u>	<u>(56,519,015)</u>	
Business-type activities:								
Airport	1,263,303	491,610	1,122,273	-	-	350,580	350,580	
Water and sewer	3,251,642	3,394,542	-	-	-	142,900	142,900	
Solid waste	3,587,074	3,216,637	-	-	-	(370,437)	(370,437)	
Transportation	1,092,056	761,879	-	473,085	-	142,908	142,908	
Total business-type activities	<u>9,194,075</u>	<u>7,864,668</u>	<u>1,122,273</u>	<u>473,085</u>	<u>-</u>	<u>265,951</u>	<u>265,951</u>	
Total primary government	<u>\$ 85,266,766</u>	<u>\$ 16,176,036</u>	<u>\$ 7,618,375</u>	<u>\$ 5,219,291</u>	<u>\$ (56,519,015)</u>	<u>\$ 265,951</u>	<u>\$ (56,253,064)</u>	
Component units:								
Tourism development authority	<u>233,863</u>	<u>3,100</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(230,763)</u>
General revenues:								
Taxes:								
Property taxes, levied for general purpose					30,585,513	-	30,585,513	-
Local option sales tax					10,594,695	-	10,594,695	-
Other taxes and licenses					957,597	163,970	1,121,567	240,284
Investment earnings, unrestricted					319,835	147,056	466,891	5,891
Miscellaneous, unrestricted					80,460	213,490	293,950	-
Transfers					(99,006)	99,006	-	-
Total general revenues, special items, and transfers					<u>42,439,094</u>	<u>623,522</u>	<u>43,062,616</u>	<u>246,175</u>
Change in net position					<u>(14,079,921)</u>	<u>889,473</u>	<u>(13,190,448)</u>	<u>15,412</u>
Net position, beginning, previously reported					(9,100,473)	47,773,800	38,673,327	508,819
Restatement					(8,610,188)	(805,499)	(9,415,687)	531
Net position, beginning, restated					<u>(17,710,661)</u>	<u>46,968,301</u>	<u>29,257,640</u>	<u>509,350</u>
Net position, ending					<u>\$ (31,790,582)</u>	<u>\$ 47,857,774</u>	<u>\$ 16,067,192</u>	<u>\$ 524,762</u>

**Duplin County, North Carolina**  
**Balance Sheet**  
**Governmental Funds**  
**June 30, 2018**

	Major			NonMajor	Total Governmental Funds
	General Fund	Capital Project Fund	Debt Service Fund	Other Governmental Funds	
<b>ASSETS</b>					
Cash and cash equivalents	\$ 21,847	\$ -	\$ -	\$ 6,434,228	\$ 6,456,075
Restricted cash	-	166,646	30,406	2,989,337	3,186,389
Investments	13,202,151	-	589,595	-	13,791,746
Taxes receivable, net	1,571,603	-	-	68,326	1,639,929
Due from other governments	589,801	-	-	-	589,801
Inventories	262,389	-	-	-	262,389
Accounts receivable, net	11,036,227	-	-	2,051,535	13,087,762
Total assets	<u>\$ 26,684,018</u>	<u>\$ 166,646</u>	<u>\$ 620,001</u>	<u>\$ 11,543,426</u>	<u>\$ 39,014,091</u>
<b>LIABILITIES AND FUND BALANCES</b>					
Liabilities:					
Accounts payable and accrued liabilities	516,580	221,583	1,250	22,131	761,544
Total liabilities	<u>516,580</u>	<u>221,583</u>	<u>1,250</u>	<u>22,131</u>	<u>761,544</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>					
Unavailable revenue	8,076,574	-	-	1,244,395	9,320,969
Property taxes receivable	1,571,603	-	-	68,326	1,639,929
Prepaid taxes	120,463	-	-	623	121,086
Total deferred inflows of resources	<u>9,768,640</u>	<u>-</u>	<u>-</u>	<u>1,313,344</u>	<u>11,081,984</u>
Fund balances:					
Nonspendable - inventory	262,389	-	-	-	262,389
Restricted:					
Stabilization by State Statute	3,939,454	-	-	807,140	4,746,594
Register of Deeds	-	-	-	9,296	9,296
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	-	(54,937)	-	6,560,358	6,505,421
E-911	-	-	-	742,984	742,984
Tax revaluation	-	-	-	775,112	775,112
Committed:					
Capital improvements	880,254	-	-	3,085	883,339
Debt service	-	-	618,751	-	618,751
Economic development	-	-	-	1,191,745	1,191,745
Various programs	-	-	-	124,449	124,449
Assigned:					
Subsequent year's expenditures	2,695,266	-	-	-	2,695,266
Unassigned:	6,822,256	-	-	(6,218)	6,816,038
Total fund balances	<u>16,398,798</u>	<u>(54,937)</u>	<u>618,751</u>	<u>10,207,951</u>	<u>27,170,563</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 26,684,018</u>	<u>\$ 166,646</u>	<u>\$ 620,001</u>	<u>\$ 11,543,426</u>	

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

Capital assets used in governmental activities are not financial resources and therefore are not reported in the fund.	21,221,263
Net pension asset - Register of Deeds	66,866
Contributions to pension plans in the current fiscal year are deferred outflows of resources on the Statement of Net Position	3,850,443
Internal service fund net assets that primarily support governmental activities	1,330,302
Deferred inflows of resources for taxes and special assessments receivable	10,960,898
OPEB and Pension related deferrals	(2,150,481)
General obligation bonds payable	(56,246,825)
Notes payable	(9,496,305)
Compensated absences	(1,215,044)
Other postemployment benefit obligation	(20,458,968)
Net pension liability - LEO	(1,632,207)
Net pension liability - LGERS	(4,928,746)
Accrued interest	(262,341)
Net position of governmental activities	<u>\$ (31,790,582)</u>



**Duplin County, North Carolina**  
**Statement of Revenues, Expenditures, and Changes in Fund Balance**  
**Governmental Funds**  
**For the Year Ended June 30, 2018**

	Major			NonMajor	Total Governmental Funds
	General Fund	Capital Project Fund	Debt Service Fund	Other Governmental Funds	
<b>REVENUES</b>					
Ad valorem taxes	\$ 29,410,194	\$ -	\$ -	\$ 999,008	\$ 30,409,202
Local option sales taxes	7,704,417	-	-	2,890,315	10,594,732
Other taxes and licenses	117,924	-	-	-	117,924
Unrestricted intergovernmental	793,671	-	-	-	793,671
Restricted intergovernmental	8,504,151	1,350,920	-	1,632,784	11,487,855
Sales and services	8,004,677	-	-	15,267	8,019,944
Investment earnings	194,743	22,071	7,956	142,030	366,800
Miscellaneous	80,460	-	-	139,852	220,312
Total revenues	<u>54,810,237</u>	<u>1,372,991</u>	<u>7,956</u>	<u>5,819,256</u>	<u>62,010,440</u>
<b>EXPENDITURES</b>					
Current:					
General government	6,805,425	-	-	537,526	7,342,951
Public safety	17,817,740	-	-	1,132,408	18,950,148
Economic and physical development	1,950,425	-	-	1,496,197	3,446,622
Human services	13,679,462	-	-	17,549	13,697,011
Sanitation	-	-	-	-	-
Cultural and recreational	1,134,965	-	-	-	1,134,965
NCDAS Stream Cleanout	-	526,807	-	-	526,807
NC Found of S&W	-	11,383	-	-	11,383
BFG Sewer DWI	-	526,350	-	-	526,350
Intergovernmental:					
Education	11,107,855	13,358,154	-	46,577	24,512,586
Debt service:					
Principal	-	-	1,884,157	-	1,884,157
Interest	-	-	2,778,179	-	2,778,179
Bond issuance cost	-	-	1,250	-	1,250
Total expenditures	<u>52,495,872</u>	<u>14,422,694</u>	<u>4,663,586</u>	<u>3,230,257</u>	<u>74,812,409</u>
Excess (deficiency) of revenues over expenditures	<u>2,314,365</u>	<u>(13,049,703)</u>	<u>(4,655,630)</u>	<u>2,588,999</u>	<u>(12,801,969)</u>
<b>OTHER FINANCING SOURCES</b>					
Transfers from other funds	-	135,980	4,662,335	(796,761)	4,001,554
Transfers to other funds	(4,100,560)	-	-	-	(4,100,560)
Lease purchase	-	-	-	-	-
Contingency	-	-	-	-	-
Sale of fixed assets	-	-	-	-	-
Total other financing sources and uses	<u>(4,100,560)</u>	<u>135,980</u>	<u>4,662,335</u>	<u>(796,761)</u>	<u>(99,006)</u>
Net change in fund balance	(1,786,195)	(12,913,723)	6,705	1,792,238	(12,900,975)
Fund balances-beginning	18,170,293	12,858,786	612,046	8,415,713	40,056,838
Increase in inventory	14,700	-	-	-	14,700
Fund balances-ending	<u>\$ 16,398,798</u>	<u>\$ (54,937)</u>	<u>\$ 618,751</u>	<u>\$ 10,207,951</u>	<u>\$ 27,170,563</u>

**Duplin County, North Carolina**  
**Statement of Revenues, Expenditures, and Changes in Fund Balance**  
**Governmental Funds**  
**For the Year Ended June 30, 2018**

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

Net changes in fund balance - total government funds \$ (12,900,975)

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 capital outlays exceeded depreciation in the current year.

Capital outlay expenditures which were capitalized.	749,083	
Depreciation expense for governmental assets.	<u>(923,903)</u>	(174,820)

Change in inventory		14,700
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Contributions to the pension plan in the current fiscal year are not included on the Statement of Activities.		1,450,152
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Internal service fund operations that primarily support governmental activities.		(1,605,236)
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Revenues reported in the Statement of Activities that do not provide current financial resources are not reported as revenues in the funds - change in deferred inflows of resources for tax revenues.		1,420,706
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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.		(4,168,605)
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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 of these differences in the treatment of long-term debt and related items.		1,884,157
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Total changes in net position of governmental activities		<u><u>\$ (14,079,921)</u></u>
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**Duplin County, North Carolina**  
**Statement of Revenues, Expenditures, and Changes in Fund Balances -**  
**Budget and Actual - General Fund**  
**For the Year Ended June 30, 2018**

	General Fund			Variance With Final Positive (Negative)
	Original Budget	Final Budget	Actual	
<b>Revenues:</b>				
Ad valorem taxes	\$ 30,391,964	\$ 30,391,964	\$ 29,410,194	\$ (981,770)
Local option sales tax	7,450,000	7,450,000	7,704,417	254,417
Other taxes and licenses	104,000	104,000	117,924	13,924
Unrestricted intergovernmental revenues	276,076	283,839	793,671	509,832
Restricted intergovernmental revenues	9,436,999	9,827,758	8,504,151	(1,323,607)
Restricted grants	-	-	-	-
Permits and fees	424,179	494,179	513,873	19,694
Restricted Revenue	-	-	-	-
Sales and services	4,626,308	7,173,585	7,490,804	317,219
Investment earnings	5,000	73,500	194,743	121,243
Miscellaneous	153,000	196,241	80,460	(115,781)
Total revenues	<u>52,867,526</u>	<u>55,995,066</u>	<u>54,810,237</u>	<u>(1,184,829)</u>
<b>Expenditures</b>				
<b>Current:</b>				
General government	7,012,734	7,567,715	6,785,250	782,465
Public safety	17,308,848	18,460,685	17,817,740	642,945
Economic and physical development	1,560,329	3,276,493	1,950,425	1,326,068
Human Services	15,064,058	16,145,872	13,679,462	2,466,410
Cultural and recreational	1,195,014	1,437,037	1,134,965	302,072
<b>Intergovernmental:</b>				
Education	<u>13,638,884</u>	<u>11,207,576</u>	<u>11,107,855</u>	<u>99,721</u>
Total expenditures	<u>55,779,867</u>	<u>58,095,378</u>	<u>52,475,697</u>	<u>5,619,681</u>
Revenues over (under) expenditures	(2,912,341)	(2,100,312)	2,334,540	4,434,852
<b>Other financing sources (Uses):</b>				
Sale of fixed assets	-	-	-	-
Transfers from (to) other funds	-	(4,106,693)	(4,101,622)	5,071
Contingency	-	-	-	-
Fund Balance Appropriated	<u>2,912,341</u>	<u>6,207,005</u>	<u>-</u>	<u>(6,207,005)</u>
Total other financing sources and uses	<u>2,912,341</u>	<u>2,100,312</u>	<u>(4,101,622)</u>	<u>(6,201,934)</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ -</u>	(1,767,082)	<u>\$ (1,767,082)</u>
Fund Balances - Beginning			17,270,926	
Increase in inventory			14,700	
Fund Balances - Ending			<u>\$ 15,518,544</u>	
A legally budgeted Capital Reserve Fund is consolidated into the General Fund for reporting purposes:				
Interest Income			-	
Transfer-in			5,517	
Transfer out			(4,455)	
Expenditures			(20,175)	
Fund Balance, Beginning			899,367	
Fund Balance, Ending (Exhibit 4)			<u>\$ 16,398,798</u>	

**Duplin County, North Carolina**  
**Statement of Fund Net Position**  
**Proprietary Funds**  
**June 30, 2018**

	Major Enterprise Funds			Nonmajor		
	Airport Commission Fund	Water Fund	Solid Waste Fund	Transportation Development Plan Fund	Total	Internal Service Fund
<b>Assets</b>						
Current Assets:						
Cash and cash equivalents	\$ 319,184	\$ 7,658,525	\$ 1,726,054	\$ 830,014	\$ 10,533,777	\$ 1,602,096
Accounts receivable, net	332,885	416,765	733,094	101,257	1,584,001	-
Inventories	7,639	35,039	-	-	42,678	-
Due from other funds	-	-	-	-	-	-
Restricted cash	3,311	460,935	1,089,712	-	1,553,958	-
Total Current Assets	663,019	8,571,264	3,548,860	931,271	13,714,414	1,602,096
Noncurrent assets:						
Capital assets:						
Land and non-depreciable assets	556,451	389,498	216,348	-	1,162,297	-
Other capital assets, net of depreciation	7,184,878	42,945,362	3,137,587	471,639	53,739,466	-
Capital assets (net)	7,741,329	43,334,860	3,353,935	471,639	54,901,763	-
Total noncurrent assets	7,741,329	43,334,860	3,353,935	471,639	54,901,763	-
Total Assets	8,404,348	51,906,124	6,902,795	1,402,910	68,616,177	1,602,096
Deferred Outflows of Resources	25,612	299,677	145,945	66,671	537,905	-
<b>Liabilities</b>						
Current Liabilities:						
Accounts payable & accrued liabilities	2,944	108,085	181,196	2,481	294,706	271,794
Customer deposits	-	460,935	-	-	460,935	-
Unearned revenue	-	-	-	-	-	-
Due to other funds	-	-	-	-	-	-
Notes payable current	-	268,420	-	-	268,420	-
Due to County-GO Bonds-current	-	585,000	-	-	585,000	-
Total Current Liabilities	2,944	1,422,440	181,196	2,481	1,609,061	271,794
Noncurrent liabilities:						
Compensated absences	14,894	42,512	52,598	23,963	133,967	-
Other postemployment benefits	140,466	530,649	800,433	365,657	1,837,205	-
Notes payable - noncurrent	-	4,041,255	-	-	4,041,255	-
Due to County-GO Bonds	-	13,047,219	-	-	13,047,219	-
Net pension liability	33,839	127,837	192,830	88,090	442,596	-
Total noncurrent liabilities	189,199	17,789,472	1,045,861	477,710	19,502,242	-
Total Liabilities	192,143	19,211,912	1,227,057	480,191	21,111,303	271,794
Deferred Inflows of Resources	14,145	53,436	80,603	36,822	185,006	-
<b>Net Position</b>						
Net investment in capital assets	7,741,329	25,392,966	3,353,935	471,639	36,959,869	-
Restricted	3,311	460,935	1,089,712	-	1,553,958	-
Unrestricted	479,032	7,086,552	1,297,433	480,929	9,343,947	1,330,302
Total Net Position	\$ 8,223,672	\$ 32,940,453	\$ 5,741,080	\$ 952,568	\$ 47,857,774	\$ 1,330,302

**Duplin County, North Carolina**  
**Statement of Revenues and Expenditures and**  
**Changes in Fund Net Position**  
**Proprietary Funds**  
**For The Year Ended June 30, 2018**

	Major Enterprise Funds			Nonmajor	Total	Internal Service Fund
	Airport Commission Fund	Water Fund	Solid Waste Fund	Transportation Development Plan Fund		
Operating revenues:						
Water sales	\$ -	\$ 3,337,083	\$ -	\$ -	\$ 3,337,083	\$ -
Administration fees	-	2,137	-	-	2,137	-
Sales and rentals	491,610	-	-	-	491,610	-
Miscellaneous	-	55,322	-	-	55,322	-
Charges for Services	-	-	3,216,637	761,879	3,978,516	5,177,444
Total Operating Revenues	<u>491,610</u>	<u>3,394,542</u>	<u>3,216,637</u>	<u>761,879</u>	<u>7,864,668</u>	<u>5,177,444</u>
Operating expenses:						
Cost of operations	1,263,303	2,642,795	3,587,074	1,092,056	8,585,228	6,858,515
Total operating expenses	<u>1,263,303</u>	<u>2,642,795</u>	<u>3,587,074</u>	<u>1,092,056</u>	<u>8,585,228</u>	<u>6,858,515</u>
Total Operating Income (Loss)	<u>(771,693)</u>	<u>751,747</u>	<u>(370,437)</u>	<u>(330,177)</u>	<u>(720,560)</u>	<u>(1,681,071)</u>
Nonoperating Revenues(Expenses):						
Investment earnings	3,109	96,415	38,696	8,836	147,056	27,286
Federal and state grants	1,122,273	-	-	473,085	1,595,358	-
Disposal tax revenues	-	-	163,970	-	163,970	-
Interest expense	-	(608,847)	-	-	(608,847)	-
Gain (loss) on disposal of capital assets	3,702	-	-	5,304	9,007	-
Miscellaneous	105,688	85,233	13,134	428	204,483	48,549
Total Nonoperating Revenues (Expenses)	<u>1,234,772</u>	<u>(427,199)</u>	<u>215,800</u>	<u>487,653</u>	<u>1,511,027</u>	<u>75,835</u>
Transfers in	99,006	-	-	-	99,006	-
Transfers (out)	-	-	-	-	-	-
Total other financing sources and uses	<u>99,006</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>99,006</u>	<u>-</u>
Changes in net position	562,085	324,548	(154,637)	157,476	889,473	(1,605,236)
Net position, beginning, previously reported	7,766,209	32,825,185	6,232,524	949,882	47,773,800	2,935,538
Restatement	(104,622)	(209,280)	(336,807)	(154,790)	(805,499)	-
Net Position, beginning, restated	<u>7,661,587</u>	<u>32,615,905</u>	<u>5,895,717</u>	<u>795,092</u>	<u>46,968,301</u>	<u>2,935,538</u>
Total net position, Ending	<u>\$ 8,223,672</u>	<u>\$ 32,940,453</u>	<u>\$ 5,741,080</u>	<u>\$ 952,568</u>	<u>\$ 47,857,774</u>	<u>\$ 1,330,302</u>

**Duplin County, North Carolina**  
**Statement of Cash Flows**  
**Proprietary Funds**  
**For The Year Ended June 30, 2018**

	Major Enterprise Funds			Nonmajor		
	Airport Commission Fund	Water Fund	Solid Waste Fund	Transportation Development Plan Fund	Total	Internal Service Fund
<b>Cash Flows From Operating Activities:</b>						
Cash Received from Customers/others	\$ 211,479	\$ 3,480,274	\$ 3,153,022	\$ 754,245	\$ 7,599,020	\$ 15,198,040
Cash paid to suppliers for goods and services	(487,251)	(717,693)	(1,864,903)	(527,026)	(3,596,873)	-
Cash paid to employees for services	(205,100)	(731,843)	(1,286,822)	(384,433)	(2,608,198)	-
Net cash provided by (used for) operating activities	<u>(480,872)</u>	<u>2,030,738</u>	<u>1,297</u>	<u>(157,214)</u>	<u>1,393,949</u>	<u>(1,499,413)</u>
<b>Cash Flows from (use by) capital and related financing activities:</b>						
Capital contributions	1,122,273	-	-	473,085	1,595,358	-
Proceeds from installment purchases	-	1,175,000	-	-	1,175,000	-
Proceeds from the sale of capital assets	3,702	-	-	5,304	9,006	-
Acquisition and construction of capital assets	(826,134)	(1,157,428)	(415,502)	(234,980)	(2,634,044)	-
Principal paid on bond maturities and note payable	-	(845,623)	-	-	(845,623)	-
Interest paid on bond maturities and notes payable	-	(617,014)	-	-	(617,014)	-
Interest income	3,109	96,415	38,696	8,836	147,056	27,286
Net cash flows provided (used) by capital financing activities	<u>302,950</u>	<u>(1,348,650)</u>	<u>(376,806)</u>	<u>252,245</u>	<u>(1,170,261)</u>	<u>27,286</u>
<b>Cash Flows from (used for) noncapital financing activities:</b>						
Miscellaneous	105,688	85,233	177,104	428	368,453	48,549
Transfers in/out (net)	99,006	-	-	-	99,006	-
Net cash flows provided (used) by noncapital financing activities	<u>204,694</u>	<u>85,233</u>	<u>177,104</u>	<u>428</u>	<u>467,459</u>	<u>48,549</u>
Net increase (decrease) in cash and cash equivalents	26,772	767,321	(198,405)	95,459	691,147	(1,423,578)
Cash and cash equivalents, beginning of year	295,723	7,352,139	3,014,171	734,555	11,396,588	3,025,674
Cash and cash equivalents, end of year	<u>\$ 322,495</u>	<u>\$ 8,119,460</u>	<u>\$ 2,815,766</u>	<u>\$ 830,014</u>	<u>\$ 12,087,735</u>	<u>\$ 1,602,096</u>
<b>Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:</b>						
Operating income (loss)	\$ (771,693)	\$ 751,747	\$ (370,437)	\$ (330,177)	\$ (720,560)	\$ (1,681,071)
Adjustments to reconcile operating income to net cash provided (used) by operating activities:						
Gain on sale of capital assets	-	-	-	-	-	-
Depreciation expense	601,074	1,238,805	282,714	142,429	2,265,022	-
Changes in Assets and Liabilities:						
(Increase) decrease in accounts receivable	(280,131)	64,232	(63,615)	(7,634)	(287,148)	20,606
(Increase) decrease in inventory	11,521	-	-	-	11,521	-
Increase (decrease) in accounts payable and accrued liabilities	(10,581)	(32,462)	86,155	1,775	44,887	161,052
Increase (decrease) in deposits	-	21,500	-	-	21,500	-
Increase (decrease) in net pension liability	(13,858)	(53,203)	(79,777)	(36,109)	(182,947)	-
Increase (decrease) in OPEB liability	(47,658)	(71,683)	(13,624)	(6,089)	(139,054)	-
(Increase) decrease in deferred outflows of resources for pensions	15,714	71,030	90,253	40,940	217,937	-
Increase (decrease) in deferred inflows of resources for pensions	12,474	47,092	71,050	32,470	163,086	-
Increase (decrease) in accrued vacation pay	2,266	(6,320)	(1,422)	5,181	(295)	-
Net cash provided (used) by operating activities	<u>\$ (480,872)</u>	<u>\$ 2,030,738</u>	<u>\$ 1,297</u>	<u>\$ (157,214)</u>	<u>\$ 1,393,949</u>	<u>\$ (1,499,413)</u>

**Duplin County, North Carolina**  
**Statement of Fiduciary Net Position**  
**June 30, 2018**

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	<u>Agency Funds</u>
<b>Assets</b>	
Cash and cash equivalents	236,159
Miscellaneous receivables	95,480
Due from other governments	37,458
Due from other funds	28
Total assets	\$ <u><u>369,125</u></u>
<b>Liabilities</b>	
Miscellaneous liabilities	216,682
Due to governmental units	152,443
Total liabilities	\$ <u><u>369,125</u></u>

## NOTES TO THE FINANCIAL STATEMENTS



DUPLIN COUNTY, NORTH CAROLINA  
 NOTES TO THE FINANCIAL STATEMENTS  
 For the Year Ended June 30, 2018

I. 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:

A. 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 Statement
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.

B. Basis of Presentation – Basis of Accounting

**Basis of Presentation, Measurement Focus - Basis of Accounting**

*Government-wide Statements*: The statement of net position and the statement of activities display information about the primary government's net position (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. 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 nonmajor funds.

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

*Capital Projects Fund* - This fund accounts for various capital projects undertaken by the County, including the capital improvements 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:

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

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

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 monies 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 Tax Fund, which accounts for registered motor vehicle property taxes that are billed by the State and collected by the State and the County for various municipalities within the County but that are not revenues to the County; the Register of Deeds Fund which accounts for the \$5 of each fee collected by the register of deeds for registering a deed of trust or mortgage; and the Board of Education Fines and Forfeitures Fund which accounts for various legal fines and forfeitures required to be remitted to the Board of Education.

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

*Non-major Funds:* The Emergency Telephone System Fund, Automation Enhancement and Preservation Fund, Revaluation Fund, Community Development Revolving Loan Fund, School Planning Allocation Fund, Fire District Fund, CDBG 12-C-2494 Fund, CDBG 12-C-2414 Fund, CDBG 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.

C. Measurement Focus, Basis of Accounting

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

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

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

Proprietary funds distinguish operating revenues and expenses from 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 a revenue because the amount is not susceptible to accrual. At June 30, taxes receivable for property other than motor vehicles are materially past due and are not considered to be an available resource to finance the operations of the current year. As of September 1, 2013, State law altered the procedures for the assessment and collection of property taxes on registered motor vehicles in North Carolina. Effective with this change in the law, the State of North Carolina is responsible for billing and collecting the property taxes on registered motor vehicles on behalf of all municipalities and special tax districts. Property taxes are due when vehicles are registered. The billed taxes are applicable to the fiscal year in which they are received. Uncollected taxes that were billed in periods prior to September 1, 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 the beer and wine 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. All taxes, including those dedicated for specific purposes are reported as general revenues rather than program revenues. 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.

D. 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.

E. Assets, Liabilities, Deferred Outflow/Inflows of Resources and Fund Equity

1. 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. Non-participating interest earning investment contracts are accounted for at cost. 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.

2. 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.

**3. Restricted Assets**

Customer deposits held by the County before any services are supplied are restricted to the service for which the deposit was collected. 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, 2018:

<b>Governmental Activities:</b>	
Revaluation	\$ 786,668
Capital Project Fund	166,646
Capital Project Fund	4,357,689
Debt Service Fund	30,406
School Planning Allocation Fund - Public School Building Capital Fund	2,202,669
Total governmental activities	<u>\$ 7,544,078</u>
<b>Business-Type Activities:</b>	
Water Fund:	
Customer Deposits	\$ 460,935
Airport Commission Fund	3,311
Solid Waste Fund - Environmental Contingencies	1,089,712
Total business-type activities	<u>\$ 1,553,958</u>
 Total restricted cash	 <u><u>\$ 9,098,036</u></u>

**4. Ad Valorem Taxes Receivable**

In accordance with State law [G.S. 105-347 and G.S. 159-13(a)], the County levies ad valorem taxes on property other than motor vehicles on July 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, 2017.

**5. Allowance for Doubtful Accounts**

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

**6. Inventories and Prepaid Items**

The inventories of the County 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.

7. 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>Asset Class</u>	<u>Years</u>
Water plants and distribution systems	50
Airport terminals and runways	20 - 50
Building and improvements	20 - 50
Equipment	10
Vehicles	5

8. Deferred outflows/inflows of resources

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

9. Long-term Obligations

In the government-wide financial statements and in the proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities 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 an other financing source.

10. 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.

11. Interfund Transactions

Interfund services provided are accounted for as revenue or expenses in the government-wide financial statements since they would be treated as such if they involved organizations external to the County. Transactions that constitute reimbursements to a fund or expenditures/expenses initially made from it that are properly applicable to another fund are recorded as expenditures/expenses in the reimbursing fund and as reductions of expenditures/expenses in the fund that is reimbursed. All other interfund transactions are reported as transfers.

12. Use of Estimates

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

13. Net Position/Fund Balances

Net Position

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

Fund Balances

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

The governmental fund types classify fund balances as follows:

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

Inventories - portion of fund balance 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 amounts that are restricted to specific purposes externally imposed by creditors or imposed by law.

Restricted for Stabilization by State statute - portion of fund balance that is restricted by State Statute [G.S. 159-8(a)]

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 Register of Deeds - portion of fund balance restricted by State statute for automation enhancement (software) improvements.

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

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.

Restricted fund balance at June 30, 2018 is as follows:

<b>Purpose</b>	<b>General Fund</b>		<b>Other Governmental Funds</b>	
<b>Restricted:</b>				
Stabilization by State Statute	\$	3,939,454	\$	807,140
Register of Deeds		-		9,296
School Capital		-		6,560,358
Human services		575,969		-
Economic development		1,022,145		-
Tax revaluation		-		775,112
Public safety		201,065		742,984
Total	\$	5,738,633	\$	8,894,890

Committed Fund Balance – portion of fund balance that can only be used for specific purposes imposed by majority vote by quorum of Duplin County’s governing body (highest level of decision-making authority). The governing body can, by adoption of an ordinance prior to the end of the fiscal year, commit fund balance. Once adopted, the limitation imposed by the ordinance remains in place until a similar action is taken (the adoption of another ordinance) to remove or revise the limitation.

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

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

Committed for Debt Service - portion of fund balance committed by the Board to be used to service outstanding debt.

<b>Purpose</b>	<b>General Fund</b>		<b>Other Governmental Funds</b>	
<b>Committed:</b>				
Various Programs			\$	124,449
Economic Development	\$	-		1,191,745
Capital Improvements		880,254		3,085
Debt Service		-		618,751
Total	\$	880,254	\$	1,938,030

Assigned Fund Balance – portion of fund balance that the County intends to use for specific purposes.

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 – the 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.

#### 14. Defined Benefit Pension Plans and OPEB 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.



15. 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.

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 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 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.**

Future Accounting Pronouncements

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 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.

Reconciliation of Government-wide & Fund Financial Statements

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

The governmental fund balance sheet includes a reconciliation between fund balance-total governmental funds and net position-governmental activities as reported in the government-wide statement of net position. The net adjustment of (\$58,961,144) consists of the following elements as follows:

<b>Description</b>	<b>Amount</b>
Capital assets used in governmental activities are not financial resources and therefore not reported in the funds (total capital assets on government-wide statement in governmental activities column)	\$ 42,519,762
Less accumulated depreciation.	<u>(21,298,499)</u>
Net capital assets.	21,221,263
Internal service fund activities to benefit governmental activities	1,330,302
Net pension asset.	66,866
Contributions to the pension plan in the current fiscal year are deferred outflows of resources on the Statement of Net Position.	3,850,443
Deferred inflows of resources reported in the fund statements but not the government-wide. Unavailable taxes and accounts receivable, net.	10,960,898
Liabilities for deferred inflows of resources reported in the fund statements but not the government-wide. Liabilities that, because they are not due and payable in the current period, do not require current resources to pay and are therefore not recorded in the fund statements:	(2,150,481)
Long-term debts, including bonds and notes payable	(65,743,130)
Accrued interest payable	(262,340)
Net pension liability - LGERS	(4,928,746)
Net pension liability - LEOSSA	(1,632,207)
OPEB payable	(20,458,968)
Compensated absences	<u>(1,215,044)</u>
Total adjustment	<u>\$ (58,961,144)</u>

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

The governmental fund statement of revenues, expenditures, and changes in fund balances includes a reconciliation between net changes in fund balances-total governmental funds and changes in net assets of governmental activities as reported in the government-wide statement of activities. There are several elements of that total adjustment of (\$1,178,946) as follows:

<u>Description</u>	<u>Amount</u>
Capital outlay expenditures recorded in the fund statements but capitalized as assets in the Statement of Activities	\$ 749,083
Depreciation expense, the allocation of those assets over their useful lives, that is recorded on the Statement of Activities but not in the fund statements	(923,903)
Principal payments on debt owed are recorded as a use of funds on the fund statements but again affect only the statement of net position in the government-wide statements	1,884,157
Change in inventory.	14,700
Internal service fund activities to benefit governmental activities	(1,605,236)
Contributions to the pension plan in the current fiscal year are not included on the Statement of Activities	1,450,152
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in fund statements	
Increase/Decrease in deferred inflows of resources- taxes receivable- at year end	
Taxes receivable	176,311
Unavailable revenues	1,244,395
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. This includes accrued interest payable, compensated absences, pension expense and OPEB.	<u>(4,168,605)</u>
Total adjustment	<u>\$ (1,178,946)</u>

II. Stewardship, Compliance, and Accountability

A. Significant Violations of Finance-Related Legal and Contractual Provisions

Noncompliance with North Carolina General Statutes

Timeliness of audit submission.

B. Deficit Fund Balance or Net Position of Individual Funds

The Capital Project Fund has a deficit fund balance due to timing issues related to income.

C. Excess of Expenditures over Appropriations

None.

III. Detail Notes on All Funds

A. Assets

1. 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, 2018 the carrying amount of the County’s deposits was \$3,758,506 and the bank balance was \$5,057,495. Of the bank balance, \$250,000 was covered by federal depository insurance and \$00 was covered by collateral held under the Pooling Method.

At June 30, 2018 the carrying amount of the Tourism Development Authority’s deposits was \$10,199 and the bank balance was \$13,467.68. The entire bank balance was covered by federal depository insurance at June 30, 2018.

2. Investments

At June 30, 2018, the County’s investment balances consisted of \$33,365,535 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, 2018, the Tourism Development Authority’s investments consisted of \$502,424 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.

3. Property Tax - Use-Value Assessment on Certain Lands

In accordance with the general statutes, agriculture, horticulture, and forestland may be taxed by the County at the present-use value as opposed to market value. When the property loses its eligibility for use-value taxation, the property tax is recomputed at market value for the current year and the two 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
2017	3,574,480	205,533	\$ 3,780,013
2014-2016	10,472,074	2,477,693	12,949,767
Total	\$ 14,046,554	\$ 2,683,226	\$ 16,729,780

4. Receivables

Receivables at the government-wide level at June 30, 2018 were as follows:

	Accounts	Taxes & Related Accrued Interest	Due From Other Governments	Total
Governmental Activities:				
General	\$ 7,278,765	\$ 1,571,603	\$ 589,801	\$ 9,440,169
Other Governmental	2,051,535	68,326	-	2,119,861
Total Receivables	9,330,300	1,639,929	-	10,970,229
Allowance for Doubtful Accounts	3,757,462	-	-	3,757,462
Total Governmental	<u>\$ 13,087,762</u>	<u>\$ 1,639,929</u>	<u>\$ 589,801</u>	<u>\$ 15,317,492</u>
Business-Type Activities:				
Airport	\$ 332,885	\$ -	\$ -	\$ 332,885
County Water Fund	416,765	-	-	416,765
Solid Waste Fund	788,797	-	-	788,797
Transportation	45,554	-	-	45,554
Allowance for Doubtful Accounts	-	-	-	-
Total Business-Type	<u>\$ 1,584,001</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,584,001</u>

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.

5. Capital Assets**Primary Government**

Capital asset activity for the year ended June 30, 2018, was as follows:

	Beginning Balances July 1, 2017	Increases	Decreases	Ending Balances June 30, 2018
<b>Governmental Activities:</b>				
Capital assets not being depreciated:				
Land	\$ 2,476,331	\$ -	\$ -	\$ 2,476,331
Construction in Progress	-	-	-	-
Total capital assets not being depreciated	<u>2,476,331</u>	<u>-</u>	<u>-</u>	<u>2,476,331</u>
Capital assets being depreciated:				
Buildings	26,515,937	-	-	26,515,937
Equipment	7,515,849	548,477	-	8,064,326
Vehicles	5,262,563	200,605	-	5,463,168
Total capital assets being depreciated	<u>39,294,349</u>	<u>749,082</u>	<u>-</u>	<u>40,043,431</u>
Less accumulated depreciation for:				
Buildings	10,544,750	238,560	-	10,783,310
Equipment	5,928,444	300,793	-	6,229,237
Vehicles	3,901,402	384,550	-	4,285,952
Total accumulated depreciation	<u>20,374,596</u>	<u>\$ 923,903</u>	<u>\$ -</u>	<u>21,298,499</u>
Total capital assets being depreciated, net	<u>18,919,753</u>			<u>18,744,932</u>
<b>Governmental activity capital assets, net</b>	<u>\$ 21,396,084</u>			<u>\$ 21,221,263</u>

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

General government	\$ 83,712
Public Safety	467,807
Human Services	121,202
Economic and physical development	90,607
Environmental protection	12,302
Cultural and Recreational	148,273
Total Depreciation Expense	<u>\$ 923,903</u>

	Beginning Balances	Increases	Decreases	Ending Balances
Business-type Activities				
<b>Water Fund</b>				
Capital assets not being depreciated:				
Land	\$ 389,498	\$ -	\$ -	\$ 389,498
Construction in progress	-	-	-	-
Total capital assets not being depreciated	<u>389,498</u>	<u>-</u>	<u>-</u>	<u>389,498</u>
Capital assets being depreciated:				
Plant and systems	60,729,845	1,185,498	-	61,915,343
Equipment and furniture	132,648	14,500	16,859	130,289
Vehicles	203,704	24,214	-	227,918
Total capital assets being depreciated	<u>61,066,197</u>	<u>1,224,212</u>	<u>16,859</u>	<u>62,273,550</u>
Less accumulated depreciation for:				
Plant and systems	17,831,278	1,214,597	-	19,045,875
Equipment and furniture	131,250	2,670	16,859	117,061
Vehicles	143,714	21,538	-	165,252
Total accumulated depreciation	<u>18,106,242</u>	<u>\$ 1,238,805</u>	<u>\$ 16,859</u>	<u>19,328,188</u>
Total capital assets being depreciated, net	<u>42,959,955</u>			<u>42,945,362</u>
<b>Water Fund capital assets, net</b>	<u>\$ 43,349,453</u>			<u>\$ 43,334,860</u>

	Beginning Balances	Increases	Decreases	Ending Balances
Business-type Activities				
<b>Transportation Activities</b>				
Capital assets being depreciated:				
Equipment and furniture	17,504	-	-	17,504
Vehicles	749,647	234,980	83,635	900,992
Total capital assets being depreciated	767,151	234,980	83,635	918,496
Less accumulated depreciation for:				
Equipment and furniture	17,504	-	-	17,504
Vehicles	370,081	142,429	83,157	429,353
Total accumulated depreciation	387,585	\$ 142,429	\$ 83,157	\$ 446,857
<b>Transportation activities capital assets, net</b>	<b>\$ 379,566</b>			<b>\$ 471,639</b>

	Beginning Balances	Increases	Decreases	Ending Balances
Business-type Activities				
<b>Airport Activities</b>				
Capital assets not being depreciated:				
Land	\$ 556,451	\$ -	\$ -	\$ 556,451
Construction in progress	-	-	-	-
Total capital assets not being depreciated	556,451	-	-	556,451
Capital assets being depreciated:				
Terminal and runways	15,087,607	826,134	-	15,913,741
Equipment and furniture	525,743	-	-	525,743
Vehicles	6,650	-	-	6,650
Total capital assets being depreciated	15,620,000	826,134	-	16,446,134
Less accumulated depreciation for:				
Terminal and runways	8,240,715	585,862	-	8,826,577
Equipment and furniture	412,817	15,212	-	428,029
Vehicles	6,650	-	-	6,650
Total accumulated depreciation	8,660,182	\$ 601,074	\$ -	9,261,256
Total capital assets being depreciated, net	6,959,818			7,184,878
<b>Airport Fund capital assets, net</b>	<b>\$ 7,516,269</b>			<b>\$ 7,741,329</b>

	Beginning Balances	Increases	Decreases	Ending Balances
Business-type Activities				
<b>Solid Waste Activities</b>				
Capital assets not being depreciated:				
Land	\$ 216,348	\$ -	\$ -	\$ 216,348
Construction in progress	-	-	-	-
Total capital assets not being depreciated	216,348	-	-	216,348
Capital assets being depreciated:				
Buildings	3,554,423	-	-	3,554,423
Equipment and furniture	1,356,883	255,353	-	1,612,236
Vehicles	1,692,941	160,149	-	1,853,090
Total capital assets being depreciated	6,604,247	415,502	-	7,019,749
Less accumulated depreciation for:				
Buildings	1,322,754	62,152	-	1,384,906
Equipment and furniture	966,287	72,152	-	1,038,439
Vehicles	1,310,407	148,410	-	1,458,817
Total accumulated depreciation	3,599,448	\$ 282,714	\$ -	3,882,162
Total capital assets being depreciated, net	3,004,799			3,137,587
<b>Solid Waste Fund capital assets, net</b>	<b>\$ 3,221,147</b>			<b>\$ 3,353,935</b>

**Net Investment in Capital Assets**

The total net investment in capital assets at June 30, 2018 is composed of the following elements:

	<b>Governmental Activities</b>	<b>Business-Type Activities</b>
Capital assets	\$ 21,221,263	\$ 54,901,763
Notes payable	(9,496,305)	(4,309,675)
Limited obligation bonds	-	(13,632,219)
Net investment in capital assets	<u>\$ 11,724,958</u>	<u>\$ 36,959,869</u>

**B. Liabilities****1. Payables**

Payables at the government-wide level at June 30, 2018, were as follows:

	<b>Vendors</b>	<b>Salaries and Benefits</b>	<b>Accrued Interest</b>	<b>Total</b>
<b>Governmental Activities:</b>				
General	\$ 756,785	\$ 31,589	\$ 262,340	\$ 1,050,714
Other governmental	244,964	-	-	244,964
Total governmental activities	<u>\$ 1,001,749</u>	<u>\$ 31,589</u>	<u>\$ 262,340</u>	<u>\$ 1,295,678</u>
<b>Business-Type Activities:</b>				
Airport	\$ 2,945	\$ -	\$ -	\$ 2,945
County Water Fund	22,990	-	85,097	108,087
Solid Waste Fund	181,196	-	-	181,196
Transportation	2,481	-	-	2,481
Total business-type activities	<u>\$ 209,612</u>	<u>\$ -</u>	<u>\$ 85,097</u>	<u>\$ 294,709</u>

**3. Pension Plan and Other Post Employment Obligations****a. Local Governmental Employees' Retirement System**

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

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



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

*Contributions.* Contribution provisions are established by General Statute 128-30 and may be amended only by the North Carolina General Assembly. County employees are required to contribute 6% of their compensation. Employer contributions are actuarially determined and set annually by the LGERS Board of Trustees. The County's contractually required contribution rate for the year ended June 30, 2018, was 8.25% of compensation for law enforcement officers and 7.60% for general employees and firefighters, actuarially determined as an amount that, when combined with employee contributions, is expected to finance the costs of benefits earned by employees during the year. Contributions to the pension plan from the County were \$1,580,375 for the year ended June 30, 2018.

*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, 2018, the County reported a liability of \$5,371,321 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2017. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2016. The total pension liability was then rolled forward to the measurement date of June 30, 2017 utilizing update procedures incorporating the actuarial assumptions. The County's proportion of the net pension liability was based on a projection of the County's long-term share of future payroll covered by the pension plan, relative to the projected future payroll covered by the pension plan of all participating LGERS employers, actuarially determined. At June 30, 2017, the County's proportion was 0.35159%, which was an decrease of 0.00612% from its proportion measured as of June 30, 2016.

For the year ended June 30, 2018, the County recognized pension expense of \$1,849,591. At June 30, 2018, the County reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 309,438	\$ 152,045
Changes of assumptions	767,099	-
Net difference between projected and actual earnings on pension plan investments	1,304,163	-
Changes in proportion and differences between County contributions and proportionate share of contributions	104,257	87,743
County contributions subsequent to the measurement date	1,580,375	-
Total	<u>\$ 4,065,332</u>	<u>\$ 239,788</u>

\$1,580,375 reported as deferred outflows of resources related to pensions resulting from County contributions subsequent to the measurement date will be recognized as an increase of the net pension asset in the year ended June 30, 2019. Other amounts reported as deferred inflows of resources related to pensions will be recognized in pension expense as follows:

<b>Year Ended June 30</b>	
2019	324,829
2020	1,556,405
2021	765,459
2022	(401,524)
2023	-
Thereafter	-
Total	<u>\$ 2,245,169</u>

At June 30, 2018 the TDA reported a liability of \$26,124 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2017. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2016. The total pension liability was then rolled forward to the measurement date of June 30, 2017 utilizing update procedures incorporating the actuarial assumptions. The TDA's proportion of the net pension liability was based on a projection of the TDA'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, 2017, the TDA's proportion was 0.00171% which was a decrease of 0.00001% from its proportion measured as of June 30, 2016.

For the year ended June 30, 2018, the TDA recognized pension expense of \$10,897. At June 30, 2018, the TDA reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>		<u>Deferred Inflows of Resources</u>	
Differences between expected and actual experience	\$	1,505	\$	739
Changes of assumptions		3,731		-
Net difference between projected and actual earnings on pension plan investments		6,343		-
Changes in proportion and differences between County contributions and proportionate share of contributions		6,718		1,798
County contributions subsequent to the measurement date		6,020		-
Total	\$	<u>24,317</u>	\$	<u>2,537</u>

\$6,020 reported as deferred outflows of resources related to pensions resulting from TDA contributions subsequent to the measurement date will be recognized as a decrease of the net pension liability in the year ended June 30, 2019. Other amounts reported as deferred inflows of resources related to pensions will be recognized in pension expense as follows:

<b>Year Ended June 30</b>	
2019	3,475
2020	9,572
2021	5,109
2022	(2,396)
2023	-
Thereafter	-
Total	<u>\$ 15,760</u>

*Actuarial Assumptions.* The total pension liability in the December 31, 2016 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	7.20 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, 2016 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.

The projected long-term investment returns and inflation assumptions are developed through review of current and historical capital markets data, sell-side investment research, consultant whitepapers, and historical performance of investment strategies. Fixed income return projections reflect current yields across the U.S. Treasury yield curve and market expectations of forward yields projected and interpolated for multiple tenors and over multiple year horizons. Global public equity return projections are established through analysis of the equity risk premium and the fixed income return projections. Other asset categories and strategies' return projections reflect the foregoing and historical data analysis. These projections are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target allocation and best estimates of arithmetic real rates of return for each major asset class as of June 30, 2016 are summarized in the following table:

<b>Asset Class</b>	<b>Target Allocation</b>	<b>Long-Term Expected Real Rate of Return</b>
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	<u>100%</u>	

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 3.05%. All rates of return and inflation are annualized.

*Discount rate.* The discount rate used to measure the total pension liability was 7.20%. 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 7.20 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 (6.20 percent) or 1-percentage-point higher (8.20 percent) than the current rate:

	<b>1 % Decrease (6.20%)</b>	<b>Discount Rate (7.20%)</b>	<b>1% Increase (8.20%)</b>
County's proportionate share of the net pension liability (asset)	\$16,124,828	\$5,371,321	(\$3,604,462)
TDA's proportionate share of the net pension liability (asset)	\$78,425	\$26,124	(\$17,531)

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

b. Law Enforcement Officers Special Separation Allowance

(1) Plan Description

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 the December 31, 2016, the Separation Allowance's membership consisted of:

Retirees Receiving Benefits	4
Terminated Plan Members Entitled to, But Not Yet Receiving Benefits	-
Active Plan Members	<u>77</u>
Total	<u><u>81</u></u>

(2) Summary of Significant Accounting Policies

Basis of Accounting - The County has chosen to fund the Separation Allowance on a pay as you go basis. Pension expenditures are made from the General Fund, which is maintained on the modified accrual basis of accounting. Benefits and refunds are recognized when due and payable in accordance with the terms of the plan.

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

(3) Actuarial Assumptions

The entry age actuarial cost method was used in the December 31, 2016 valuation. The total pension liability in the December 31, 2016 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 7.35 percent, including inflation and productivity factor
Discount rate	3.16 percent

The discount rate is based on the yield of the S&P Municipal Bond 20 Year High Grade Rate Index as of December 31, 2017.

Mortality rates are based on the RP-2000 Mortality tables with adjustments for mortality improvements based on Scale AA.

(4) Contributions

The County is required by article 12D of G.S. Chapter 143 to provide these retirement benefits and has chosen to fund the benefit payments on a pay as you go basis through appropriations made in the General Fund operating budget. The County’s obligation to contribute to this plan is established and may be amended by the North Carolina General Assembly. The County paid \$44,870 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, 2018, the County reported a total pension liability of \$1,632,207. The total pension liability was measured as of December 31, 2017 based on a December 31, 2016 actuarial valuation. The total pension liability was then rolled forward to the measurement date of December 31, 2017 utilizing update procedures incorporating the actuarial assumptions. For the year ended June 30, 2018, the County recognized pension expense of \$134,843.

	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
Differences between expected and actual experience	\$ -	\$ 89,129
Changes of assumptions and other inputs	90,272	27,590
Benefit payments and administrative expenses subsequent to the measurement date.	44,870	-
	<u>\$ 135,142</u>	<u>\$ 116,719</u>

\$44,870 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, 2019. Other amounts reported as deferred inflows of resources related to pensions will be recognized in pension expense as follows:

<b>Year Ended June 30</b>	
2019	(6,225)
2020	(6,225)
2021	(6,225)
2022	(6,225)
2023	(1,547)
Thereafter	-
	<u>\$ (26,447)</u>

*Sensitivity of the County's total pension liability to changes in the discount rate.* The following presents the County's total pension liability calculated using the discount rate of 3.16 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 (2.16 percent) or 1-percentage-point higher (4.16 percent) than the current rate:

	<b>1% Decrease (2.16%)</b>	<b>Discount Rate (3.16%)</b>	<b>1% Increase (4.16%)</b>
Total pension liability	\$ 1,778,347	\$ 1,632,207	\$ 1,499,395

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

	<b>2018</b>
Beginning balance	\$ 1,535,414
Service Cost	81,883
Interest on the total pension liability	58,401
Changes of benefit terms	-
Differences between expected and actual experience in the measurement of the total pension liability	(107,544)
Changes of assumptions or other inputs	108,923
Benefit payments	(44,870)
Other changes	-
Ending balance of the total pension liability	<u>\$ 1,632,207</u>

*Changes of assumptions.* Changes of assumptions and other inputs reflect a change in the discount rate from 2.71 percent at June 30, 2016 to 3.13 percent at June 30, 2017.

*Changes in Benefit Terms.* Reported compensation adjusted to reflect the assumed rate of pay as of the valuation date.

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

The actuarial assumptions used in the December 31, 2016 valuation were based on the results of an actuarial experience study for the period January 1, 2010 through December 31, 2014.

c. Supplemental Retirement Income Plan for Law Enforcement Officers

Plan Description. Duplin 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 on 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, by calling (919) 981-5454, or at [www.osc.nc.gov](http://www.osc.nc.gov).

*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, 2018 were \$273,099 which includes \$155,863 from the County and \$117,236 from the employees.

d. 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.

e. Register 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. RODSPF provides supplemental pension benefits to any eligible county register of deeds who 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 State Superintendent, who serve as ex-officio members. The Registers of Deeds' Supplemental Pension Fund is included in the Comprehensive Annual Financial Report (CAFR) for the State of North Carolina. The State's CAFR includes financial statements and required supplementary information for the Registers of Deeds' Supplemental Pension Fund. That report may be obtained by writing to the Office of the State Controller, 1410 Mail Service Center, Raleigh, North Carolina 27699-1410, by calling (919) 981-5454, or at [www.osc.nc.gov](http://www.osc.nc.gov).

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

*Contributions.* Benefits and administrative expenses are funded by investment income and 1.5% of the receipts collected by each County Commission under Article 1 of Chapter 161 of the North Carolina General Statutes. The statutory contribution currently has no relationship to the actuary's required contribution. The actuarially determined contribution this year and for the foreseeable future is zero. Registers of Deeds do not contribute. Contribution provisions are established by General Statute 161-50 and may be amended only by the North Carolina General Assembly. Contributions to the pension plan from the County were \$5,017 for the year ended June 30, 2018.

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

At June 30, 2018, the County reported an asset of \$66,866 for its proportionate share of the net pension asset. The net pension asset was measured as of June 30, 2017. The total pension liability used to calculate the net pension asset was determined by an actuarial valuation as of December 31, 2016. The total pension liability was then rolled forward to the measurement date of June 30, 2017 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, 2017, the County's proportion was 0.39174%, which was a decrease of 0.03326% from its proportion measured as of June 30, 2016.

For the year ended June 30, 2018, the County recognized pension expense of \$14,028. At June 30, 2018, the County reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 1,148	\$ 215
Changes of assumptions	11,282	-
Net difference between projected and actual earnings on pension plan investments	5,684	-
Changes in proportion and differences between County contributions and proportionate share of contributions	5,228	925
County contributions subsequent to the measurement date	5,017	
Total	<u>\$ 28,359</u>	<u>\$ 1,140</u>

\$5,017 reported as deferred outflows of resources related to pensions resulting from County contributions subsequent to the measurement date will be recognized as an increase of the net pension asset in the year ended June 30, 2018. Other amounts reported as deferred inflows of resources related to pensions will be recognized in pension expense as follows:

**Year Ended June 30**

2019	12,292
2020	7,810
2021	650
2022	1,450
2023	-
Total	<u>\$ 22,202</u>

*Actuarial Assumptions.* The total pension liability in the December 31, 2016 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	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, 2016 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.

The projected long-term investment returns and inflation assumptions are developed through review of current and historical capital markets data, sell-side investment research, consultant whitepapers, and historical performance of investment strategies. Fixed income return projections reflect current yields across the U.S. Treasury yield curve and market expectations of forward yields projected and interpolated for multiple tenors and over multiple year horizons. These projections are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The adopted asset allocation policy for the RODSPF is 100% in the fixed income asset class. The best estimate of arithmetic real rate of return for the fixed income asset class as of June 30, 2017 is 1.4%.

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

*Discount rate.* The discount rate used to measure the total pension liability was 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:

	<b>1 % Decrease (2.75%)</b>	<b>Discount Rate (3.75%)</b>	<b>1% Increase (4.75%)</b>
County's proportionate share of the net pension liability (asset)	\$52,556	\$66,866	\$78,900

*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.

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

The net pension liability for LGERS and ROD was measured as of December 31, 2016, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The total pension liability for LEOSSA was measured as of June 30, 2017, with an actuarial valuation date of December 31, 2016. The County's proportion of the net pension liability was based on the County's share of contributions to the pension plan relative to the contribution of all participating entities. Following is information related to the proportionate share and pension expense:

	<b><u>LGERS</u></b>	<b><u>ROD</u></b>	<b><u>LEOSSA</u></b>	<b><u>Total</u></b>
Proportionate Share of Net Pension Liability (Asset)	\$ 5,371,321	\$ (66,866)	\$ -	\$ 5,304,455
Proportion of the Net Pension Liability (Asset)	0.3516%	0.39174%	n/a	
Total Pension Liability	\$ -	\$ -	\$ 1,632,207	\$ 1,632,207
Pension Expense	\$ 1,849,591	\$ 14,028	\$ 134,843	\$ 1,998,462



As June 30, 2018, the County reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>LGERS</u>		<u>ROD</u>		<u>LEOSSA</u>		<u>Total</u>
<b><u>Deferred Outflows of Resources</u></b>							
Differences between expected and actual experience	\$ 309,438	\$	1,148	\$	-	\$	310,586
Changes of assumptions	767,099		11,282		90,272		868,653
Net difference between projected and actual earnings on pension plan investments	1,304,163		5,684		-		1,309,847
Changes in proportion and differences between County contributions and proportionate share of contributions	104,257		5,228		-		109,485
County contributions (LGERS, ROD)/benefit payments and administration costs (LEOSSA) subsequent to the measurement date	1,580,375		5,017		44,870		1,630,262
<b><u>Deferred Inflows of Resources</u></b>							
Difference between expected and actual experience	\$ 152,045	\$	215	\$	89,129	\$	241,389
Changes of assumptions	-		-		27,590		27,590
Changes in proportion and differences between County contributions and proportionate share of contributions	87,743		925		-		88,668

g. Other Post Employment Benefits

Healthcare Benefits

Plan Description - Under the terms of the County resolution, the County administers a single-employer defined benefit Healthcare Benefits Plan (the HCB Plan). As of July 1, 2006, this plan provides postemployment healthcare benefits to retirees of the County, provided they participate in the North Carolina Local Governmental Employees' Retirement System (System) and have at least twenty years of creditable service with the County. The County pays the full cost of coverage for these benefits through private insurers. The County Board may amend the benefit provisions. A separate report was not issued for the plan. If hired after January 8, 2013 no health benefits will be paid for retirees.

Membership of the HCB Plan consisted of the following at December 31, 2017, the date of latest actuarial valuation:

	General Employees	Law Enforcement
Retirees and dependents receiving benefits	106	4
Terminated plan members entitled to but not yet receiving benefits	-	-
Active plan members	469	77
Total	575	81

Funding Policy - The County pays the full cost of coverage for the healthcare benefits paid to qualified retirees under a County resolution that can be amended by the County Board. The County has chosen to fund the healthcare benefits on a pay as you go basis.

**Total OPEB Liability**

The County's total OPEB liability of \$22,296,173 was measured as of December 31, 2017 and was determined by an actuarial valuation as of that date.

Actuarial assumptions and other inputs. The total OPEB liability in the December 31, 2017 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement unless otherwise specified:

Inflation	2.5 percent
Salary increases	3.5 percent, average, including inflation
Discount rate	3.56 percent
Healthcare cost trend rates	7.50% for 2017 decreasing to an ultimate rate of 5.00% by 2023

The discount rate is based on the yield of the S&P Municipal Bond 20 Year High Grade Rate Index as of the measurement date.

<b>Total OPEB Liability</b>	
<b>Balance at July 1, 2017</b>	\$ 23,080,426
<b>Changes for the year</b>	
Service cost	1,196,036
Interest	688,654
Changes of benefit terms	-
Differences between expected and actual experience	(78,293)
Changes in assumptions or other inputs	(2,184,539)
Benefit Payments	(406,111)
<b>Net changes</b>	<b>(784,253)</b>
<b>Balance at June 30, 2018</b>	<b>\$ 22,296,173</b>

Changes in assumptions and other inputs reflect a change in the discount rate from 3.66% to 3.56%.

Mortality rates were based on the RP-2014 Total Data Set for Healthy Annuitants Mortality Table.

The actuarial assumptions used in the December 31, 2017 valuation were based on the results of an actuarial experience study for the period January 2010 through December 2014.

*Sensitivity of the total OPEB liability to changes in the discount rate.* The following presents the total OPEB liability of the County, as well as what the County's total OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (2.56 percent) or 1-percentage-point higher (4.56 percent) than the current discount rate:

	<b>1 % Decrease (2.56%)</b>	<b>Discount Rate (3.56%)</b>	<b>1% Increase (4.56%)</b>
Total OPEB Liability	\$26,505,240	\$22,296,173	\$18,994,030

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

	<b>1 % Decrease</b>	<b>Current</b>	<b>1% Increase</b>
Total OPEB Liability	\$18,614,543	\$22,296,173	\$27,115,497

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

For the year ended June 30, 2018, the County recognized OPEB expense of \$1,599,698. At June 30, 2018, the County reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
Differences between expected and actual experience	\$ -	\$ 68,432
Net difference between projected and actual earnings on pension plan investments	-	-
Changes in proportion and differences between County contributions and proportionate share of contributions	114,645	-
Changes of assumptions	-	1,909,408
County contributions subsequent to the measurement date	-	-
Total	<b>\$ 114,645</b>	<b>\$ 1,977,840</b>

\$0 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, 2019. Other amounts reported as deferred inflows of resources related to pensions will be recognized in pension expense as follows:

#### **Year Ended June 30**

2019	(284,992)
2020	(284,992)
2021	(284,992)
2022	(284,992)
2013	(284,992)
Thereafter	(667,525)
Total	<b>\$ (2,092,485)</b>

**Deferred Outflows and Inflows of Resources**

	Deferred Outflows of Resources	Deferred Inflows of Resources
(Pensions, OPEB) - difference between expected and actual experience	\$ 310,586	\$ 309,821
(Pensions, OPEB) - Net difference between projected and actual investment earnings	1,309,847	-
(Pensions) - change in proportion and difference between employer contributions and proportionate share of contributions	224,130	88,668
(Pensions, OPEB) - change in assumptions	868,653	1,936,998
Contributions to pension plan subsequent to measurement date (LGERS, ROD)	1,630,262	-
Benefit payments for the OPEB plan paid subsequent to measurement date	-	-
Benefit payments and admin costs paid subsequent to the measurement date (LEOSSA)	44,870	-
Prepaid taxes not yet earned (General)	-	120,464
Prepaid taxes not yet earned (Special Revenue)	-	623
Taxes receivable, net, less penalties (General)	-	1,571,603
Taxes receivable, net, less penalties (Special Revenue)	-	68,326
Total	<u>\$ 4,388,348</u>	<u>\$ 4,096,503</u>

**h. Other Employment Benefits**

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

**4. 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.

**5. Contingent Liabilities**

At June 30, 2018, in the opinion of the County's management and the County attorney, there are no legal matters that will have a material adverse effect on the County's financial position.

6. Long-Term Obligations

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, 2018 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.	\$ 49,160,000
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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.	\$ 1,460,000
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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.	3,065,000
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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.	2,960,000
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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.	3,475,000
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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.	<u>2,315,000</u>
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Total general obligation bonds	<u><u>\$ 13,275,000</u></u>
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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
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	2,135,000	1,860,944	645,000	449,488
2024 - 2028	12,395,000	7,591,470	3,545,000	1,896,693
2029 - 2033	15,815,000	4,168,220	3,870,000	1,208,950
2034 - 2038	11,225,000	768,432	2,825,000	260,000
	49,160,000	<u>\$ 22,785,592</u>	13,275,000	<u>\$ 5,796,769</u>

Unamortized premiums on general obligation bonds	7,086,825	356,219
	<u>\$ 56,246,825</u>	<u>\$ 13,631,219</u>

As of June 30, 2018, Duplin County had a legal debt margin of \$275,437,787.

b. 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, 2018 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. \$ 9,496,305

Serviced by the County's Water Districts:

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. 49,020

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. 92,030

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. 278,040

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. 125,208

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. 1,878,743

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. 142,383

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. 628,015

Albertson - BF Grady Sewer - \$1,175,000 Revolving Loan to finance sewer system improvements; due in annual installments of \$58,750 through 2037; no stated interest rate. 1,116,250

Total business-type activities notes payable \$ 4,309,689

For Duplin County, the following summarizes the annual requirements for notes payable, including interest of \$6,688,829 for governmental activities and \$827,047 for business-type activities:

Fiscal Year Ending June 30,	Governmental-type Activities		Business-type Activities	
	Principal	Interest	Principal	Interest
2019	\$ 186,547	\$ 391,723	\$ 268,420	\$ 62,093
2020	194,243	384,027	268,727	58,260
2021	202,255	376,015	244,533	54,418
2022	210,598	367,672	244,860	51,202
2023	219,285	358,985	245,198	47,976
2024 - 2028	1,239,803	1,651,545	1,139,429	196,377
2029 - 2033	1,517,500	1,373,850	1,080,164	176,690
2034 - 2038	1,857,394	1,033,956	450,507	70,259
2039 - 2043	2,273,418	617,932	95,472	53,788
2044 - 2048	1,595,262	133,124	112,026	37,234
2049 - 2053	-	-	131,453	17,807
2054 - 2058	-	-	28,909	943
	<u>\$ 9,496,305</u>	<u>\$ 6,688,829</u>	<u>\$ 4,309,698</u>	<u>\$ 827,047</u>

#### 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 \$9,496,305 relates to assets the County holds title.

#### c. Long-Term Obligation Activity

The following is a summary of the changes in the County's long-term obligations for the year ended June 30, 2018:

	Balance 6/30/2017	Increases	Decreases	Balance 6/30/2018	Current Portion
<b>Governmental Activities</b>					
Limited obligation bonds	\$ 58,345,538	\$ -	\$ (2,098,713)	\$ 56,246,825	\$ 1,775,000
Notes payable	9,675,462	-	(179,157)	9,496,305	186,547
Net pension liability (LGRS)	6,966,262	-	(2,037,516)	4,928,746	-
Other post-employment benefit	12,195,763	8,263,205	-	20,458,968	-
Compensated absences	1,244,566	-	(29,522)	1,215,044	-
LEO Special Separation Allowance	1,535,414	96,793	-	1,632,207	-
Total governmental activities	<u>\$ 89,963,005</u>	<u>\$ 8,359,998</u>	<u>\$ (4,344,908)</u>	<u>\$ 93,978,095</u>	<u>\$ 1,961,547</u>
<b>Business-like Activities</b>					
<b>Water Activities</b>					
Limited obligation bonds	\$ 14,221,311	\$ -	\$ (589,092)	\$ 13,632,219	\$ 585,000
Notes payable	3,410,297	1,175,000	(275,622)	4,309,675	268,420
Net pension liability (LGRS)	181,040	-	(53,203)	127,837	-
Other post-employment benefit	316,944	213,705	-	530,649	-
Compensated absences	48,832	-	(6,320)	42,512	-
Total water activities	<u>\$ 18,178,424</u>	<u>\$ 1,388,705</u>	<u>\$ (924,237)</u>	<u>\$ 18,642,892</u>	<u>\$ 853,420</u>

	Balance 6/30/2017	Increases	Decreases	Balance 6/30/2018	Current Portion
<b>Airport Activities</b>					
Net pension liability (LGERS)	47,697	-	(13,858)	33,839	-
Other post-employment benefit	83,502	56,964	-	140,466	-
Compensated absences	12,628	2,266	-	14,894	-
Total airport activities	\$ 143,827	\$ 59,230	\$ (13,858)	\$ 189,199	\$ -
<b>Solid Waste Activities</b>					
Net pension liability (LGERS)	272,607	-	(79,777)	192,830	-
Other post-employment benefit	477,250	323,183	-	800,433	-
Compensated absences	54,020	(1,422)	-	52,598	-
Total solid waste activities	\$ 803,877	\$ 321,761	\$ (79,777)	\$ 1,045,861	\$ -
<b>Transportation Waste Activities</b>					
Net pension liability (LGERS)	124,199	-	(36,109)	88,090	-
Other post-employment benefit	217,434	148,223	-	365,657	-
Compensated absences	18,782	5,181	-	23,963	-
Total transportation activities	\$ 360,415	\$ 153,404	\$ (36,109)	\$ 477,710	\$ -
Total business-type activities	\$ 19,486,543	\$ 1,923,100	\$ (1,053,981)	\$ 20,355,662	\$ 853,420

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.

d. 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, 2018, there were no industrial revenue bonds outstanding.

IV. Interfund Balances and Activity

a. Transfers to/from Other Funds

Transfers in (out) for the year ended June 30, 2018 are summarized below:

<u>Fund</u>	<u>To</u>	<u>From</u>
From General Fund	\$ 135,980	
To Capital Project Fund		
From General Fund	\$ 4,662,335	
To Debt Service Fund		
From General Fund	\$ 566,200	
To Community Development		
From General Fund	\$ 336,894	
To Transfer from CDBG Fund		
From General Fund	\$ 16,611	
To Automation Preservation Fund		
From General Fund	\$ 99,006	
To Airport Commission Fund		
To General Fund		1,691,807
From Capital Projects Fund - School Fund		
To General Fund	\$ 24,659	
From Industrial Expansion Capital Project		
To General Fund	\$ 4,100,560	
From Debt Service Fund		
Total	<u>\$ 5,817,026</u>	<u>\$ 5,817,026</u>

All of the above were for operating expenditures.



c. Fund Balance

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

<b>Total fund balance - General Fund</b>	<b>\$ 16,398,797</b>
<b>Less:</b>	
<b>Stabilization by State Statute</b>	3,939,454
<b>Appropriated Fund Balance</b>	2,695,266
<b>Public Safety</b>	201,065
<b>Economic development</b>	1,022,145
<b>Human services</b>	575,969
<b>Remaining Fund Balance</b>	<b>\$ 10,660,164</b>

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.

June 30	2018
Encumbrances:	
General Fund	\$ 390,000

V. 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.

VI. 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, 2018. 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, 2018. 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 \$2,133,500 to the community college for operating and capital purposes, respectively, during the fiscal year ended June 30, 2018. 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, 2018. Complete financial statements for the community college may be obtained from the community college's administrative offices at Highway 11 South, Kenansville, North Carolina.

VII. Benefit Payments Issued by the State

The amounts listed below were paid directly to individual recipients by the State from federal and State moneys. County

	<b>Federal</b>	<b>State</b>
Medical Assistance Program	\$ 56,553,168	\$ 29,024,487
State Children's Insurance Program	1,550,774	2,075
Nutrition Program for Women, Infants, and Children	1,271,813	-
Food and Nutrition Services	11,985,244	-
Family Preservation	3,603	-
IV-E Adopt & Vendor & Guardianship	181,659	44,750
TANF Payments & Penalties	209,496	-
CWS Adopt, Vendor, Guardianship	-	116,306
SAA/SAD HB 1030	-	32,725
SC/SA Domiciliary Care	-	472,172
Total	<u>\$ 71,755,757</u>	<u>\$ 29,692,514</u>

VIII. Summary Disclosure of Significant Commitments and Contingencies

Federal and State Assisted Programs

The County has received proceeds from 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.

IX. Significant Effects of Subsequent Events

There are no subsequent events that would have a material affect on the financial statements. Subsequent events have been analyzed through the date that the financial statements were available to be issued.

X. Change in Accounting Principles/Restatement

The County implemented Governmental Accounting Standards Board (GASB) No. Statement 75, Accounting and Financial Reporting for Financial Reporting for Postemployment Benefits Other than Pensions, in the fiscal year ending June 30, 2018. The implementation of the statement required the County to record beginning net OPEB liability and the effects on net position of contributions paid by the County to the OPEB Trust during the measurement period, as well as the removal of the net OPEB obligation. As a result, net position for the governmental and business-type activities decreased by \$8,610,188 and \$805,499 respectively.

The TDA implemented Governmental Accounting Standards Board (GASB) statement 68, *Accounting and Financial Reporting for Pensions (an amendment of GASB Statement No. 27)*, in the fiscal year ending June 30, 2018. The implementation of the statement required the TDA to record beginning net pension liability and the effects the net position of contributions made by the County during the measurement period (fiscal year ending June 30, 2017). As a result, net position for the activities decreased by \$531.

REQUIRED  
SUPPLEMENTAL FINANCIAL DATA

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This section contains additional information required by generally  
accounting principals.

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Schedule of the Proportionate Share of the Net Pension  
Asset – Local Government Employees’ Retirement System

Schedule of Contributions – Local Government Employees’  
Retirement System

Schedule of the Proportionate Share of the Net Pension  
Asset – Register of Deeds

Schedule of Contributions – Register of Deeds

Schedule of Changes in Total Pension Liability - Law Enforcement Officer's  
Special Separation Allowance

Schedule of Total Pension Liability as a Percentage of Covered Payroll

Schedule of Changes in Net OPEB Liability and Related Ratios

**Duplin County, North Carolina**  
**Duplin County's Proportionate Share of Net Pension Liability (Asset)**  
**Required Supplementary Information**  
**Last Five Fiscal Years**

**Local Government Employees' Retirement System**

	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Board's proportion of the net pension liability (asset) (%)	0.35159%	0.35800%	0.33000%	0.3220%	0.3120%
Board's proportion of the net pension liability (asset) (\$)	\$ 5,371,321	\$ 7,591,805	\$ 1,479,764	\$ (1,899,277)	\$ 3,762,003
Board's covered-employee payroll	\$ 20,849,942	\$ 19,977,306	\$ 19,241,121	\$ 16,399,727	\$ 15,288,431
Board's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	25.76%	38.00%	7.69%	( 11.58%)	24.61%
Plan fiduciary net position as a percentage of the total pension liability**	94.18%	91.47%	98.09%	102.64%	94.35%

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

\*\* This will be the same percentage for all participant employers in the LGERS plan.

**Duplin County, North Carolina  
Duplin County's Contributions  
Required Supplementary Information  
Last Five Fiscal Years**

**Local Government Employees' Retirement System**

	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Contractually required contribution	\$ 1,580,375	\$ 1,545,389	\$ 1,373,736	\$ 1,370,791	\$ 1,339,314
Contributions in relation to the contractually required contribution	1,580,375	1,545,389	1,373,736	1,370,791	1,339,314
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
County's covered-employee payroll	\$ 20,548,575	\$ 20,849,942	\$ 19,977,306	\$ 19,241,121	\$ 16,399,727
Contributions as a percentage of covered-employee payroll	7.69%	7.41%	6.88%	7.12%	8.17%

**Duplin County, North Carolina**  
**Duplin County's Proportionate Share of Net Pension Liability (Asset)**  
**Required Supplementary Information**  
**Last Five Fiscal Years \***

**Registers of Deeds' Supplemental Pension Fund**

	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
County's proportion of the net pension liability (asset) (%)	0.39174%	0.42500%	0.41600%	0.4150%	-0.3870%
County's proportion of the net pension liability (asset) (\$)	\$ (66,866)	\$ (78,482)	\$ (96,367)	\$ (93,996)	\$ (82,685)
County's covered-employee payroll	\$ 70,882	\$ 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	( 94.33%)	(1 13.77%)	(1 66.95%)	(1 62.85%)	(1 43.25%)
Plan fiduciary net position as a percentage of the total pension liability**	153.77%	160.17%	197.29%	193.88%	190.50%

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

\*\* This will be the same percentage for all participant employers in the ROD plan.

**Duplin County, North Carolina**  
**Duplin County's Contributions**  
**Required Supplementary Information**  
**Last Five Fiscal Years**

**Registers of Deeds' Supplemental Pension Fund**

	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Contractually required contribution	\$ 5,017	\$ 5,283	\$ 4,877	\$ 3,386	\$ 3,386
Contributions in relation to the contractually required contribution	5,017	5,283	4,877	3,386	3,386
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
County's covered-employee payroll	\$ 66,097	\$ 70,882	\$ 68,983	\$ 57,721	\$ 57,721
Contributions as a percentage of covered-employee payroll	7.59%	7.45%	7.07%	5.87%	5.87%

**Duplin County, North Carolina**  
**Schedule of Changes in Total Pension Liability**  
**Law Enforcement Officers' Special Separation Allowance**  
**For the Year Ended June 30, 2018**

	<u>2018</u>	<u>2017</u>
Beginning balance	1,535,414	1,481,357
Service Cost	81,883	91,536
Interest on the total pension liability	58,401	52,010
Changes of benefit terms	-	-
Differences between expected and actual experience	(107,544)	-
Changes of assumptions or other inputs	108,923	(40,512)
Benefit payments	(44,870)	(48,977)
Other changes	-	-
Ending balance of the total pension liability	<u>\$ 1,632,207</u>	<u>\$ 1,535,414</u>

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



**Duplin County, North Carolina**  
**Schedule of Total Pension Liability as a Percentage of Covered Payroll**  
**Law Enforcement Officers' Special Separation Allowance**  
**For the Year Ended June 30, 2018**

	<u>2018</u>	<u>2017</u>
Total pension liability	\$ 1,632,207	1535414
Covered payroll	3,384,695	3399215
Total pension liability as a percentage of covered payroll	48.22%	45.17%

Notes to the schedules:

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

**Duplin County, North Carolina**  
**Schedule of Changes in the Net OPEB Liability and Related Ratios**  
**Healthcare Benefits Plan**  
**For the Year Ended June 30, 2018\***

	<b>2018</b>
<b>Total OPEB Liability</b>	
Service cost	\$ 1,196,036
Interest	688,654
Changes of benefit terms	-
Differences between expected and actual experience	(78,293)
Changes of assumptions	(2,184,539)
Benefit payments	<u>(406,111)</u>
<b>Net change in total OPEB liability</b>	<u>(784,253)</u>
<b>Total OPEB liability - beginning</b>	<u>23,080,426</u>
<b>Total OPEB liability - ending</b>	<u><u>\$ 22,296,173</u></u>
County's covered-employee payroll	\$ 18,737,085
County's OPEB liability as a percentage of its covered-employee payroll	118.99%

\* Plan measurement date is the reporting date. Employer measurement date is one year prior to reporting date.

**Notes to Schedule**

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

<u>Fiscal year</u>	<u>Rate</u>
2018	3.56%

## GENERAL FUND

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

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**Duplin County, North Carolina  
General Fund  
Schedule of Revenues, Expenditures, and  
Changes in Fund Balances - Budget and Actual  
For the Fiscal Year Ended June 30, 2018**

	Final Budget	Actual	Variance Positive (Negative)
<b>Revenues:</b>			
Ad Valorem Taxes:			
Taxes	\$	\$ 29,075,710	\$
Penalties and Interest		334,484	
Total	<u>30,391,964</u>	<u>29,410,194</u>	<u>(981,770)</u>
Other Taxes and Licenses:			
Local option sales tax		7,704,417	
Other taxes and licenses		117,924	
Total	<u>7,554,000</u>	<u>7,822,341</u>	<u>268,341</u>
Unrestricted Intergovernmental:			
ABC profit distribution		49,840	
Video franchise tax		21,861	
Medicaid gold harmless distribution		721,970	
Total	<u>283,839</u>	<u>793,671</u>	<u>509,832</u>
Restricted Intergovernmental:			
State and Federal Grants		7,927,768	
Other grants		424,811	
Court facilities fees		100,307	
Social services fraud collections		37,053	
Law Enforcement Reserve		14,212	
Total	<u>9,827,758</u>	<u>8,504,151</u>	<u>(1,323,607)</u>
Permits and Fees:			
Register of Deeds		189,792	
Permits and Inspection fees		324,081	
Total	<u>494,179</u>	<u>513,873</u>	<u>19,694</u>
Sales and Services:			
Rents and parking		124,467	
Sheriff and jail fees		750,820	
Event center revenue		93,324	
Other fees and services		1,777,655	
School resource officer		958,188	
Health department fees		1,120,870	
Emergency medical service fees		2,665,480	
Total	<u>7,173,585</u>	<u>7,490,804</u>	<u>317,219</u>
Investment Earnings: Interest	<u>73,500</u>	<u>194,743</u>	<u>121,243</u>
Miscellaneous:			
Various contributions		9,130	
In-kind contributions		24,285	
Sale of fixed assets		23,036	
Other revenues		24,009	
Total	<u>196,241</u>	<u>80,460</u>	<u>(115,781)</u>
<b>TOTAL REVENUES</b>	<u>55,995,066</u>	<u>54,810,237</u>	<u>(1,184,829)</u>
<b>Expenditures:</b>			
General Government:			
Governing body		209,208	
Finance		696,112	
Tax administration		1,265,073	
Management information systems		483,964	
County Manager		227,271	
Personnel		235,436	
Legal		410,134	
Register of deeds		313,636	
Elections		413,412	
Public buildings		486,882	

**Duplin County, North Carolina  
General Fund  
Schedule of Revenues, Expenditures, and  
Changes in Fund Balances - Budget and Actual  
For the Fiscal Year Ended June 30, 2018**

	Final Budget	Actual	Variance Positive (Negative)
Non-departmental		420,564	
Central Supply		1,140,959	
Housekeeping		250,422	
Garage		232,177	
Total general government	<u>7,567,715</u>	<u>6,785,250</u>	<u>782,465</u>
Public Safety:			
Sheriff		3,989,879	
Court facilities		197,216	
Jury Commission		4,698	
Adult probation		6,648	
Mental health transportation		25,370	
Special separation allowance		72,559	
Fingerprinting		3,602	
Communications		1,397,868	
Special response team		4,848	
School resource officer		797,742	
Federally seized assets		16,405	
911 Functions		-	
Jail		2,741,654	
Emergency management		111,912	
NC Communities Foundation Grant		1,000	
Jail annex - State prison facility		759,659	
SCAPP - 2016 H1734-NC-AP		2,380	
Emergency medical services		4,699,311	
Fire marshal		1,644,756	
Faison Substation		78,223	
Building inspections		280,322	
Medical examiner		29,300	
Animal control		325,138	
Concealed handgun		62,901	
Gov Crime Commission - ICAC		940	
Non-emergency services		-	
Third courtroom renovation		560,411	
Department of Justice - 2016APBX0148		-	
JCPC - Youth Shelter Days		2,998	
Total	<u>18,460,685</u>	<u>17,817,740</u>	<u>642,945</u>
Economic and physical development:			
Economic Development		606,364	
Soil/water conservation		758,141	
Agricultural extension		40,675	
Cooperative extension prevention block grant		381,168	
JCPC		164,077	
Total	<u>3,276,493</u>	<u>1,950,425</u>	<u>1,326,068</u>
Human services:			
Health:			
Nutrition programs		466,552	
Environmental Health		382,263	
Administration		575,408	
Immunizations		209,581	
Other health programs		2,152,979	
Total human services	<u>4,085,573</u>	<u>3,786,783</u>	<u>298,790</u>
Mental Health:			
Regional mental health		224,474	
Total	<u>150,000</u>	<u>224,474</u>	<u>(74,474)</u>
Social services:			
Administration		6,387,724	
Day care		291,236	
Temporary Assistance for Needy Families		3,293	

**Duplin County, North Carolina**  
**General Fund**  
**Schedule of Revenues, Expenditures, and**  
**Changes in Fund Balances - Budget and Actual**  
**For the Fiscal Year Ended June 30, 2018**

	Final Budget	Actual	Variance Positive (Negative)
Medical assistance		93,713	
Child support enforcement		67,730	
Adult daycare		504,914	
Aging services		649,845	
Food assistance		383,396	
County wellness program		295,778	
Adoption assistance		64,898	
Cape Fear Obesity Clinic Grant		1,079	
Foster care		237,800	
Services to the blind		5,366	
Crisis intervention		27,450	
Other assistance		411,815	
Total social services	<u>11,655,246</u>	<u>9,426,037</u>	<u>2,229,209</u>
Bioterrorism	<u>50,407</u>	<u>48,219</u>	<u>2,188</u>
Veteran's Services	<u>204,646</u>	<u>193,949</u>	<u>10,697</u>
Total Human Services	<u>16,145,872</u>	<u>13,679,462</u>	<u>2,466,410</u>
Cultural and Recreational:			
Museum		444,012	
Recreation		160,890	
Library		530,063	
Total Cultural and Recreational	<u>1,437,037</u>	<u>1,134,965</u>	<u>302,072</u>
Education:			
Public Schools:			
Current Expense		8,801,000	
Capital outlay		173,355	
Community college		2,133,500	
Total Education	<u>11,207,576</u>	<u>11,107,855</u>	<u>99,721</u>
TOTAL EXPENDITURES	<u>58,095,378</u>	<u>52,475,697</u>	<u>5,619,681</u>
Revenues over Expenditures	<u>(2,100,312)</u>	<u>2,334,540</u>	<u>4,434,852</u>
Other financing sources (uses):			
Fund Balance Appropriated	6,207,005	-	(6,207,005)
Transfers (to)/from Other Funds:	<u>(4,106,693)</u>	<u>(4,101,622)</u>	<u>5,071</u>
Total Other Financing Sources (Uses)	<u>2,100,312</u>	<u>(4,101,622)</u>	<u>(6,201,934)</u>
Net change in fund balance	<u>\$ -</u>	<u>(1,767,082)</u>	<u>\$ (1,767,082)</u>
Fund balances:			
Beginning of year, July 1		<u>17,270,926</u>	
Increase in inventory		<u>14,700</u>	
End of year, June 30		<u>\$ 15,518,544</u>	

## OTHER MAJOR GOVERNMENTAL FUNDS

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Major Governmental Funds - Capital Reserve Fund  
Major Governmental Funds - Capital Project Fund

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**Duplin County, North Carolina**  
**Capital Reserve Fund**  
**Schedule of Revenues, Expenditures, and**  
**Changes in Fund Balances - Budget and Actual (Non-GAAP)**  
**From Inception and For the Fiscal Year Ended June 30, 2018**

	Project Author - ization	Prior Years	Actual Current Year	Total to Date	Variance Favorable (Unfavorable)
Revenues:					
Investment earnings	\$ 30,842	\$ 179,031	\$ -	\$ 179,031	\$ 148,189
Total revenues	<u>30,842</u>	<u>179,031</u>	<u>-</u>	<u>179,031</u>	<u>148,189</u>
Expenditures:					
Capital Reserve	751,178	-	20,175	20,175	731,003
Total expenditures	<u>751,178</u>	<u>-</u>	<u>20,175</u>	<u>20,175</u>	<u>731,003</u>
Revenues over expenditures	<u>(720,336)</u>	<u>179,031</u>	<u>(20,175)</u>	<u>158,856</u>	<u>879,192</u>
Other Financing Sources (Uses):					
Transfers from other funds	755,633	755,633	(4,455)	751,178	(4,455)
Transfers to other funds	<u>(35,297)</u>	<u>(35,297)</u>	<u>5,517</u>	<u>(29,780)</u>	<u>5,517</u>
Total other financing sources	<u>720,336</u>	<u>720,336</u>	<u>1,062</u>	<u>721,398</u>	<u>1,062</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ 899,367</u>	<u>(19,113)</u>	<u>\$ 880,254</u>	<u>\$ 880,254</u>
Fund Balance:					
Beginning of Year, July 1			<u>899,367</u>		
End of Year, June 30			<u>\$ 880,254</u>		



**Duplin County, North Carolina**  
**Capital Project Fund**  
**Schedule of Revenues, Expenditures, and**  
**Changes in Fund Balances - Budget and Actual**  
**From Inception and For the Fiscal Year Ended June 30, 2018**

	Project Author - ization	Prior Years	Actual Current Year	Total to Date	Variance Favorable (Unfavorable)
<b>Revenues:</b>					
Restricted intergovernmental					
Federal and state grants	\$ 3,864,149	\$ 1,108,560	\$ 1,035,728	\$ 2,144,288	\$ (1,719,861)
Sales tax refund	-	805,851	315,192	1,121,043	1,121,043
Contributions	57,700	15,500	-	15,500	(42,200)
Total revenues	<u>3,921,849</u>	<u>1,929,911</u>	<u>1,350,920</u>	<u>3,280,831</u>	<u>(641,018)</u>
<b>Expenditures:</b>					
Education	62,261,411	48,611,052	13,358,154	61,969,206	292,205
NCDAS Stream Cleanout	1,249,426	-	526,807	526,807	722,619
NC Found of S&W	-	-	11,383	11,383	(11,383)
BFG Sewer DWI	2,707,770	1,178,111	526,350	1,704,461	1,003,309
Total expenditures	<u>66,218,607</u>	<u>49,789,163</u>	<u>14,422,694</u>	<u>64,211,857</u>	<u>2,006,750</u>
Revenues over expenditures	<u>(62,296,758)</u>	<u>(47,859,252)</u>	<u>(13,071,774)</u>	<u>(60,931,026)</u>	<u>1,365,732</u>
<b>Other Financing Sources (Uses):</b>					
Proceeds from debt issuance	60,514,251	60,514,251	-	60,514,251	-
Interest	-	168,440	22,071	190,511	190,511
Transfers from other funds	1,782,507	35,347	135,980	171,327	(1,611,180)
Total other financing sources	<u>62,296,758</u>	<u>60,718,038</u>	<u>158,051</u>	<u>60,876,089</u>	<u>(1,420,669)</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ 12,858,786</u>	<u>\$ (12,913,723)</u>	<u>\$ (54,937)</u>	<u>\$ (54,937)</u>
<b>Fund Balance:</b>					
Beginning of Year, July 1			<u>12,858,786</u>		
End of Year, June 30			<u>\$ (54,937)</u>		

**Duplin County, North Carolina  
Nonmajor Governmental Funds  
Combining Balance Sheet  
June 30, 2018**

	Special Revenue Funds	Total Nonmajor Capital Project Funds	Total Nonmajor Governmental Funds
<b>Assets:</b>			
Cash and cash equivalents	\$ 2,073,454	\$ 4,360,774	\$ 6,434,228
Restricted cash	2,989,337	-	2,989,337
Accounts receivable, net	1,282,436	769,099	2,051,535
Taxes receivable (net)	68,326	-	68,326
Due from other governments	-	-	-
	<u>6,413,553</u>	<u>5,129,873</u>	<u>11,543,426</u>
Total Assets	\$ <u>6,413,553</u>	\$ <u>5,129,873</u>	\$ <u>11,543,426</u>
<b>Liabilities and Fund Balances:</b>			
<b>Current liabilities:</b>			
Accounts payable	\$ 22,131	\$ -	\$ 22,131
Due from other funds	-	-	-
Total liabilities	<u>22,131</u>	<u>-</u>	<u>22,131</u>
<b>Deferred Inflows of Resources</b>			
Total deferred inflows of resources	<u>1,313,344</u>	<u>-</u>	<u>1,313,344</u>
<b>Fund Balances:</b>			
Restricted			
Stabilization by State Statute	38,041	769,099	807,140
Register of Deeds	9,296	-	9,296
Sheriff	-	-	-
Tax revaluation and mapping	775,112	-	775,112
Emergency services	742,984	-	742,984
School Capital	2,202,669	4,357,689	6,560,358
Committed			
Capital improvements	-	3,085	3,085
Economic Development	1,191,745	-	1,191,745
Various Programs	124,449	-	124,449
Unassigned	<u>(6,218)</u>		<u>(6,218)</u>
Total fund balances	<u>5,078,078</u>	<u>5,129,873</u>	<u>10,207,951</u>
<b>Total liabilities, deferred inflows of resources, and fund balances</b>	<u>\$ 6,413,553</u>	<u>\$ 5,129,873</u>	<u>\$ 11,543,426</u>

**Duplin County, North Carolina**  
**Nonmajor Governmental Funds**  
**Combining Statement of Revenues, Expenditures, and**  
**Changes in Fund Balances**  
**For the Fiscal Year Ended June 30, 2018**

	Special Revenue Funds	Capital Project Funds	Total Nonmajor Governmental Funds
<b>Revenues:</b>			
Ad Valorem Taxes	\$ 999,008	\$ -	\$ 999,008
Local option sales tax	37	2,890,278	2,890,315
Restricted intergovernmental	1,262,037	370,747	1,632,784
Charges for services	15,267	-	15,267
Investment earnings	95,028	47,002	142,030
Other	139,852	-	139,852
Total revenues	<u>2,511,229</u>	<u>3,308,027</u>	<u>5,819,256</u>
<b>Expenditures:</b>			
General government	191,438	346,088	537,526
Public safety	1,132,408	-	1,132,408
Human services	17,549	-	17,549
Economic and physical development	706,917	789,280	1,496,197
Sanitation	-	-	-
Education	46,577	-	46,577
Debt service:			
Principal retirement	-	-	-
Interest and fees	-	-	-
Total Expenditures	<u>2,094,889</u>	<u>1,135,368</u>	<u>3,230,257</u>
Revenues Over (Under) Expenditures	<u>416,340</u>	<u>2,172,659</u>	<u>2,588,999</u>
<b>Other Financing Sources (Uses):</b>			
Proceeds of long-term debt	-	-	-
Transfers from (to) other sources	919,705	(1,716,466)	(796,761)
Transfers from (to) other sources	-	-	-
Total other financing sources (uses)	<u>919,705</u>	<u>(1,716,466)</u>	<u>(796,761)</u>
Net change in Fund Balance	1,336,045	456,193	1,792,238
<b>Fund balances:</b>			
Beginning of Year, July 1	<u>3,742,033</u>	<u>4,673,680</u>	<u>8,415,713</u>
End of year, June 30	<u>\$ 5,078,078</u>	<u>\$ 5,129,873</u>	<u>\$ 10,207,951</u>

## SPECIAL REVENUE FUNDS

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

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**Duplin County, North Carolina**  
**Nonmajor Governmental Funds - Special Revenue Funds**  
**Combining Balance Sheet**  
**June 30, 2018**

	School Planning Allocation Fund	Community Development Revolving Loan Fund	Revaluation Reserve Fund	Fire District Funds	CDBG Fund	Emergency Telephone System Fund	Automation Preservation Fund	County Trust Fund	Total Nonmajor Governmental Funds
<b>Assets:</b>									
Cash and cash equivalents	\$ -	\$ 1,191,745	\$ -	\$ 4,572	\$ -	742,984	\$ 9,445	\$ 124,708	\$ 2,073,454
Restricted cash	2,202,669	-	786,668	-	-	-	-	-	2,989,337
Accounts receivable, net	-	1,244,395	-	6,434	-	31,607	-	-	1,282,436
Taxes receivable (net)	-	-	-	68,326	-	-	-	-	68,326
Due from other funds	-	-	-	-	-	-	-	-	-
<b>Total Assets</b>	<b>\$ 2,202,669</b>	<b>\$ 2,436,140</b>	<b>\$ 786,668</b>	<b>\$ 79,332</b>	<b>\$ -</b>	<b>774,591</b>	<b>\$ 9,445</b>	<b>\$ 124,708</b>	<b>\$ 6,413,553</b>
<b>Liabilities and Fund Balances:</b>									
<b>Current liabilities:</b>									
Accounts payable	\$ -	\$ -	\$ 11,556	\$ 10,167	\$ -	-	\$ 149	\$ 259	\$ 22,131
Due to other funds	-	-	-	-	-	-	-	-	-
<b>Total liabilities</b>	<b>-</b>	<b>-</b>	<b>11,556</b>	<b>10,167</b>	<b>-</b>	<b>-</b>	<b>149</b>	<b>259</b>	<b>22,131</b>
<b>Deferred Inflows of Resources</b>									
Prepaid Taxes	-	-	-	623	-	-	-	-	623
Property taxes receivable	-	1,244,395	-	68,326	-	-	-	-	1,312,721
<b>Total deferred inflows of resources</b>	<b>-</b>	<b>1,244,395</b>	<b>-</b>	<b>68,949</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,313,344</b>
<b>Fund Balances:</b>									
<b>Restricted</b>									
Stabilization by State Statute	-	-	-	6,434	-	31,607	-	-	38,041
Register of Deeds	-	-	-	-	-	-	9,296	-	9,296
Sheriff	-	-	-	-	-	-	-	-	-
Tax revaluation and mapping	-	-	775,112	-	-	-	-	-	775,112
Emergency services	-	-	-	-	-	742,984	-	-	742,984
School Capital	2,202,669	-	-	-	-	-	-	-	2,202,669
<b>Committed</b>									
Economic Development	-	1,191,745	-	-	-	-	-	-	1,191,745
Various Programs	-	-	-	-	-	-	-	124,449	124,449
<b>Unassigned</b>									
	-	-	-	(6,218)	-	-	-	-	(6,218)
<b>Total fund balances</b>	<b>2,202,669</b>	<b>1,191,745</b>	<b>775,112</b>	<b>216</b>	<b>-</b>	<b>774,591</b>	<b>9,296</b>	<b>124,449</b>	<b>5,078,078</b>
<b>Total liabilities, deferred inflows of resources, and fund balances</b>	<b>\$ 2,202,669</b>	<b>\$ 2,436,140</b>	<b>\$ 786,668</b>	<b>\$ 79,332</b>	<b>\$ -</b>	<b>774,591</b>	<b>\$ 9,445</b>	<b>\$ 124,708</b>	<b>\$ 6,413,553</b>

**Duplin County, North Carolina**  
**Nonmajor Governmental Funds - Special Revenue Funds**  
**Combining Statement of Revenues, Expenditures, and**  
**Changes in Fund Balances**  
**For the Fiscal Year Ended June 30, 2018**

	School Planning Allocation Fund	Community Development Revolving Loan Fund	Revaluation Reserve Fund	Fire District Funds	CDBG Fund	Emergency Telephone System Fund	Automation Preservation Fund	County Trust Fund	Total Nonmajor Governmental Funds
<b>Revenues:</b>									
Ad Valorem Taxes	\$ -	\$ -	\$ 177,806	\$ 821,202	\$ -	\$ -	\$ -	\$ -	\$ 999,008
Local option sales tax	-	-	-	-	37	-	-	-	37
Restricted intergovernmental	656,746	-	-	-	167,991	380,415	-	56,885	1,262,037
Charges for services	-	-	-	-	-	-	-	15,267	15,267
Investment earnings	24,539	51,833	8,898	-	-	8,238	68	1,452	95,028
Other	-	122,988	-	-	-	-	-	16,864	139,852
<b>Total revenues</b>	<b>681,285</b>	<b>174,821</b>	<b>186,704</b>	<b>821,202</b>	<b>168,028</b>	<b>388,653</b>	<b>68</b>	<b>90,468</b>	<b>2,511,229</b>
<b>Expenditures:</b>									
General government	-	-	176,856	-	-	-	14,582	-	191,438
Public safety	-	-	-	820,363	-	265,522	-	46,523	1,132,408
Human Services	-	-	-	-	-	-	-	17,549	17,549
Economic and community development	-	200,000	-	-	506,917	-	-	-	706,917
Education	46,577	-	-	-	-	-	-	-	46,577
Capital Outlay	-	-	-	-	-	-	-	-	-
<b>Total Expenditures</b>	<b>46,577</b>	<b>200,000</b>	<b>176,856</b>	<b>820,363</b>	<b>506,917</b>	<b>265,522</b>	<b>14,582</b>	<b>64,072</b>	<b>2,094,889</b>
<b>Revenues Over (Under) Expenditures</b>	<b>634,708</b>	<b>(25,179)</b>	<b>9,848</b>	<b>839</b>	<b>(338,889)</b>	<b>123,131</b>	<b>(14,514)</b>	<b>26,396</b>	<b>416,340</b>
<b>Other Financing Sources (Uses):</b>									
Proceeds of long-term debt	-	-	-	-	-	-	-	-	-
Transfers from (to) other sources	-	566,200	-	-	336,894	-	16,611	-	919,705
Transfers from (to) other sources	-	-	-	-	-	-	-	-	-
<b>Total other financing sources (uses)</b>	<b>-</b>	<b>566,200</b>	<b>-</b>	<b>-</b>	<b>336,894</b>	<b>-</b>	<b>16,611</b>	<b>-</b>	<b>919,705</b>
<b>Net change in Fund Balance</b>	<b>634,708</b>	<b>541,021</b>	<b>9,848</b>	<b>839</b>	<b>(1,995)</b>	<b>123,131</b>	<b>2,097</b>	<b>26,396</b>	<b>1,336,045</b>
<b>Fund balances:</b>									
Beginning of Year, July 1	1,567,961	650,724	765,264	(623)	1,995	651,460	7,199	98,053	3,742,033
End of year, June 30	\$ 2,202,669	\$ 1,191,745	\$ 775,112	\$ 216	\$ -	\$ 774,591	\$ 9,296	\$ 124,449	\$ 5,078,078

**Duplin County, North Carolina**  
**School Planning Allocation Fund**  
**Schedule of Revenues, Expenditures, and**  
**Changes in Fund Balances - Budget and Actual**  
**For the Fiscal Year Ended June 30, 2018**

	2018		Variance Favorable (Unfavorable)
	Final Budget	Actual	
Revenues:			
Restricted intergovernmental	\$	\$ 656,746	\$
Investment earnings		24,539	
Total Revenues	<u>-</u>	<u>681,285</u>	<u>681,285</u>
Expenditures:			
Public school building projects		46,577	
Total Expenditures	<u>639,236</u>	<u>46,577</u>	<u>592,659</u>
Revenues Over (Under) Expenditures	<u>(639,236)</u>	<u>634,708</u>	<u>1,273,944</u>
Other Financing Sources (Uses):			
Transfers in (out)		-	
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>
Revenues and Other Financing Sources Over (Under) Uses	<u>(639,236)</u>	<u>634,708</u>	<u>1,273,944</u>
Fund Balance Appropriated	<u>639,236</u>	<u>-</u>	<u>(639,236)</u>
Net change in fund balance	\$ <u><u>-</u></u>	634,708	\$ <u><u>634,708</u></u>
Fund Balance:			
Beginning of Year, July 1		<u>1,567,961</u>	
End of Year, June 30		\$ <u><u>2,202,669</u></u>	

**Duplin County, North Carolina**  
**Community Development Revolving Loan Fund**  
**Schedule of Revenues, Expenditures, and**  
**Changes in Fund Balances - Budget and Actual**  
**For the Fiscal Year Ended June 30, 2018**

	2018		Variance Favorable (Unfavorable)
	Budget	Actual	
Revenues			
Loan/lease payments	\$	\$ 122,988	\$
Investment earnings		51,833	
Total Revenue	<u>-</u>	<u>174,821</u>	<u>174,821</u>
Expenditures			
Community development loans		200,000	
Total Expenditures	<u>766,200</u>	<u>200,000</u>	<u>566,200</u>
Revenues Over (Under) Expenditures	<u>(766,200)</u>	<u>(25,179)</u>	<u>741,021</u>
Other Financing Sources (Uses):			
Transfers in		566,200	
Transfer in (out)		-	
Total Other Financing Sources (Uses)	<u>566,200</u>	<u>566,200</u>	<u>-</u>
Revenues and Other Financing Sources Over (Under) Expenditures and Other Uses	(200,000)	541,021	741,021
Fund Balance Appropriated	<u>200,000</u>	<u>-</u>	<u>(200,000)</u>
Net change in fund balance	\$ <u>-</u>	541,021	\$ <u>541,021</u>
Fund Balance:			
Beginning of Year, July 1		<u>650,724</u>	
End of Year, June 30		\$ <u>1,191,745</u>	



**Duplin County, North Carolina**  
**Revaluation Reserve Fund**  
**Schedule of Revenues, Expenditures, and**  
**Changes in Fund Balances - Budget and Actual**  
**For the Fiscal Year Ended June 30, 2018**

	2018		Variance Favorable (Unfavorable)
	Budget	Actual	
Revenues			
Ad valorem taxes	\$	\$ 177,806	\$
Investment Earnings		8,898	
Total Revenue	<u>183,806</u>	<u>186,704</u>	<u>2,898</u>
Expenditures			
General government:			
Salaries and benefits		141,358	
Operating expenditures		35,498	
Total Expenditures	<u>189,806</u>	<u>176,856</u>	<u>12,950</u>
Revenues Over (Under) Expenditures	<u>(6,000)</u>	<u>9,848</u>	<u>15,848</u>
Other Financing Sources (Uses):			
Transfers in		-	
Transfer (out)		-	
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>
Revenues and Other Financing Sources Over (Under) Expenditures and Other Uses	<u>(6,000)</u>	<u>9,848</u>	<u>15,848</u>
Fund Balance Appropriated	<u>6,000</u>	<u>-</u>	<u>(6,000)</u>
Net change in fund balance	\$ <u><u>-</u></u>	\$ 9,848	\$ <u><u>9,848</u></u>
Fund Balance:			
Beginning of Year, July 1		<u>765,264</u>	
End of Year, June 30		\$ <u><u>775,112</u></u>	

**Duplin County, North Carolina**  
**Fire District Funds**  
**Schedule of Revenues, Expenditures, and**  
**Changes in Fund Balances - Budget and Actual**  
**For the Fiscal Year Ended June 30, 2018**

	2018		Variance Favorable (Unfavorable)
	Budget	Actual	
Revenues			
Ad valorem taxes	\$	\$ 821,202	\$
Total Revenue	<u>825,675</u>	<u>821,202</u>	<u>(4,473)</u>
Expenditures			
Commission to General Fund		22,898	
Payment to State - motor vehicle collections		13,531	
Contracted services		783,934	
Total Expenditures	<u>825,675</u>	<u>820,363</u>	<u>5,312</u>
Revenues Over (Under) Expenditures	<u>-</u>	<u>839</u>	<u>839</u>
Other Financing Sources (Uses):			
Transfers in		-	
Transfer in (out)		-	
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>
Revenues and Other Financing Sources Over (Under) Expenditures and Other Uses	<u>-</u>	<u>839</u>	<u>839</u>
Fund Balance Appropriated	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balance	\$ <u><u>-</u></u>	\$ 839	\$ <u><u>839</u></u>
Fund Balance:			
Beginning of Year, July 1		<u>(623)</u>	
End of Year, June 30		\$ <u><u>216</u></u>	

**Duplin County, North Carolina**  
**Emergency Telephone System Fund**  
**Schedule of Revenues, Expenditures, and**  
**Changes in Fund Balances - Budget and Actual**  
**For the Fiscal Year Ended June 30, 2018**

	2018		Variance Favorable (Unfavorable)
	Budget	Actual	
Revenues			
Restricted intergovernmental	\$	\$ 380,415	\$
Investment earnings		8,238	
Total Revenue	<u>292,370</u>	<u>388,653</u>	<u>96,283</u>
Expenditures			
Public Safety:			
Operating expenditures		265,522	
Total Expenditures	<u>302,970</u>	<u>265,522</u>	<u>37,448</u>
Revenues Over (Under) Expenditures	<u>(10,600)</u>	<u>123,131</u>	<u>133,731</u>
Other Financing Sources (Uses):			
Transfers in		-	
Transfer in (out)		-	
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>
Revenues and Other Financing Sources Over (Under) Expenditures and Other Uses	(10,600)	123,131	133,731
Fund Balance Appropriated	<u>10,600</u>	<u>-</u>	<u>(10,600)</u>
Net change in fund balance	\$ <u><u>-</u></u>	123,131	\$ <u><u>123,131</u></u>
Fund Balance:			
Beginning of Year, July 1		<u>651,460</u>	
End of Year, June 30		\$ <u><u>774,591</u></u>	

**Duplin County, North Carolina**  
**Automation Preservation Fund**  
**Schedule of Revenues, Expenditures, and**  
**Changes in Fund Balances - Budget and Actual**  
**For the Fiscal Year Ended June 30, 2018**

	2018		Variance Favorable (Unfavorable)
	Budget	Actual	
Revenues			
Restricted intergovernmental	\$	\$ -	\$
Investment earnings		68	
Total Revenue	<u>-</u>	<u>68</u>	<u>68</u>
Expenditures			
General government			
Operating expenditures		14,582	
Total Expenditures	<u>25,297</u>	<u>14,582</u>	<u>10,715</u>
Revenues Over (Under) Expenditures	<u>(25,297)</u>	<u>(14,514)</u>	<u>10,783</u>
Other Financing Sources (Uses):			
Transfers in	20,000	16,611	
Transfer in (out)	<u>-</u>	<u>-</u>	
Total Other Financing Sources (Uses)	<u>20,000</u>	<u>16,611</u>	<u>(3,389)</u>
Revenues and Other Financing Sources Over (Under) Expenditures and Other Uses	(5,297)	2,097	7,394
Fund Balance Appropriated	<u>5,297</u>	<u>-</u>	<u>(5,297)</u>
Net change in fund balance	\$ <u><u>-</u></u>	2,097	\$ <u><u>2,097</u></u>
Fund Balance:			
Beginning of Year, July 1		<u>7,199</u>	
End of Year, June 30		\$ <u><u>9,296</u></u>	

**Duplin County, North Carolina**  
**Community Development Block Grant**  
**Schedule of Revenues, Expenditures, and**  
**Changes in Fund Balances**  
**From Inception and For the Fiscal Year Ended June 30, 2018**

	Project Authorization	Actual			Variance Favorable (Unfavorable)
		Prior Years	Current Year	Totals to Date	
<b>Revenues</b>					
Restricted intergovernmental					
State Grants					
12-C-2494	\$ 750,000	\$ 750,000	\$ -	\$ 750,000	-
12-C-2414	225,000	101,771	-	101,771	123,229
2015-I Project	282,683	282,683	48,329	331,012	(48,329)
Other Grants					
12-C-2494	397,851	250,954	119,662	370,616	27,235
Sales Taxes					
12-C-2494	-	1,995	37	2,032	(2,032)
Total Revenues	<u>1,655,534</u>	<u>1,387,403</u>	<u>168,028</u>	<u>1,555,431</u>	<u>(100,103)</u>
<b>Expenditures</b>					
Economic & community development					
Community Development Block Grant					
12-C-2494	1,153,031	1,000,954	126,875	1,127,829	(25,202)
12-C-2414	225,000	101,771	-	101,771	(123,229)
2015-I Project	282,683	282,683	380,042	662,725	380,042
Total Expenditures	<u>1,660,714</u>	<u>1,385,408</u>	<u>506,917</u>	<u>1,892,325</u>	<u>(231,611)</u>
Revenues Over (Under) Expenditures	<u>(5,180)</u>	<u>1,995</u>	<u>(338,889)</u>	<u>(336,894)</u>	<u>(331,714)</u>
Other Financing Sources (Uses):					
Transfers in	5,180	-	336,894	336,894	331,714
Transfer in (out)	-	-	-	-	-
Total Other Financing Sources (Uses)	<u>5,180</u>	<u>-</u>	<u>336,894</u>	<u>336,894</u>	<u>331,714</u>
Revenues and Other Financing Sources	\$ <u>-</u>	\$ <u>1,995</u>	(1,995)	\$ <u>-</u>	\$ <u>-</u>
<b>Fund Balance:</b>					
Beginning of Year, July 1			1,995		
End of Year, June 30			\$ <u>-</u>		

**Duplin County, North Carolina**  
**County Trust Fund**  
**Schedule of Revenues, Expenditures, and**  
**Changes in Fund Balances - Budget and Actual**  
**For the Fiscal Year Ended June 30, 2018**

	2018		Variance Favorable (Unfavorable)
	Budget	Actual	
Revenues			
Restricted intergovernmental	\$	\$ 56,886	\$
Investment earnings		1,452	
Other income		32,130	
Total Revenue	<u>63,220</u>	<u>90,468</u>	<u>27,248</u>
Expenditures			
Public safety		34,009	
Human services		17,549	
Animal control		12,514	
Total Expenditures	<u>161,348</u>	<u>64,072</u>	<u>97,276</u>
Revenues Over (Under) Expenditures	<u>(98,128)</u>	<u>26,396</u>	<u>124,524</u>
Fund Balance Appropriated	<u>98,128</u>	<u>-</u>	<u>(98,128)</u>
Net change in fund balance	\$ <u>-</u>	26,396	\$ <u>26,396</u>
Fund Balance:			
Beginning of Year, July 1		<u>98,053</u>	
End of Year, June 30		\$ <u>124,449</u>	

## CAPITAL PROJECTS FUNDS

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Capital Projects Funds are used to account for the acquisition and construction of major capital facilities other than those financed by proprietary funds

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**Duplin County, North Carolina**  
**Nonmajor Governmental Funds - Capital Project Funds**  
**Combining Balance Sheet**  
**June 30, 2018**

	Capital Project Fund - School Fund	Industrial Expansion Capital Project Fund	Total
<b>Assets:</b>			
Cash and cash equivalents	\$ 4,357,689	\$ 3,085	\$ 4,360,774
Accounts receivable, net	769,099	-	769,099
Total Assets	<u>\$ 5,126,788</u>	<u>\$ 3,085</u>	<u>\$ 5,129,873</u>
<b>Liabilities and Fund Balances:</b>			
<b>Current liabilities:</b>			
Due from other funds	-	-	-
Total liabilities	<u>-</u>	<u>-</u>	<u>-</u>
<b>Fund Balances:</b>			
Restricted			
Stabilization by State Statute	769,099	-	769,099
Restricted for schools	4,357,689	-	4,357,689
Committed			
Capital improvements	-	3,085	3,085
Total fund balances	<u>5,126,788</u>	<u>3,085</u>	<u>5,129,873</u>
<b>Total liabilities, deferred inflows of resources, and fund balances</b>	<u>\$ 5,126,788</u>	<u>\$ 3,085</u>	<u>\$ 5,129,873</u>



**Duplin County, North Carolina**  
**Nonmajor Governmental Funds - Capital Project Funds**  
**Combining Statement of Revenues, Expenditures, and**  
**Changes in Fund Balances**  
**For the Fiscal Year Ended June 30, 2018**

	Capital Projects Fund - School Fund	Industrial Expansion Capital Project Fund	Total
<b>Revenues:</b>			
Local option slaes taxes	\$ 2,890,278	\$ -	\$ 2,890,278
Restricted intergovernmental	-	370,747	370,747
Investment earnings	46,966	36	47,002
Total revenues	<u>2,937,244</u>	<u>370,783</u>	<u>3,308,027</u>
<b>Expenditures:</b>			
Economic and community development	-	346,088	346,088
Education	789,280	-	789,280
Total Expenditures	<u>789,280</u>	<u>346,088</u>	<u>1,135,368</u>
Revenues Over (Under) Expenditures	<u>2,147,964</u>	<u>24,695</u>	<u>2,172,659</u>
<b>Other Financing Sources (Uses):</b>			
Transfers to/from other funds	<u>(1,691,807)</u>	<u>(24,659)</u>	<u>(1,716,466)</u>
Total other financing sources (uses)	<u>(1,691,807)</u>	<u>(24,659)</u>	<u>(1,716,466)</u>
Net change in Fund Balance	456,157	36	456,193
<b>Fund balances:</b>			
Beginning of Year, July 1	<u>4,670,631</u>	<u>3,049</u>	<u>4,673,680</u>
End of year, June 30	<u>\$ 5,126,788</u>	<u>\$ 3,085</u>	<u>\$ 5,129,873</u>

**Duplin County, North Carolina**  
**Capital Project Fund - School Fund**  
**Schedule of Revenues, Expenditures, and**  
**Changes in Fund Balances - Budget and Actual**  
**For the Fiscal Year Ended June 30, 2018**

	2018		Variance Favorable (Unfavorable)
	Final Budget	Actual	
Revenues:			
Local Option Sales Tax	\$	\$ 2,890,278	\$
Investment earnings		46,966	
Total Revenues	<u>2,180,668</u>	<u>2,937,244</u>	<u>756,576</u>
Expenditures:			
Education			
Capital outlay		789,280	
Total Expenditures	<u>2,474,780</u>	<u>789,280</u>	<u>1,685,500</u>
Revenues Over (Under) Expenditures	<u>(294,112)</u>	<u>2,147,964</u>	<u>2,442,076</u>
Other Financing Sources (Uses):			
Transfers in (out)		(1,691,807)	
Total Other Financing Sources (Uses)	<u>(1,691,807)</u>	<u>(1,691,807)</u>	<u>-</u>
Revenues and Other Financing Sources Over (Under) Uses	(1,985,919)	456,157	2,442,076
Fund Balance Appropriated	<u>1,985,919</u>	<u>-</u>	<u>(1,985,919)</u>
Net change in fund balance	\$ <u><u>-</u></u>	456,157	\$ <u><u>456,157</u></u>
Fund Balance:			
Beginning of Year, July 1		<u>4,670,631</u>	
End of Year, June 30		\$ <u><u>5,126,788</u></u>	

**Duplin County, North Carolina**  
**Industrial Expansion Capital Project Fund**  
**Schedule of Revenues, Expenditures, and**  
**Changes in Fund Balances - Budget and Actual**  
**From Inception and For the Fiscal Year Ended June 30, 2018**

	Project Author - ization	Prior Years	Actual Current Year	Total to Date	Variance Favorable (Unfavorable)
<b>Revenues:</b>					
Restricted intergovernmental	\$ 450,000	\$ 76,783	\$ 370,747	\$ 447,530	\$ (2,470)
Investment Earnings	-	1,072	36	1,108	1,108
Total revenues	<u>450,000</u>	<u>77,855</u>	<u>370,783</u>	<u>448,638</u>	<u>(1,362)</u>
<b>Expenditures:</b>					
Economic and Physical Development	460,477	109,942	346,088	456,030	4,447
Total expenditures	<u>460,477</u>	<u>109,942</u>	<u>346,088</u>	<u>456,030</u>	<u>4,447</u>
Revenues over expenditures	<u>(10,477)</u>	<u>(32,087)</u>	<u>24,695</u>	<u>(7,392)</u>	<u>3,085</u>
<b>Other Financing Sources (Uses):</b>					
Transfers from other funds	10,477	35,136	(24,659)	10,477	-
Total other financing sources	<u>10,477</u>	<u>35,136</u>	<u>(24,659)</u>	<u>10,477</u>	<u>-</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ 3,049</u>	36	<u>\$ 3,085</u>	<u>\$ 3,085</u>
<b>Fund Balance:</b>					
Beginning of Year, July 1			<u>3,049</u>		
End of Year, June 30			<u>\$ 3,085</u>		

## PROPRIETARY FUNDS

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

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**Duplin County, North Carolina**  
**Water Fund**  
**Schedule of Revenues, Expenditures, and**  
**Changes in Fund Balances - Budget and Actual - (Non-GAAP)**  
**For the Fiscal Year Ended June 30, 2018**

	2018		Variance Positive (Negative)
	Final Budget	Actual	
Revenues:			
Charges for services			
Water Sales	\$	\$ 3,180,887	\$
Water taps		156,196	
Administration fees		2,137	
Other operating revenues		55,322	
Total operating revenues	<u>3,119,105</u>	<u>3,394,542</u>	<u>275,437</u>
Nonoperating Revenues			
Federal and state grants		-	
Investment earnings		96,415	
Miscellaneous		85,233	
Total nonoperating revenues	<u>-</u>	<u>181,648</u>	<u>181,648</u>
Total Revenues	<u>3,119,105</u>	<u>3,576,190</u>	<u>457,085</u>
Expenditures:			
Administration expenditures:			
Salaries and employee benefits		731,843	
Other administration expenditures		140,913	
Capital Outlay		1,157,428	
Total administration expenditures	<u>2,184,307</u>	<u>2,030,184</u>	<u>154,123</u>
Operating expenditures:			
Repairs		158,954	
Other operating expenditures		385,364	
Total operating expenditures	<u>1,142,230</u>	<u>544,318</u>	<u>597,912</u>
Debt service:			
Principal retirements		845,623	
Interest and fees		617,014	
Total debt service	<u>1,490,667</u>	<u>1,462,637</u>	<u>28,030</u>
Total Expenditures	<u>4,817,204</u>	<u>4,037,139</u>	<u>780,065</u>
Revenues Over (Under) Expenditures	<u>(1,698,099)</u>	<u>(460,949)</u>	<u>1,237,150</u>
Other Financing Sources and (Uses):			
Installment proceeds		1,175,000	
Total Other Financing Sources (Uses)	<u>1,200,000</u>	<u>1,175,000</u>	<u>(25,000)</u>
Revenues and Other Sources Over (Under) Expenses and Other Uses	(498,099)	714,051	1,212,150
Appropriated Fund Balance	<u>498,099</u>	<u>-</u>	<u>(498,099)</u>
Revenues, Other Sources and Appropriated Fund Balance Over (Under) Expenditures and Other Uses	<u>\$ -</u>	<u>\$ 714,051</u>	<u>\$ 714,051</u>

**Duplin County, North Carolina**  
**Water Fund**  
**Schedule of Revenues, Expenditures, and**  
**Changes in Fund Balances - Budget and Actual - (Non-GAAP)**  
**For the Fiscal Year Ended June 30, 2018**

	2018		Variance Positive (Negative)
	Final Budget	Actual	
<b>Reconciliation from Budgetary Basis (Modified Accrual) to Full Accrual:</b>			
Revenues, Other Sources and Appropriated			
Fund Balance Over (Under)			
Expenditures and Other Uses		\$ 714,051	
Reconciling items:			
Depreciation		(1,238,805)	
Capital outlay		1,157,428	
Installment proceeds		(1,175,000)	
Debt payments		845,623	
Amortization of premium on refunding bonds		19,092	
Amortization of deferred loss on refunding bonds		(10,925)	
(Increase) decrease in accrued vacation pay		6,320	
Increase in other postemployment benefits		71,683	
Decrease in net pension liability		53,203	
Decrease in deferred outflows of resources - pension		(71,030)	
Increase in deferred inflows of resources - pension		(47,092)	
Total reconciling items		(389,503)	
Change in net position		\$ 324,548	

**Duplin County, North Carolina**  
**Water Debt Service 2012 Limited Obligation Bond Fund**  
**Schedule of Revenues, Expenditures, and**  
**Changes in Fund Balances - Budget and Actual - (Non-GAAP)**  
**For the Fiscal Year Ended June 30, 2018**

	2018		Variance Positive (Negative)
	Final Budget	Actual	
Non-operating Revenues:			
Investment earnings	\$ 540,683	\$ 540,681	\$ (2)
Expenditures:			
Debt service:			
Principal retirements		570,000	
Interest and fees		540,681	
Total Expenditures	<u>1,110,683</u>	<u>1,110,681</u>	<u>2</u>
Revenues Over (Under) Expenditures	<u>(570,000)</u>	<u>(570,000)</u>	<u>-</u>
Other Financing Sources and (Uses):			
Principal received from water district GO bonds		570,000	
Total Other Financing Sources (Uses)	<u>570,000</u>	<u>570,000</u>	<u>-</u>
Revenues and Other Sources Over (Under) Expenses and Other Uses	<u>-</u>	<u>-</u>	<u>-</u>
<b>Reconciliation from Budgetary Basis (Modified Accrual) to Full Accrual:</b>			
Revenues, Other Sources and Appropriated Fund Balance Over (Under) Expenditures and Other Uses		\$ <u>-</u>	
Reconciling items:			
Principal received from water districts		(570,000)	
Debt principal payment		570,000	
Amortization of bond premium paid to water districts		(19,092)	
Amortization of limited obligation bond premium		19,092	
Decrease in accrued interest receivable		-	
Decrease in accrued interest payable		-	
Total reconciling items		<u>-</u>	
Change in net position		<u>\$ -</u>	

**Duplin County, North Carolina**  
**Transportation Development Plan Fund**  
**Schedule of Revenues, Expenditures, and**  
**Changes in Fund Balances - Budget and Actual - (Non-GAAP)**  
**For the Fiscal Year Ended June 30, 2018**

	2018		Variance Positive (Negative)
	Final Budget	Actual	
Revenues:			
Charges for services	\$ 570,544	\$ 761,879	\$ 191,335
Nonoperating Revenues			
Investment earnings		8,836	
State Grants		473,085	
Contributions		-	
Miscellaneous		428	
Total nonoperating revenues	<u>543,750</u>	<u>482,349</u>	<u>(61,401)</u>
Total Revenues	<u>1,114,294</u>	<u>1,244,228</u>	<u>129,934</u>
Expenditures:			
Salaries and employee benefits		491,744	
Operating expenditures		201,429	
Capital outlay		234,980	
DOT Rural General Public Grant		122,064	
Workfirst transportation assistance		15,377	
Elderly/Disabled transportation assistance		70,320	
Tech Grant - Software		12,300	
NCDOT 5310 grant expenditures		-	
Total Expenditures	<u>1,228,134</u>	<u>1,148,214</u>	<u>(79,920)</u>
Revenues Over (Under) Expenditures	<u>(113,840)</u>	<u>96,014</u>	<u>209,854</u>
Other Financing Sources and (Uses):			
Proceeds from sale of capital assets		5,304	
Total Other Financing Sources (Uses)	<u>-</u>	<u>5,304</u>	<u>5,304</u>
Revenues and Other Sources Over (Under) Expenses and Other Uses	<u>(113,840)</u>	<u>101,318</u>	<u>215,158</u>
Appropriated Fund Balance	<u>113,840</u>	<u>-</u>	<u>(113,840)</u>
Revenues, Other Sources and Appropriated Fund Balance Over (Under) Expenditures and Other Uses	<u>\$ -</u>	<u>\$ 101,318</u>	<u>\$ 101,318</u>



**Reconciliation from Budgetary Basis (Modified Accrual) to Full Accrual:**

Revenues, Other Sources and Appropriated Fund Balance Over (Under)	
Expenditures and Other Uses	\$ <u>101,318</u>
Reconciling items:	
Depreciation	(142,429)
Capital outlay	234,980
(Increase) decrease in accrued vacation pay	(5,181)
(Increase) Decrease in other postemployment benefits	6,089
(Increase) Decrease in net pension liability	36,109
Increase (Decrease) in deferred outflows of resources - pension	(40,940)
(Increase) Decrease in deferred inflows of resources - pension	<u>(32,470)</u>
Total reconciling items	56,158
Change in net position	\$ <u><u>157,476</u></u>

**Duplin County, North Carolina**  
**Airport Commission Fund**  
**Schedule of Revenues, Expenditures, and**  
**Changes in Fund Balances - Budget and Actual - (Non-GAAP)**  
**For the Fiscal Year Ended June 30, 2018**

	2018		Variance Positive (Negative)
	Final Budget	Actual	
Revenues:			
Operating revenues			
Sales and rentals	\$	\$ 491,610	\$
Total operating revenues	<u>533,863</u>	<u>491,610</u>	<u>(42,253)</u>
Nonoperating Revenues			
Rental income		3,024	
Investment earnings		2,838	
Miscellaneous		105,689	
Total nonoperating revenues	<u>5,409</u>	<u>111,551</u>	<u>106,142</u>
Total Revenues	<u>539,272</u>	<u>603,161</u>	<u>63,889</u>
Expenditures:			
Operating expenditures			
Salaries and employee benefits		207,366	
Purchases		293,210	
Other operating expenditures		195,559	
Total operating expenditures	<u>1,746,750</u>	<u>696,135</u>	<u>1,050,615</u>
Revenues Over (Under) Expenditures	<u>(1,207,478)</u>	<u>(92,974)</u>	<u>1,114,504</u>
Other Financing Sources and (Uses):			
Sale of capital assets		3,702	
Transfer from other funds		99,096	
Federal and state grants		-	
Total Other Financing Sources (Uses)	<u>1,207,458</u>	<u>102,798</u>	<u>(1,104,660)</u>
Revenues and Other Sources Over (Under) Expenses and Other Uses	<u>(20)</u>	<u>9,824</u>	<u>9,844</u>
Appropriated Fund Balance	<u>20</u>	<u>-</u>	<u>(20)</u>
Revenues, Other Sources and Appropriated Fund Balance Over (Under) Expenditures and Other Uses	<u>\$ -</u>	<u>\$ 9,824</u>	<u>\$ 9,824</u>

**Reconciliation from Budgetary Basis (Modified Accrual) to Full Accrual:**

Revenues, Other Sources and Appropriated Fund Balance Over (Under)	
Expenditures and Other Uses	\$ <u>9,824</u>
Reconciling items:	
Depreciation	(601,074)
(Increase) decrease in accrued vacation pay	(2,266)
Increase in other postemployment benefits	47,658
Grants revenue from capital project	1,122,273
Decrease in net pension liability	13,858
Decrease in deferred outflows of resources - pension	(15,714)
Increase in deferred inflows of resources - pension	<u>(12,474)</u>
Total reconciling items	552,261
Change in net position	\$ <u><u>562,085</u></u>

**Duplin County, North Carolina**  
**Solid Waste Fund**  
**Schedule of Revenues, Expenditures, and**  
**Changes in Fund Balances - Budget and Actual - (Non-GAAP)**  
**For the Fiscal Year Ended June 30, 2018**

	2018		Variance Positive (Negative)
	Final Budget	Actual	
Revenues:			
Operating revenues			
Disposal fees	\$	\$ 1,479,358	\$
User fees		1,472,814	
Landfill fees		163,190	
Sale of recyclables		101,275	
Total operating revenues	<u>3,122,500</u>	<u>3,216,637</u>	<u>94,137</u>
Nonoperating Revenues			
Investment earnings		38,696	
Federal grants		-	
Disposal tax revenue		163,970	
Miscellaneous		13,134	
Total nonoperating revenues	<u>133,166</u>	<u>215,800</u>	<u>82,634</u>
Total Revenues	<u>3,255,666</u>	<u>3,432,437</u>	<u>176,771</u>
Expenditures:			
Collections		1,481,925	
Disposals		1,372,856	
Recycling		234,229	
Tire Collection		96,880	
Capital outlay		415,502	
White goods		51,990	
Total expenditures	<u>3,894,589</u>	<u>3,653,382</u>	<u>241,207</u>
Revenues Over (Under) Expenditures	<u>(638,923)</u>	<u>(220,945)</u>	<u>417,978</u>
Appropriated Fund Balance	<u>638,923</u>	<u>-</u>	<u>(638,923)</u>
Revenues, Other Sources and Appropriated Fund Balance Over (Under)			
Expenditures and Other Uses	\$ <u>-</u>	\$ <u>(220,945)</u>	\$ <u>(220,945)</u>

**Reconciliation from Budgetary Basis (Modified Accrual) to Full Accrual:**

Revenues, Other Sources and Appropriated	
Fund Balance Over (Under)	
Expenditures and Other Uses	\$ <u>(220,945)</u>
Reconciling items:	
Depreciation	(282,714)
Capital outlay	415,502
(Increase) decrease in accrued vacation pay	1,422
(Increase) Decrease in other postemployment benefits	13,624
(Increase) Decrease in net pension liability	79,777
Increase (Decrease) in deferred outflows of resources - pension	(90,253)
(Increase) Decrease in deferred inflows of resources - pension	<u>(71,050)</u>
Total reconciling items	66,308
Change in net position	\$ <u><u>(154,637)</u></u>

**Duplin County, North Carolina**  
**Airport Commission Capital Project Fund**  
**Schedule of Revenues, Expenditures, and**  
**Changes in Fund Balances - Budget and Actual (Non-GAAP)**  
**From Inception and For the Fiscal Year Ended June 30, 2018**

	Project Author - ization	Prior Years	Actual Current Year	Total to Date	Variance Favorable (Unfavorable)
<b>Revenues:</b>					
State grants	\$ 172,740	\$ 172,740	\$ 1,081,444	\$ 1,254,184	\$ 1,081,444
Contributions	60,762	60,762	40,829	101,591	40,829
Investment earnings	103	103	168	271	168
Total revenues	<u>233,605</u>	<u>233,605</u>	<u>1,122,441</u>	<u>1,356,046</u>	<u>1,122,441</u>
<b>Expenditures:</b>					
Parking lot #36	26,897	26,897	328,027	354,924	(328,027)
State RW Wide/Overlay	37,582	37,582	498,107	535,689	(498,107)
State Grant Obstruction/Clearing	123,880	123,880	-	123,880	-
Total expenditures	<u>188,359</u>	<u>188,359</u>	<u>826,134</u>	<u>1,014,493</u>	<u>(826,134)</u>
Revenues over expenditures	<u>45,246</u>	<u>45,246</u>	<u>296,307</u>	<u>341,553</u>	<u>296,307</u>
<b>Other Financing Sources (Uses):</b>					
Transfers from other funds	<u>(45,246)</u>	29	-	29	45,275
Total other financing sources	<u>(45,246)</u>	29	-	29	45,275
Net change in fund balance	<u>\$ -</u>	<u>\$ 45,275</u>	296,307	<u>\$ 341,582</u>	<u>\$ 341,582</u>
<b>Fund Balance:</b>					
Beginning of Year, July 1			45,275		
End of Year, June 30			<u>\$ 341,582</u>		

**Duplin County, North Carolina**  
**Water District G Clean Water (GHSRGW99063) Project Fund**  
**Schedule of Revenues, Expenditures, and**  
**Changes in Fund Balances - Budget and Actual (Non-GAAP)**  
**From Inception and For the Fiscal Year Ended June 30, 2018**

	Project Author - ization	Actual		Total to Date	Variance Favorable (Unfavorable)
		Prior Years	Current Year		
Revenues:					
State Grants	3,179,577	3,179,577	-	3,179,577	-
Local option sales taxes	51,383	52,334	-	52,334	951
Total revenues	<u>3,230,960</u>	<u>3,231,911</u>	<u>-</u>	<u>3,231,911</u>	<u>951</u>
Expenditures:					
Project expenditures	<u>3,268,960</u>	<u>3,257,322</u>	<u>-</u>	<u>3,257,322</u>	<u>11,638</u>
Total expenditures	<u>3,268,960</u>	<u>3,257,322</u>	<u>-</u>	<u>3,257,322</u>	<u>11,638</u>
Revenues over expenditures	<u>(38,000)</u>	<u>(25,411)</u>	<u>-</u>	<u>(25,411)</u>	<u>12,589</u>
Other Financing Sources (Uses):					
Transfers from other funds	<u>38,000</u>	<u>25,411</u>	<u>-</u>	<u>25,411</u>	<u>(12,589)</u>
Revenues and other financing sources over expenditure	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

**Duplin County, North Carolina**  
**Debt Service Fund**  
**Schedule of Revenues, Expenditures, and**  
**Changes in Fund Balances - Budget and Actual**  
**For the Fiscal Year Ended June 30, 2018**

	2018		Variance Favorable (Unfavorable)
	Final Budget	Actual	
Revenues			
Investment earnings	\$	\$ 7,956	\$ 7,956
Total revenues	-	7,956	7,956
Expenditures:			
Debt service			
Principal retirement		1,884,157	
Interest and fees		2,778,179	
Bond Issuance Costs		1,250	
Total expenditures	4,664,018	4,663,586	(432)
Revenues over (under) expenditures	(4,664,018)	(4,655,630)	8,388
Other Financing Sources and (Uses):			
Transfers from other funds		4,662,335	
Total Other Financing Sources (Uses)	4,664,018	4,662,335	1,683
Net change in fund balance	\$ -	6,705	\$ 6,705
Fund Balance:			
Beginning of Year, July 1		612,046	
End of Year, June 30		\$ 618,751	



## AGENCY FUNDS

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Agency funds are used to account for assets the County holds on behalf of others.

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**Duplin County, North Carolina**  
**Agency Funds**  
**Combining Statement of Fiduciary Net Position**  
**June 30, 2018**

	Motor Vehicle Tax Fund	County Agency Fund	Social Services Fund	Register of Deeds Trust Fund	Board of Education Fines and Forfeitures Fund	Total
<b>Assets:</b>						
Cash and cash equivalents	\$ 19,602	\$ 110,166	\$ 86,995	\$ 19,396	\$ -	\$ 236,159
Miscellaneous receivables	95,383	-	-	-	97	95,480
Due from other governments	37,458	-	-	-	-	37,458
Due from other funds	-	-	-	28	-	28
Total Assets	<u>\$ 152,443</u>	<u>\$ 110,166</u>	<u>\$ 86,995</u>	<u>\$ 19,424</u>	<u>\$ 97</u>	<u>\$ 369,125</u>
<b>Liabilities</b>						
Miscellaneous liabilities	\$ -	\$ 110,166	\$ 86,995	\$ 19,424	\$ 97	\$ 216,682
Due to other governments	152,443	-	-	-	-	152,443
Total liabilities	<u>\$ 152,443</u>	<u>\$ 110,166</u>	<u>\$ 86,995</u>	<u>\$ 19,424</u>	<u>\$ 97</u>	<u>\$ 369,125</u>

**Duplin County, North Carolina**  
**Agency Funds**  
**Combining Statement of Changes in Assets and Liabilities**  
**For the Fiscal Year Ended June 30, 2018**

	Balance July 1, 2017	Additions	Deductions	Balance June 30, 2018
<b>Ad Valorem and Motor Vehicle Tax Fund</b>				
Assets				
Cash and cash equivalents	-	1,926,105	1,906,502	19,602
Miscellaneous receivables	60,473	1,645,705	1,550,322	95,383
Due from other governments	33,703	71,160	33,703	37,458
Total Assets	\$ 94,176	\$ 3,642,970	\$ 3,490,528	\$ 152,443
Liabilities				
Due to other governments	94,176	3,600,574	3,753,017	152,443
Total Liabilities	\$ 94,176	\$ 3,600,574	\$ 3,753,017	\$ 152,443
<b>County Agency Fund</b>				
Assets				
Cash and cash equivalents	111,721	1,093,752	983,585	110,166
Miscellaneous receivables	633	14,335	14,335	-
Total Assets	\$ 112,354	\$ 1,108,087	\$ 997,921	\$ 110,166
Liabilities				
Miscellaneous liabilities	109,343	1,112,229	1,222,395	110,166
Due to other fund	3,011	25,219	25,219	-
Total Liabilities	\$ 112,354	\$ 1,137,448	\$ 1,247,614	\$ 110,166
<b>Social Services Fund</b>				
Assets				
Cash and cash equivalents	93,635	200,507	113,512	86,995
Total Assets	\$ 93,635	\$ 200,507	\$ 113,512	\$ 86,995
Liabilities				
Miscellaneous liabilities	93,635	114,122	201,117	86,995
Total Liabilities	\$ 93,635	\$ 114,122	\$ 201,117	\$ 86,995
<b>Register of Deeds Trust Fund</b>				
Assets				
Cash and cash equivalents	23,057	162,083	142,687	19,396
Due from other funds	-	31	3	28
Total Assets	\$ 23,057	\$ 162,114	\$ 142,690	\$ 19,424
Liabilities				
Miscellaneous liabilities	23,057	184,460	203,884	19,424
Total Liabilities	\$ 23,057	\$ 184,460	\$ 203,884	\$ 19,424
<b>Board of Education Fines and Forfeitures Fund</b>				
Assets				
Cash and cash equivalents	-	43,304	43,304	-
Miscellaneous receivables	-	661	565	97
Total Assets	\$ -	\$ 43,965	\$ 43,868	\$ 97
Liabilities				
Miscellaneous liabilities	-	43,304	43,400	97
Due to other fund	-	351	351	-
Total Liabilities	\$ -	\$ 351	\$ 351	\$ 97
<b>Totals - All Agency Funds</b>				
Assets				
Cash and cash equivalents	228,413	3,425,750	3,189,591	236,159
Miscellaneous receivables	61,106	1,660,733	1,565,225	95,480
Due from other governments	33,703	71,160	33,703	37,458
Due from other funds	-	-	-	28
Total Assets	\$ 323,222	\$ 5,157,643	\$ 4,788,519	\$ 369,125
Liabilities				
Miscellaneous liabilities	226,035	1,454,115	1,670,796	216,682
Due to other funds	3,011	25,570	25,570	-
Due to other governments	94,176	3,600,574	3,753,017	152,443
Total Liabilities	\$ 323,222	\$ 5,080,258	\$ 5,449,382	\$ 369,125

**Duplin County, North Carolina**  
**Hospital Insurance Fund**  
**Schedule of Revenues, Expenditures, and**  
**Changes in Fund Balances - Budget and Actual**  
**For the Fiscal Year Ended June 30, 2018**

	2018		<b>Variance</b> Positive (Negative)
	Final Budget	Actual	
Revenues:			
Operating Revenues			
Charges for services	\$ 5,376,000	\$ 5,177,444	\$
Total operating revenues	<u>5,376,000</u>	<u>5,177,444</u>	<u>(198,556)</u>
Nonoperating Revenues			
Interest on Investments		27,286	
Other revenue		48,549	
Total nonoperating revenues	<u>75,000</u>	<u>75,835</u>	<u>835</u>
Total Revenues	<u>5,451,000</u>	<u>5,253,279</u>	<u>(197,721)</u>
Expenditures:			
Operating expenditures	<u>7,339,000</u>	<u>6,858,515</u>	
Total	<u>7,339,000</u>	<u>6,858,515</u>	<u>480,485</u>
Revenues Over (Under) Expenditures	<u>(1,888,000)</u>	<u>(1,605,236)</u>	<u>282,764</u>
Other Financing Sources and (Uses):			
Transfer in (out)	<u>-</u>	<u>-</u>	<u>-</u>
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>
Revenues and Other Sources Over (Under) Expenses and Other Uses	(1,888,000)	(1,605,236)	282,764
Fund Balance Appropriated	<u>1,888,000</u>	<u>-</u>	<u>(1,888,000)</u>
Net change in fund balance	<u>\$ -</u>	<u>(1,605,236)</u>	<u>\$ (1,605,236)</u>
Fund Balance:			
Beginning of Year, July 1		<u>2,935,538</u>	
End of Year, June 30		<u>\$ 1,330,302</u>	

## OTHER SCHEDULES

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This section includes additional information on property taxes.

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- Schedule of Ad Valorem Taxes Receivable
- Analysis of Current Tax Levy
- Secondary Market Disclosures
- Other Schedules

**Duplin County, North Carolina**  
**General Fund**  
**Schedule of Ad Valorem Taxes Receivable**  
**June 30, 2018**

<u>Fiscal Year</u>	<u>Uncollected Balance June 30, 2017</u>	<u>Additions</u>	<u>Collections And Credits</u>	<u>Uncollected Balance June 30, 2018</u>
2017-2018	\$ -	\$ 29,674,289	\$ 28,782,836	\$ 891,453
2016-2017	891,632	-	418,252	473,380
2015-2016	319,583	-	146,664	172,919
2014-2015	168,052	-	70,381	97,671
2013-2014	143,565	-	36,941	106,624
2012-2013	114,875	-	24,921	89,954
2011-2012	82,968	-	14,476	68,492
2010-2011	80,262	-	11,464	68,798
2009-2010	72,441	-	9,718	62,723
2008-2009	77,117	-	5,176	71,941
2007-2008	85,930	-	85,930	-
<b>TOTALS</b>	<b>\$ <u>2,036,425</u></b>	<b>\$ <u>29,674,289</u></b>	<b>\$ <u>29,606,759</u></b>	<b>\$ 2,103,955</b>

Less: Allowance for uncollectable taxes (532,352)

Ad valorem taxes, net - General Fund \$ 1,571,603

Reconciliation with revenues:

Ad valorem taxes - General Fund	\$ 29,410,194
Reconciling items:	
Penalties and Interest	(334,484)
Discounts Allowed	262,494
Property Tax Allocated to the Revaluation Fund	177,806
Releases and Refunds	<u>90,749</u>
Total Reconciling Items	196,565
 Total Collections and Credits	 <u>\$ 29,606,759.00</u>

**Duplin County, North Carolina**  
**Analysis of Current Tax Levy**  
**County - Wide Levy**  
**For the Fiscal Year Ended June 30, 2018**

	County - wide			Total Levy	
	Property Valuation	Rate	Amount of Levy	Property excluding Registered Motor Vehicles	Registered Motor Vehicles
Original levy:					
Property Taxes at Current Year Rate	\$ 4,288,193,094	0.6950%	\$ 29,802,942	\$ 26,714,957	\$ 3,087,985
Total Original Levy	<u>4,288,193,094</u>		<u>29,802,942</u>	<u>26,714,957</u>	<u>3,087,985</u>
Discoveries:					
Current year taxes	15,360,432	0.6950%	106,755	106,755	-
Total Discoveries	<u>15,360,432</u>		<u>106,755</u>	<u>106,755</u>	<u>-</u>
Abatements					
Current Year Taxes	(33,871,655)	0.6950%	(235,408)	(225,851)	(9,557)
Total Abatements	<u>(33,871,655)</u>		<u>(235,408)</u>	<u>(225,851)</u>	<u>(9,557)</u>
Total for Year	<u>\$ 4,269,681,871</u>		29,674,289	26,595,861	3,078,428
Uncollected taxes at June 30, 2018			891,453	891,453	-
Current year's taxes collected			<u>\$ 28,782,836</u>	<u>\$ 25,704,408</u>	<u>\$ 3,078,428</u>
Current levy collection percentage			<u>97.00%</u>	<u>96.65%</u>	<u>100.00%</u>

**Duplin County, North Carolina**  
**Analysis of Current Tax Levy**  
**County - wide Levy**  
**For the Fiscal Year Ended June 30, 2018**

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**Secondary Market Disclosures:**

Assessed Valuation:

Assessment Ratio <sup>1</sup>	100 %
Real Property	\$ 3,158,759,286
Personal Property <sup>3</sup>	963,034,527
Public Service Companies <sup>2</sup>	147,888,058
Total Assessed Valuation	<u>4,269,681,871</u>
Tax Rate per \$100	0.00695
Levy (includes discoveries, releases and abatements) <sup>3</sup>	<u>\$ 29,674,289</u>

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

Fire Protection Districts	Levy
Oak Wolfe	58,776
Glisson	137,074
Sarecta	97,563
East Duplin	84,857
Albertson	85,716
Stacy Britt	133,523
Franklin	21,775
Northeast	163,364
	<u>\$ 782,648</u>



Duplin County, North Carolina  
 Net Position by Component  
 Last Ten Years  
 (accrual basis of accounting)  
 Table 1

June 30,	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
<b>Governmental Activities:</b>											
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	\$ 11,724,958
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)	(43,515,540)
<b>Total governmental activities</b>	<b>32,622,745</b>	<b>31,785,211</b>	<b>26,020,333</b>	<b>29,608,545</b>	<b>26,900,805</b>	<b>29,890,688</b>	<b>32,902,920</b>	<b>34,640,396</b>	<b>32,592,755</b>	<b>(9,100,473)</b>	<b>(31,790,582)</b>
<b>Business-type Activities:</b>											
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	36,133,736
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	1,093,023
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	9,804,881
<b>Total business-type activities</b>	<b>43,091,078</b>	<b>43,234,911</b>	<b>44,268,230</b>	<b>43,761,293</b>	<b>43,532,918</b>	<b>45,414,279</b>	<b>48,990,308</b>	<b>46,669,740</b>	<b>46,900,872</b>	<b>47,773,800</b>	<b>47,031,640</b>
<b>Primary Government:</b>											
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	47,858,694
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	1,093,023
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)	(33,710,659)
<b>Total primary government</b>	<b>\$ 75,713,823</b>	<b>\$ 75,020,122</b>	<b>\$ 70,288,563</b>	<b>\$ 73,369,838</b>	<b>\$ 70,433,723</b>	<b>\$ 75,304,967</b>	<b>\$ 81,893,228</b>	<b>\$ 81,310,136</b>	<b>\$ 79,493,627</b>	<b>\$ 38,673,327</b>	<b>\$ 15,241,058</b>

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
<b>Expenses:</b>				
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
<b>Program Revenues:</b>				
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

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
				(continued)
<b>Net (Expense)/Revenue</b>				
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)
<b>General Revenues and Other Changes in Net Position</b>				
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
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
<b>Change in Net Position</b>				
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

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

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

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

Source: Annual audited financial statements of the County.

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

<i>Year Ended June 30,</i>	2017	2018
<b>Expenses:</b>		
Governmental Activities:		
General Government	\$ 8,542,667	\$ 7,800,214
Public Safety	19,402,748	21,030,262
Economic & Physical Development	1,976,207	4,835,483
Human Services	16,019,157	14,256,638
Environmental Protection	1,196,025	39,471
Cultural and Recreational	1,252,365	1,296,894
Education	56,099,066	24,465,008
Non-departmental	338,290	-
Interest on long-term debt	2,621,411	2,348,721
Total governmental activities	107,447,936	76,072,691
Business-type Activities:		
Airport	1,219,345	1,654,180
Water and Sewer	3,564,197	4,633,902
Transportation	1,010,573	1,184,606
Solid Waste	3,450,133	3,719,862
Total business-type activities	9,244,248	11,192,550
Total primary government expenses	116,692,184	87,265,241
<b>Program Revenues:</b>		
Governmental Activities:		
Charges for Services:		
General Government	380,791	380,791
Public Safety	2,941,953	2,941,953
Economic & Physical Development	2,563,454	2,563,454
Human Services	1,296,812	1,296,812
Environmental Protection	-	-
Cultural and Recreational	159,423	159,423
Education	-	-
Non-departmental	-	-
Operating Grants & Contributions	13,236,891	13,236,891
Capital Grants & Contributions	218,971	218,971
Total governmental activities	\$ 20,798,295	\$ 20,798,295
Business-type Activities:		
Charges for Services:		
Airport	\$ 499,186	\$ 499,186
Water and Sewer	3,298,641	3,298,641
Transportation	739,667	739,667
Solid Waste	3,052,257	3,052,257
Operating Grants & Contributions	414,531	414,531
Capital Grants & Contributions	296,978	296,978
Total business-type activities	8,301,260	8,301,260
Total primary government	29,099,555	29,099,555

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

Year Ended June 30,	2017	2018
		(continued)
<b>Net (Expense)/Revenue</b>		
Governmental Activities	(86,649,641)	(55,274,396)
Business-type Activities	(942,988)	(2,891,290)
<hr/>		
Total primary government net (expense)/revenue	(87,592,629)	(58,165,686)
<hr/>		
<b>General Revenues and Other Changes in Net Position</b>		
Governmental Activities:		
Property Taxes	30,694,864	30,694,864
Local Option Sales Taxes	8,721,257	8,721,257
Other Taxes and Licenses	106,156	106,156
Investment earnings	135,757	135,757
Miscellaneous	202,458	202,458
Gain on sale of assets	54,395	54,395
Transfers	(132,487)	(132,487)
<hr/>		
Total governmental activities	39,782,400	39,782,400
<hr/>		
Business-type Activities:		
Other Taxes and Licenses	136,548	136,548
Investment earnings	30,113	30,113
Capital Contributions	-	-
Miscellaneous	38,249	38,249
Transfers	132,488	132,489
<hr/>		
Total business-type activities	337,398	337,399
<hr/>		
Total primary government	40,119,798	40,119,799
<hr/>		
<b>Change in Net Position</b>		
Governmental Activities	(46,867,241)	(15,491,996)
Business-type Activities	(605,590)	(2,553,891)
<hr/>		
Total primary government	\$ (47,472,831)	\$ (18,045,887)
<hr/>		

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	2018
<b>General Fund:</b>											
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	262,389
Restricted	-	-	-	3,420,640	3,934,839	3,668,612	5,496,662	5,315,068	5,529,512	6,356,806	5,348,633
Committed	-	-	-	1,420,897	1,157,686	1,049,178	958,041	928,805	912,686	899,367	880,254
Assigned	-	-	-	4,340,052	3,088,498	1,970,089	2,404,214	2,560,129	4,102,893	2,912,341	2,695,266
Unassigned	-	-	-	3,465,614	3,720,583	6,267,563	6,254,031	7,617,518	7,226,747	7,754,090	7,212,256
<b>Total fund balances</b>	<b>14,979,351</b>	<b>14,016,788</b>	<b>12,350,513</b>	<b>12,903,612</b>	<b>12,203,158</b>	<b>13,204,337</b>	<b>15,405,538</b>	<b>16,692,007</b>	<b>17,992,730</b>	<b>18,170,293</b>	<b>16,398,798</b>
<b>All Other Governmental Funds:</b>											
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	8,839,953
Committed	-	-	-	3,074,777	1,553,354	1,139,665	1,690,366	1,742,146	1,465,899	1,365,867	1,938,030
Assigned	-	-	-	1,133,302	870,818	263,849	-	-	-	-	-
Unassigned	-	-	-	(1,628)	(3,111)	(2,669)	(4,655)	(3,748)	(6,341)	(5,745)	(6,218)
<b>Total fund balances</b>	<b>11,514,960</b>	<b>10,471,714</b>	<b>9,959,979</b>	<b>8,424,489</b>	<b>8,028,317</b>	<b>6,245,196</b>	<b>5,750,260</b>	<b>7,020,539</b>	<b>65,270,913</b>	<b>21,886,545</b>	<b>10,771,765</b>
<b>Total Governmental Funds:</b>											
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	262,389
Restricted	-	-	-	7,638,678	9,542,095	8,512,963	9,561,211	10,597,209	69,340,867	26,883,229	14,188,586
Committed	-	-	-	4,495,674	2,711,040	2,188,843	2,648,407	2,670,951	2,378,585	2,265,234	2,818,284
Assigned	-	-	-	5,473,354	3,959,316	2,233,938	2,404,214	2,560,129	4,102,893	2,912,341	2,695,266
Unassigned	-	-	-	3,463,986	3,717,472	6,264,894	6,249,376	7,613,770	7,220,406	7,748,345	7,206,038
<b>Total fund balances</b>	<b>\$ 26,494,311</b>	<b>\$ 24,488,502</b>	<b>\$ 22,310,492</b>	<b>\$ 21,328,101</b>	<b>\$ 20,231,475</b>	<b>\$ 19,449,533</b>	<b>\$ 21,155,798</b>	<b>\$ 23,712,546</b>	<b>\$ 83,263,643</b>	<b>\$ 40,056,838</b>	<b>\$ 27,170,563</b>

Source: Annual audited financial statements of the County.

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



Duplin County, North Carolina  
 Changes in Fund Balances - Governmental Funds  
 Last Ten Years  
 (modified accrual basis of accounting)  
 Table 4

Year Ended June 30,	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
<b>Revenues:</b>											
Ad Valorem Taxes	\$ 24,667,222	\$ 25,487,215	\$ 26,095,978	\$ 26,391,065	\$ 28,095,424	\$ 28,346,279	\$ 30,468,449	\$ 30,948,358	\$ 30,682,355	\$ 31,514,338	\$ 29,410,194
Local Option Sales Taxes	11,142,288	9,273,969	7,733,398	7,116,858	7,285,383	7,774,019	7,885,364	8,283,242	8,721,257	10,549,539	7,704,417
Other Taxes and Licenses	623,379	671,008	619,734	639,270	145,704	97,104	93,773	94,971	106,156	115,692	117,924
Unrestricted Intergovernmental	34,860	34,720	49,420	40,320	47,439	73,019	5,803,596	6,237,452	6,417,293	6,785,550	793,761
Restricted Intergovernmental	10,591,612	10,785,191	11,551,993	11,465,028	13,117,770	11,852,896	5,890,692	6,099,987	6,819,598	8,629,342	8,504,151
Restricted Revenue	-	-	-	-	-	195,724	227,379	113,733	117,630	101,225	-
Permits and Fees	836,316	665,357	633,671	637,857	557,317	566,950	484,499	485,252	564,286	532,205	513,873
Sales and Services	5,536,981	5,724,280	6,070,328	7,106,383	7,491,979	7,641,452	7,200,636	7,124,707	7,463,901	7,637,284	7,490,804
Investment Earnings	1,124,025	521,735	139,089	71,566	50,115	47,849	25,329	79,939	129,377	253,493	194,743
Miscellaneous	447,608	302,329	201,486	570,214	1,815,320	1,121,074	382,019	178,916	299,710	265,641	80,460
<b>Total revenues</b>	<b>55,004,291</b>	<b>53,465,804</b>	<b>53,095,097</b>	<b>54,038,561</b>	<b>58,606,451</b>	<b>57,716,366</b>	<b>58,461,736</b>	<b>59,646,557</b>	<b>61,321,563</b>	<b>66,384,309</b>	<b>54,810,327</b>

Duplin County, North Carolina  
 Changes in Fund Balances - Governmental Funds  
 Last Ten Years  
 (modified accrual basis of accounting)  
 Table 4

<b>Expenditures:</b>											
General Government	6,037,685	5,832,069	6,813,324	7,191,915	5,877,641	5,426,249	5,685,098	5,815,830	5,869,801	6,221,247	5,869,801
Public Safety	13,097,186	13,606,623	14,113,545	14,126,640	16,454,417	15,743,723	17,184,943	17,490,472	17,926,635	19,373,251	17,926,635
Economic & Physical Development	2,006,142	1,917,473	1,822,711	1,796,732	2,258,125	950,949	1,237,107	1,036,274	2,123,020	1,989,507	2,123,020
Human Services	17,171,101	16,542,424	15,835,849	15,890,421	15,785,872	15,182,432	15,533,403	15,910,100	15,680,629	15,710,404	15,680,629
Cultural and Recreational	861,214	804,946	746,683	639,411	739,981	1,147,418	1,032,756	1,049,119	1,100,142	1,133,360	1,100,142
Environmental Protection	465,397	490,848	688,093	525,607	659,560	663,609	684,793	773,739	807,473	985,831	807,473
Capital Projects	774,436	400,068	350,399	671,627	3,333,076	3,278,940	-	-	-	792,539	-
Non-Departmental	235,405	255,663	310,503	302,078	198,766	198,446	222,715	262,439	298,806	317,920	298,806
Education	10,957,705	12,304,442	10,790,002	11,580,259	11,198,335	12,335,205	13,334,623	12,370,800	17,458,221	58,267,779	17,458,221
Debt Service:											
Principal Retirement	2,235,326	2,366,847	2,231,976	1,974,780	1,922,382	1,956,821	1,382,410	1,448,697	164,794	1,947,060	164,794
Interest and Fees	990,836	863,468	863,060	784,577	697,461	609,929	524,290	472,703	434,471	2,627,984	434,471
<b>Total expenditures</b>	<b>54,832,433</b>	<b>55,384,871</b>	<b>54,566,145</b>	<b>55,484,047</b>	<b>59,125,616</b>	<b>57,493,721</b>	<b>56,822,138</b>	<b>56,630,173</b>	<b>61,863,992</b>	<b>109,366,882</b>	<b>61,863,992</b>
Revenues over (under) expenditures	171,858	(1,919,067)	(1,471,048)	(1,445,486)	(519,165)	222,645	1,639,598	3,016,384	(542,429)	(42,982,573)	(7,053,665)
<b>Other Financing Sources (Uses):</b>											
Proceeds from the sale of assets	-	42,615	51,577	26,689	77,396	72,300	44,351	28,239	61,357	69,728	61,357
Proceeds from the issuance of debt	-	-	-	-	-	-	-	-	60,514,251	-	-
Capital Contributions	-	-	-	1,460,672	-	-	-	-	-	-	-
Transfers from other funds	4,833,727	3,615,102	4,260,101	3,290,436	3,187,616	2,931,158	2,879,439	3,028,700	1,457,953	4,611,256	1,457,953
Transfers to other funds	(5,019,307)	(4,065,681)	(5,101,968)	(4,233,907)	(3,887,616)	(3,658,742)	(3,499,417)	(3,494,472)	(1,890,439)	(4,932,013)	(1,890,439)
<b>Total other financing sources (uses)</b>	<b>(185,580)</b>	<b>(407,964)</b>	<b>(790,290)</b>	<b>543,890</b>	<b>(622,604)</b>	<b>(655,284)</b>	<b>(575,627)</b>	<b>(437,533)</b>	<b>60,143,122</b>	<b>(251,029)</b>	<b>(371,129)</b>
Extraordinary Items	-	-	-	-	-	-	598,597	-	-	-	-
<b>Net Change in Fund Balances</b>	<b>\$ (13,722)</b>	<b>\$ (2,327,031)</b>	<b>\$ (2,261,338)</b>	<b>\$ (901,596)</b>	<b>\$ (1,141,769)</b>	<b>\$ (432,639)</b>	<b>\$ 1,662,568</b>	<b>\$ 2,578,851</b>	<b>\$ 59,600,693</b>	<b>\$ (43,233,602)</b>	<b>\$ (7,424,794)</b>
Debt service as a percentage of noncapital expenditures	5.97%	5.93%	5.81%	5.02%	4.54%	4.56%	3.41%	3.44%	0.99%	4.24%	0.98%
Source: Annual audited financial statements of the County.											
Capital Outlay from reconciliation	827,977	883,568	1,320,066	553,797	1,454,981	1,209,031	894,751	820,974	1,264,361	1415706	749083
Noncapital expenditures	54,004,456	54,501,303	53,246,079	54,930,250	57,670,635	56,284,690	55,927,387	55,809,199	60,599,631	107,951,176	61,114,909

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
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
2018	3,613,983,916	540,429,304	144,070,311	4,298,483,531	0.695

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>	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
<b>Duplin County</b>	0.7900	0.6900	0.6900	0.7100	0.7100	0.7200	0.7300	0.7300	0.730	0.695
<b>Municipality Rates:</b>										
Beulaville	0.5100	0.4400	0.4400	0.4400	0.4400	0.4400	0.4400	0.4400	0.440	0.44
Calypso	0.4700	0.4700	0.4700	0.4700	0.4700	0.4700	0.4700	0.4700	0.470	0.47
Faison	0.5300	0.5300	0.5300	0.5300	0.5300	0.5300	0.5300	0.5300	0.530	0.53
Greenevers	0.2500	0.2500	0.3000	0.3000	0.3000	0.3000	0.3000	0.3000	0.300	0.30
Kenansville	0.4950	0.3950	0.3950	0.3900	0.4200	0.4500	0.4500	0.4500	0.470	0.47
Magnolia	0.6500	0.6500	0.6500	0.6500	0.6600	0.6600	0.6600	0.6600	0.660	0.66
Rose Hill	0.6650	0.6400	0.6400	0.6400	0.6400	0.6900	0.6900	0.6900	0.750	0.75
Teachey	0.4500	0.4500	0.4500	0.4500	0.4500	0.4500	0.4500	0.4500	0.450	0.45
Wallace	0.6600	0.5600	0.5600	0.5600	0.5600	0.5600	0.5600	0.5900	0.590	0.59
Warsaw	0.5900	0.5500	0.5500	0.5500	0.5500	0.5500	0.5500	0.5500	0.550	0.55
<b>Fire Protection Districts:</b>										
Oak Wolfe	0.0500	0.0500	0.0500	0.0500	0.0500	0.0500	0.0500	0.0500	0.0500	0.05
Glisson	0.0650	0.0650	0.0650	0.0650	0.0650	0.0650	0.0650	0.0650	0.0650	0.065
Sarecta	0.0550	0.0550	0.0550	0.0550	0.0550	0.0550	0.0550	0.0550	0.0550	0.055
East Duplin	0.0525	0.0525	0.0458	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	0.075
Stacy Britt	0.0650	0.0650	0.0630	0.0630	0.0630	0.0630	0.0630	0.0630	0.0630	0.063
Franklin	0.0800	0.0800	0.0800	0.0800	0.0750	0.0750	0.0750	0.0800	0.0800	0.08
Northeast	0.0400	0.0400	0.0400	0.0400	0.0400	0.0400	0.0400	0.0400	0.0400	0.06

Source: Duplin Finance Office

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

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

Taxpayer	Type of Business	Year Ended June 30, 2018			Year Ended June 30, 2009		
		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	3.38%	96,665,480	1	3.06%
Murphy-Brown LLC	Livestock	106,368,609	2	2.71%	83,007,335	2	2.63%
House of Raeford	Livestock	70,188,537	3	1.79%	41,648,207	5	1.32%
Duke Energy Progress	Utility	51,487,588	4	1.31%	39,980,666	6	1.26%
Guilford Mills	Textiles	51,301,063	5	1.31%	33,469,835	7	1.06%
Nash Johnson & Sons	Livestock	46,037,575	6	1.17%	47,020,836	4	1.49%
Duplin Land Development	Real Estate	45,680,452	7	1.17%	76,634,796	3	2.42%
Murphy Family Ventures	Livestock	40,952,224	8	1.04%	30,783,064	9	0.97%
United State Cold Storage	Distribution	37,930,567	9				
Coastal Carolina Green Power	Utility	27,544,732	10	0.70%	32,023,523	8	1.01%
Case Farms, LLC	Livestock	-			24,608,283	10	0.78%
		<b>\$ 610,054,643</b>		<b>14.59%</b>	<b>\$ 481,233,742</b>		<b>15.22%</b>

Source: Duplin County Tax Office

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

<i>Year Ended June</i> 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
2009	25,128,446	23,741,088	94.48%	1,351,739	25,092,827	99.86%
2010	25,836,831	24,353,960	94.26%	1,444,067	25,798,027	99.85%
2011	25,952,188	24,537,688	94.55%	1,365,834	25,903,522	99.81%
2012	27,109,094	25,724,577	94.89%	1,333,930	27,058,507	99.81%
2013	28,023,946	26,579,982	94.85%	1,375,761	27,955,743	99.76%
2014	29,583,582	28,461,798	96.21%	1,015,957	29,477,755	99.64%
2015	29,749,210	28,972,293	97.39%	609,073	29,581,366	99.44%
2016	26,948,314	26,102,572	96.86%	526,181	26,628,753	98.81%
2017	27,647,111	26,755,749	96.78%	418,352	27,174,101	98.29%
2018	26,922,617	26,031,164	96.69%	-	26,031,164	96.69%

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 Bonds	Notes Payable	Capital Leases	Limited Obligation Bonds	
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
2018	-	-	49,160,000	9,496,305	-	4,309,676	-	13,275,000	76,240,981
	Total Debt as a Percentage of Personal Income								
<i>June 30,</i>	Income	Per Capita							
2009	2.72%	720							
2010	2.41%	664							
2011	2.22%	614							
2012	1.92%	559							
2013	2.72%	781							
2014	1.55%	479							
2015	1.58%	486							
2016	4.59%	1,512							
2017	4.48%	1,448							
2018	7.20%	1,293							

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

N/A - Not available

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

Table 10

<i>June 30,</i>	2009	2010	2011	2012	2013	2014
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%
Per Capita	\$ 365.21	\$ 343.25	\$ 325.35	\$ 304.53	\$ 285.98	\$ 265.10
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
	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
Gross Debt:						
General Obligation Bonds	19,500,200	18,686,000	17,868,500	17,043,300	15,915,000	-
Limited Obligation Bonds	-	-	-	-	15,915,000	15,843,587
Certificates of Participation	8,016,977	6,754,147	5,451,317	4,083,487	2,655,657	1,357,827
Notes Payable	12,505,682	12,310,020	11,928,304	11,651,469	12,035,001	11,530,441
Capital Leases	14,465	-	-	-	-	-
Total gross debt	40,037,324	37,750,167	35,248,121	32,778,256	46,520,658	28,731,855
Less: Debt Incurred for Water Activities	18,699,808	18,712,457	18,253,021	17,774,524	33,541,577	17,203,014
Total Debt Applicable to Debt Limit (Net Debt)	21,337,516	19,037,710	16,995,100	15,003,732	12,979,081	11,528,841
Legal Debt Margin	\$ 223,740,833	\$ 233,896,295	\$ 281,220,007	\$ 284,586,656	\$ 290,867,905	\$ 302,136,421
Total Debt Applicable to the Limit as a Percentage of the Debt Limit	8.71%	7.53%	5.70%	5.01%	4.27%	3.68%



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

Table 10

<i>June 30,</i>	2015	2016	2017	2018
<b>General Bonded Debt Outstanding:</b>				
General Obligation Bonds	\$ -	\$ -	\$ -	\$ -
<b>Percentage of Estimated Actual Property Value</b>				
	0.00%	0.00%	0.00%	0.00%
<b>Per Capita</b>				
	\$ -	\$ -	\$ -	\$ -
Assessed Value of Taxable Property	\$ 4,089,376,111	\$ 4,052,372,329	\$ 4,206,724,579	\$ 4,298,483,531
	X 8%	X 8%	X 8%	X 8%
<b>Debt Limit - 8 Percent of Assessed Value (Statutory Limitation G.S. 159-55)</b>				
	327,150,089	324,189,786	336,537,966	343,878,682
<b>Gross Debt:</b>				
General Obligation Bonds	-	-	-	-
Limited Obligation Bonds	15,314,495	75,289,654	72,566,849	62,435,000
Certificates of Participation	-	-	-	-
Notes Payable	13,895,945	13,474,404	13,085,759	13,805,981
Capital Leases	-	-	-	-
Total gross debt	29,210,440	88,764,058	85,652,608	76,240,981
Less: Debt Incurred for Water Activities	19,198,124	18,402,285	17,631,608	17,584,676
Total Debt Applicable to Debt Limit (Net Debt)	10,012,316	70,361,773	68,021,000	58,656,305
Legal Debt Margin	\$ 317,137,773	\$ 253,828,013	\$ 268,516,966	\$ 285,222,377
Total Debt Applicable to the Limit as a Percentage of the Debt Limit	3.06%	21.70%	20.21%	17.06%

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

<i>Year Ended June 30,</i>	(1) Population	(1) Personal Income	(1) Per Capita Personal Income	(3) School Enrollment	(3) High School Graduates	(2) Unemployment Rate
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%
2018	59,350	1,974,270,000	33,440	9,660	618	4.5%

Sources:

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

N/A - Not available

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

2018				2009			
Employer	(1) Approximate Employees	Rank	Percentage of Total Employment	Employer	(1) Approximate Employees	Rank	Percentage of Total Employment
Butterball LLC	1000+	1	5.00%	Carolina Turkeys	1000+	1	5.00%
Smithfield Foods, Inc.	1000+	2	5.00%	Murphy-Brown LLC	1000+	2	5.00%
House of Raeford Inc.	1000+	3	5.00%	House of Raeford Inc.	1000+	3	5.00%
Duplin County Schools	1000+	4	5.00%	Duplin County Schools	500-999	4	3.00%
Murphy Family Ventures LLC	500-999	5	3.00%	Guilford Mills Inc.	500-999	5	3.00%
Duplin County Government	500-999	6	3.00%	Murphy Family Ventures LLC	500-999	6	3.00%
Guilford Mills, Inc.	500-999	7	3.00%	Bay Valley Foods LLC	500-999	7	3.00%
Vidant Medical Center	250-499	8	2.00%	Duplin County Government	500-999	8	3.00%
Johnson Breeders, Inc.	250-499	9	2.00%	Johnson Breeders, Inc.	250-499	9	2.00%
Bay Valley Foods LLC	250-499	10	2.00%	Duplin General Hospital, Inc.	250-499	10	2.00%
	-		35.00%		-		34.00%
<b>Total employment (2)</b>	<b>24,059</b>				<b>23,044</b>		

Sources:

(1) Duplin County Economic Development

(2) North Carolina Employment Security Commission

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

Table 13  
 Page 20 of 25

Function/Program	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
<b>General Government:</b>										
Governing Board	6	6	6	6	6	6	5	5	5	5
Attorney	2	2	2	2	3	3	3	3	3	3
Finance	7	7	7	7	7	7	7	8	8	8
Tax Administration	16	16	16	15	15	16	16	16	16	16
Elections	3	4	4	4	4	3	3	3	3	3
Register of Deeds	7	6	6	6	6	6	5	5	5	5
County Manager	3	3	3	3	3	3	3	2	2	2
Personnel	2	2	2	2	3	3	3	3	3	3
Information Technology	5	5	7	7	7	6	8	9	9	9
Garage	3	3	3	3	3	3	3	4	4	4
Building Maintenance	8	8	9	9	9	9	9	9	9	9
Housekeeping	8	8	8	8	7	8	8	8	8	8
<b>Public Safety:</b>										
Sheriff	50	51	51	49	49	51	51	51	51	51
Court Facilities	2	2	2	2	2	2	2	2	2	2
Communications	22	22	22	23	22	23	24	28	28	28
Faison Substation	3	3	3	3	2	2	2	2	2	2
School Resource Officers	9	9	9	9	9	16	16	16	16	16
Department of Justice Alien Grant	0	0	0	0	0	0	0	0	0	0
Calypso Substation	1	1	0	0	0	0	0	0	0	0
Federally Seized Assets	2	0	0	0	0	0	0	0	0	0
Jail	26	27	28	28	32	32	35	35	35	35
Jail Annex	0	0	0	0	0	0	0	9	9	9
JSCC-School Resource Officer	2	1	1	0	0	0	0	0	0	0
Emergency Management	3	2	2	2	2	2	2	2	2	2
Fire Marshall	2	2	2	2	1	1	1	1	1	1
Building Inspections	4	4	3	4	4	4	4	4	4	4
Emergency Medical Services	73	69	70	74	74	74	74	73	73	73
E-911	0	0	0	0	0	0	0	0	0	0
E-911 Grant	0	0	0	0	0	0	0	0	0	0
Animal Services	3	3	3	3	3	3	4	4	4	4
<b>Economic and Physical Development:</b>										
Planning	1	1	1	1	1	1	1	1	1	1
Economic Development	2	2	2	2	2	2	2	2	2	2
NC Arts Grant-Se Agri Tour	1	1	1	1	1	1	1	0	0	0
Tourism Development	2	2	2	2	2	2	2	2	2	2
JCPC-Duplin Parenting	1	1	1	1	1	1	0	0	0	0
JCPC-4-H Outreach	1	1	1	1	1	1	1	1	1	1
<b>Environmental Protection:</b>										
Soil Conservation	6	6	6	6	6	6	6	6	6	6

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

Table 13  
 Page 21 of 25

Function/Program	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
<b>Human Services:</b>										
Health	35	35	34	32	32	34	35	37	37	37
Environmental Health	7	7	7	6	6	6	6	6	6	6
Healthy Beginnings	0	0	0	1	1	1	0	0	0	0
Smart Start Child Care	1	1	1	0	0	0	0	0	0	0
Dental Program	0	2	3	4	4	5	2	2	2	2
Bioterrorism	0	0	0	0	0	0	0	0	0	0
County Wellness	0	1	0	1	2	0	2	1	1	1
Health and Wellness Grant	2	2	2	2	0	2	0	0	0	0
Cap Fear Chronic Disease Grant	0	1	1	0	0	0	0	0	0	0
Community Health	1	1	1	1	0	0	0	0	0	0
Pregnancy Care Management	0	0	0	0	1	1	1	0	0	0
Maternal Care Coordination	0	0	0	1	0	0	0	0	0	0
Maternal Health	1	1	1	1	1	1	1	1	1	1
Family Planning	1	1	1	0	0	0	0	0	0	0
WIC	0	0	10	10	10	10	10	8	8	8
Child Health	2	2	2	2	2	2	2	2	2	2
Interpreter Grant	1	1	1	0	0	0	0	0	0	0
CCHC	0	0	0	0	0	0	0	1	1	1
Social Services Administration	115	115	115	110	110	110	110	118	118	118
Social Services Security	2	1	1	0	0	0	0	0	0	0
Medicaid Transportation	0	0	0	0	0	0	0	0	0	0
Title IV-D Child Support	2	2	2	2	2	0	0	0	0	0
Social Services Building	2	2	1	1	1	1	1	1	1	1
County Aging	8	8	8	8	8	8	8	8	8	8
Aging In Home Aid Services	3	3	3	3	6	6	6	8	8	8
Senoir Center	1	1	1	0	0	0	0	0	0	0
Family Caregiver	1	1	1	1	1	1	1	0	0	0
Veteran's Service Officer	1	1	1	1	2	3	3	3	3	3
Nutrition Homebound Meals	1	1	1	1	1	1	1	1	1	1
Nutrition	6	5	5	5	5	5	5	5	5	5
<b>Cultural and Recreational:</b>										
Library	11	11	11	11	11	13	13	12	12	12
Parkes and Recreation	4	3	3	3	2	3	3	3	3	3
Events Center	0	0	3	3	3	3	2	2	2	2
Museum	1	1	1	1	0	1	1	1	1	1
<b>Water:</b>										
County Water	13	13	13	13	13	13	13	13	13	13
<b>Transportation</b>	14	14	23	20	15	19	16	17	17	17
<b>Airport</b>	3	3	3	3	3	3	3	3	3	3
<b>Solid Waste:</b>										
Solid Waste Collections	26	26	27	27	27	29	29	29	29	29
Solid Waste Disposal	3	3	3	4	4	5	5	5	5	5
Solid Waste Recycling	3	2	2	2	2	3	3	3	3	3
<b>Totals</b>	<b>554</b>	<b>548</b>	<b>571</b>	<b>562</b>	<b>559</b>	<b>585</b>	<b>582</b>	<b>604</b>	<b>604</b>	<b>604</b>

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

Function Program	2010	2011	2012	2013	2014	2015	2016	2017	2018
<b>Airport:</b>									
Gallons-Aviation Gas Sold (yearly)	28,183.24	27,568.94	39,071.59	26,674.61	21,962.31	19,206.19	27,727.40	28,496.10	24,254.46
Gallons-Jet Fuel Sold (yearly)	97,545.11	73,272.04	67,319.76	63,208.59	63,134.42	83,071.13	106,860.68	112,959.21	95,629.11
<b>EMS:</b>									
Transports	5274	5510	5702	6097	9056	6875	7938	6279	5973
<b>Environmental Health:</b>									
Well Permits Issued	27	31	N/A	44	83	37	89	116	69
Food & Lodging Inspections	218	202	N/A	146	731	472	771	801	721
On Site Evaluations	109	70	N/A	117	316	210	293	358	309
Other Permits/Inspections	246	203	N/A	407	423	740	956	1086	990
<b>Inspections:</b>									
Building Inspections	4311	6618	7589	7019	6511	6624	6279	9256	7848
Mobile/Modular Homes	279	231	303	269	232	248	227	259	248
New Dwellings (Residential)	67	59	42	64	43	42	44	50	46
Multi-Family Dwellings	0	0	15	27	24	13	30	41	51
Commercial	32	33	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Other Inspections	2306	2203	2565	2526	N/A	N/A	N/A	N/A	N/A

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

Function Program	2010	2011	2012	2013	2014	2015	2016	2017	2018
<b>Health Department:</b>									
Primary Care Physicals	122	71	N/A	95	474	6702	5653	462	686
Primary Care Treatments	1335	1021	N/A	1279	5212	8299	7207	6347	5420
Family Planning Physicals	325	184	N/A	255	686	1703	1258	1167	1189
Maternal Health Patients	656	382	N/A	679	313	1189	1449	1491	1312
Maternal Health Patients (non-english speaking)	513	281	N/A	479	219	N/A	N/A	N/A	0
Maternal Health Visits	875	486	N/A	700	1733	2166	2637	1697	1486
Child Health Physicals	451	293	N/A	408	1035	1050	1108	942	1166
Medications Dispensed	1340	1046	N/A	1262	2999	421	1688	N/A	0
Immunizations Provided	2986	1310	N/A	1965	3117	3211	3149	7028	6334
Dental Services Provided	N/A	339	N/A	599	1258	572	190	114	0
WIC number seen	N/A	927	N/A	3913	20346	7987	12249	20689	21072
TB Cases/Suspects	12	15	N/A	6	7	312	19	10	11
TB Skin Test	412	324	N/A	267	342	83	0	N/A	0
STD/CD	88	76	N/A	107	661	842	704	523	655
HIV/AIDS	14	2	N/A	10	N/A	0	0	N/A	0
<b>Register of Deeds:</b>									
Marriage License Issued	331	356	298	336	322	324	309	325	305
Death Certificates Issued	2418	2404	2560	2306	2349	2200	2039	1840	2202
Birth Certificates Issued	2245	1980	2304	2183	2220	2097	2073	2237	2222
<b>Sheriff:</b>									
Number of Vehicles	71	76	73	73	83	95	90	95	95
Number of Officers/Jailers	80	80	75	83	92	96	109	100	100
Civil papers processed	6497	6525	6332	6137	6220	5795	6545	6096	5874
<b>Social Services:</b>									
Child Support Collections	\$6,078,335	\$6,122,099	\$6,005,674	\$5,913,960	\$5,310,732	\$5,952,202	\$6,152,924	\$6,249,887	6326791.2

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

Function Program	2010	2011	2012	2013	2014	2015	2016	2017	2018
<b>Solid Waste: tonnage</b>									
MSW	21,401.27	22,234.40	22,828.02	21,256.50	20,774.99	24,114.38	26,584.78	27,570.21	26215.83
C & D	2,355.02	1,751.70	2,087.54	1,787.94	1,927.24	1,950.82	1,899.29	3,313.00	4837.41
Tires	766.17	738.58	595.00	579.23	613.27	746.50	588.15	601.22	664.75
Oil	6,582.00	9,088.00	10,489.00	8,531.00	16,913.00	6,046.00	2,664.00	-	0
Mixed Recycle	114.14	112.82	107.68	112.47	115.50	100.43	108.25	103.53	58.8
Glass	144.61	137.50	161.14	140.98	150.40	121.73	136.69	131.16	152.63
Cardboard	468.35	441.72	474.23	254.26	227.94	339.86	328.22	140.47	121.24
Plastics	165.53	87.89	73.04	60.95	55.52	51.57	54.13	50.77	50.47
Mixed Paper	222.88	202.70	184.85	174.97	173.11	157.12	153.01	180.83	183.48
Cans	35.96	34.48	29.06	26.14	25.50	22.56	25.29	24.51	25.41
<b>Water:</b>									
Residential Customers	6,279	6,363	6,460	6,541	6,667	6,850	6,840	6,961	84188
Commerical Customers	100	110	115	115	115	113	131	135	1656
Production	520,255,000	526,945,000	541,992,000	551,092,000	555,715,000	585,100,000	586,155,000	597,514,000	653840000
Residential Consumption	339,377,000	341,565,000	334,186,000	333,657,000	342,482,000	344,629,000	306,281,000	319,357,000	367573000
Commerical Consumption	150,791,000	141,698,000	160,345,000	162,608,000	162,068,000	171,031,000	151,902,000	154,498,000	168996000



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

Function/Program	2010	2011	2012	2013	2014	2015	2016	2017	2018
<b>General Government:</b>									
Number of Buildings	9	9	9	9	9	9	9	9	9
Value of Buildings/contents	\$ 5,024,773	\$ 4,489,371	\$ 4,440,551	\$ 4,444,953	\$ 6,278,468	\$ 8,905,194	\$ 8,905,194	\$ 8,905,194	\$ 8,905,194
<b>Public Safety:</b>									
Number of patrol vehicles	68	73	69	69	74	77	90	90	89
Volunteer Fire Depts	24	24	24	24	24	24	24	24	24
Number of EMS stations	8	8	8	8	8	8	8	8	8
Number of ambulances	13	13	13	13	14	14	14	14	14
Number of jail beds	98	98	98	98	98	98	98	118	118
<b>Cultural &amp; Recreational:</b>									
Number of Parks	1	1	1	1	1	1	1	1	1
Number of libraries	6	6	6	6	6	6	6	6	6
<b>Enterprise Funds:</b>									
Solid Waste convenience sites	15	15	15	15	15	15	15	15	15
Number of Water Tanks	12	12	12	12	12	12	12	12	12
Number of Water pumping sites	15	15	15	15	15	15	15	15	15
Number of Transportation vehicles	14	15	14	14	14	14	14	14	14

## COMPLIANCE SECTION



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**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***

**Independent Auditors' Report**

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 the financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the accompanying financial statements of the governmental activities, the business-type activities, the discretely presented component units, each major fund, and the aggregate remaining fund information of Duplin County, as of and for the year ended June 30, 2018, and the related notes to the financial statements, which collectively comprises the Duplin County's basic financial statements, and have issued our report thereon dated June 19, 2019. The financial statements of the Duplin TDA were not audited in accordance with *Government Auditing Standards*.

**Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered Duplin 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 Duplin 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 the internal control was for limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. We did identify certain deficiencies in internal control, described in the accompanying schedule of findings and questioned costs that we consider to be significant deficiencies, listed as 2018-001.

### **Compliance and Other Matters**

As part of obtaining reasonable assurance about whether Duplin County's financial statements are free of 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 instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and which are described in the accompanying schedule of findings and questioned costs, 2018-002.

Duplin County's responses to the findings identified in our audit are described in the accompanying schedule of findings and responses/schedule of findings and questioned costs.

### **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.

*Thompson, Price, Scott, Adams & Co., PA*

*Thompson, Price, Scott, Adams & Co., P.A.*

*Wilmington, North Carolina*

*June 19, 2019*



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## **Report on Compliance for Each Major Federal Program; Report on Internal Control Over Compliance; With OMB Uniform Guidance and the State Single Audit Implementation Act**

### **Independent Auditors' Report**

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, 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 Duplin County's major federal programs for the year ended June 30, 2018. Duplin 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 federal and State Statutes, regulations, and the terms and conditions of its federal awards.

#### **Auditors' Responsibility**

Our responsibility is to express an opinion on compliance for each of Duplin 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 Duplin 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 Duplin County's compliance.

## **Opinion on Each Major Federal Program**

In our opinion, Duplin County 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, 2018.

## **Other Matters**

The results of our auditing procedures disclosed instances of noncompliance, which are required to be reported in accordance with Uniform Guidance and which are described in the accompanying schedule of findings and questioned costs as item 2018-002. Our opinion on each major federal program is not modified with respect to these matters.

Duplin County's response to the noncompliance findings identified in our audit is described in the accompanying schedule of findings and questioned costs. The County's response was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

## **Report on Internal Control Over Compliance**

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

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

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be significant deficiencies or material weakness and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weakness. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, we did identify certain deficiencies in internal control over compliance, as described in the accompanying schedule of findings and questioned costs as item 2018-002 that we consider to be significant deficiencies.

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.

*Thompson, Price, Scott, Adams & Co., PA*

*Thompson, Price, Scott, Adams & Co., P.A.*

*Wilmington, North Carolina*

*June 19, 2019*



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**Report On Compliance For Each Major State Program; Report on Internal Control Over Compliance; In accordance with OMB Uniform Guidance; and the State Single Audit Implementation Act**

**Independent Auditors' Report**

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, 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 Duplin County's major state programs for the year ended June 30, 2018. Duplin 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 State Statutes, regulations, and the terms and conditions of its State awards.

**Auditors' Responsibility**

Our responsibility is to express an opinion on compliance for each of Duplin 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; and applicable sections of Title 2 US 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 Duplin 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 Duplin County's compliance.



## **Opinion on Each Major State Program**

In our opinion, Duplin County 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, 2018.

## **Report on Internal Control Over Compliance**

Management of Duplin County 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 Duplin County's internal control over compliance with the types of requirements that could have a direct and material effect on a major state program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing our 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 state program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a state 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 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 significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

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

*Thompson, Price, Scott, Adams & Co., PA*

*Thompson, Price, Scott, Adams & Co., P.A.*

*Wilmington, North Carolina*

*June 19, 2019*

DUPLIN COUNTY, NORTH CAROLINA  
 Schedule of Findings and Questioned Costs  
 For the Fiscal Year Ended June 30, 2018

**Section I. Summary of Auditor's Results**

Financial Statements

Type of report the auditor issued on whether the financial statements audited were prepared in accordance to GAAP: Unmodified.

Internal control over financial reporting:

- Material Weakness(es) identified? \_\_\_\_\_yes  X no
- Significant deficiency(s) identified?  X yes \_\_\_\_\_none reported
- Noncompliance material to financial statements noted? \_\_\_\_\_yes  X no

Federal Awards

Internal control over major federal programs:

- Material Weakness(es) identified? \_\_\_\_\_yes  X no
- Significant deficiency(s) identified?  X yes \_\_\_\_\_none reported

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

Any audit findings disclosed that are required to be reported in accordance with Section 2 CFR 200.516(a)?  X yes \_\_\_\_\_no

Identification of major federal programs:

CFDA # Program Name

- 93.778 Medical Assistance Program (Title XIX – Medicaid)
- 97.036 Disaster Grants – Public Assistance (Presidentially Declared Disasters)
- 93.558 TANF Cluster

Dollar threshold used to distinguish between Type A and Type B Programs \$ 750,000

Auditee qualified as low-risk auditee? \_\_\_\_\_yes  X no

State Awards

Internal control over major State programs:

- Material Weakness(es) identified? \_\_\_\_\_yes  X no
- Significant deficiency(s) identified that are not considered to be a material weakness. \_\_\_\_\_yes  X none reported

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  
 Rural Center Grants  
 Public School Building Capital Fund - Lottery Proceeds  
 Airport Improvement Program

DUPLIN COUNTY, NORTH CAROLINA  
Schedule of Findings and Questioned Costs  
For the Year Ended June 30, 2018

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**Section II – Financial Statement Findings**

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SIGNIFICANT DEFICIENCY

Finding: 2018 – 001 Timeliness of Audit Report Submission

Criteria: The June 30, 2018 audit was submitted passed the required due date. This is a violation of G.S. 159-33.

Condition: Required reports to the State of North Carolina were not filed by the required due date.

Context: Hurricane Florence made landfall in September this caused widespread flooding along a long stretch of the North Carolina coast, from New Bern to Wilmington. The audit firm had its central office in Wilmington, North Carolina flooded requiring extensive repairs. Due to this natural disaster the audit firm was unable to timely complete the audit engagement. Also, the County did not acquire an actuarial study in a timely manner.

Effect: The reports are a requirement of General Statutes, lateness created the statue violation.

Cause: Hurricane Florence and a required actuarial study caused delays in completing audit.

Recommendation: The audit firm will ensure adequate back up personnel and space are available for future disasters. The County will request all required actuarial studies in a timely manner.

Views of responsible officials and planned corrective actions: The County agrees with this finding and has already taken action.

DUPLIN COUNTY, NORTH CAROLINA  
Schedule of Findings and Questioned Costs  
For the Year Ended June 30, 2018

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

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SIGNIFICANT DEFICIENCY

US Department of Agriculture  
Passed through the NC Dept. of Health and Human Services  
Program Name: Medical Assistance Program (Medicaid; Title XIX)  
CFDA # 93.778

Finding: 2018 – 002

Eligibility

Criteria: Medicaid for Aged, Blind and Disabled case records should contain documentation that verifications were done in preparation of the application and these items will agree to reports in the NC FAST system. In this process, the countable resources should be calculated correctly and agree back to the amounts in the NC FAST system. Any items discovered in the verification process should be considered countable or non-countable resources and explained within the documentation.

Condition: There were eight errors discovered during our procedures that resources in the county documentation and those same resources contained in NC FAST were not the same amounts or files containing resources were not properly documented to be considered countable or non-countable.

Questioned Costs: There was no affect to eligibility and there were no questioned costs.

Context: We examined 96 Medicaid applicants that were selected by the Office of the North Carolina State Auditor in a separate engagement to re-determine eligibility. These findings were disclosed in a separately issued report to the Office of State Auditor and are being reported with the financial statement audit as it relates to Medicaid administrative cost compliance audit.

Effect: For those certifications/re-certifications there was a chance that information was not properly documented and reconciled to NC FAST which affect countable resource and a participant could have been approved for benefits that they were not eligible.

Cause: Ineffective record keeping and ineffective case review process, incomplete documentation, and incorrect application of rules for purposes of determining eligibility.

Recommendation: Files should be reviewed internally to ensure proper documentation is in place for eligibility. Workers should be retrained on what files should contain and the importance of complete and accurate record keeping. We recommend that all files include online verifications, documented resources of income and those amounts agree to information in NC FAST. The results found or documentation made in case notes that clearly indicates what actions were performed and the results of those actions.

Views of responsible officials and planned corrective actions: The County agrees with the finding. Supervisors will perform second party reviews to ensure proper documentation is contained in files to support eligibility determinations. Workers will be retrained on what information should be maintained in case files, the importance of complete and accurate record keeping, and reserve calculations. The County finance office will also participating in the review process.

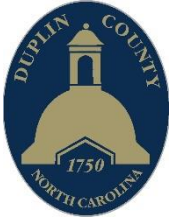
DUPLIN COUNTY, NORTH CAROLINA  
Schedule of Findings and Questioned Costs  
For the Year Ended June 30, 2018

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

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None.



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Corrective Action Plan  
June 30, 2018

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**Section II – Financial Statement Findings**

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Finding 2018 – 001      Name of contact person: Tracy Chestnutt, Finance Officer

Corrective Action: The audit firm will use resources from other unaffected offices to ensure timeliness of required filings. The County will request required actuarial studies in a timely manner.

Proposed Completion Date: Immediately.

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

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Finding 2018 – 002      Name of contact person: Susan Thigpen, Director

Corrective Action: Procedures and controls are being developed for caseworkers to follow. Medicaid caseworkers will receive additional training on the newly created "Documentation Policy" to remind each of the policies and procedures to be followed in the application process. In addition, second party reviews will be conducted to monitor the actual application of the policy. The finance office will assist with these reviews.

Proposed Completion Date: Certain controls are currently being created and reviewed. Management will continue to monitor the progress of this issue and modify the controls as needed.

DUPLIN COUNTY, NORTH CAROLINA  
Summary Schedule of Prior Audit Findings  
For the Year Ended June 30, 2018

Finding: 2017-003  
Status: Still occurring in different versions of issues related to the Medicaid intake process.

Finding: 2017-001 & 2017-002  
Status: This finding has been corrected.

**DUPLIN COUNTY, NORTH CAROLINA**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS**  
**For the Year Ended June 30, 2018**

Grantor/Pass-through Grantor/Program Title 1(a)	Federal CFDA Number 1(b)	State/ Pass-through Grantor's Number	Federal (Direct & Pass-through) Expenditures 1(c)(d),2	State Expenditures 1(d)	Passed-through to Subrecipients 1(e)	Local Expenditures 1(d)
<b>Federal Awards:</b>						
<u>U.S. Dept. of Agriculture</u>						
Passed-through the N.C. Dept. of Health and Human Services:						
Division of Social Services:						
Administration:						
State Administrative Matching Grants for the Supplemental Nutrition Assistance Program	10.561		548,790	-	-	548,789
Passed-through the N.C. Dept. of Health and Human Services:						
Division of Public Health:						
Administration:						
Special Supplemental Nutrition Program for Women, Infants, & Children	10.557		452,908	-	-	-
Total U.S. Department of Agriculture			1,001,698	-	-	548,789
<u>U.S. Dept. of Transportation</u>						
Passed-through the N.C. Department of Transportation:						
Formula Grants for Rural Areas	20.509		311,111	-	-	-
Airport Improvement Program	20.106		299,889	-	-	-
Total U.S. Dept. of Transportation			611,000	-	-	-
<u>U. S. Department of Homeland Security</u>						
Passed-through N.C. Dept. of Public Safety:						
Division of Emergency Management:						
Emergency Management Performance	97.042		49,432	-	-	-
Disaster Grants - Public Assistance (Presidentially Declared Disasters)	97.036		361,229	120,410	-	-
Total U. S. Department of Homeland Security			410,662	120,410	-	-
<u>U.S. Dept. of Health &amp; Human Services</u>						
Passed-through N.C. Department of Health and Human Services:						
Division of Aging and Adult Services:						
<u>Aging Cluster:</u>						
Special Programs for the Aging - Title III B Grants for Supportive Services and Senior Centers	93.044		54,895	3,181	-	8,806
Special Programs for the Aging - Title III C Nutrition Services	93.045		206,162	12,071	-	29,568
Nutrition Services Incentive Program	93.053		41,316	-	-	-
Total Aging Cluster			302,373	15,252	-	38,374
Division of Social Services:						
Temporary Assistance for Needy Families Cluster TANF - Work First	93.558		849,935	-	-	406,440
Division of Public Health						



**DUPLIN COUNTY, NORTH CAROLINA**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS**  
**For the Year Ended June 30, 2018**

Grantor/Pass-through	Federal CFDA	State/ Pass-through Grantor's	Federal (Direct & Pass-through)	State	Passed-through to	Local
Grantor/Program Title	Number	Number	Expenditures	Expenditures	Subrecipients	Expenditures
1(a)	1(b)		1(c)(d),2	1(d)	1(e)	1(d)
TANF - Work First	93.558		11,897	-	-	-
Total TANF Cluster			861,832	-	-	406,440
AFDC Payments & Penalties	93.560		(98)	(27)	-	(27)
<u>Foster Care and Adoption Cluster (Note 4)</u>						
Foster Care - Title IV-E	93.658		299,108	65,198	-	206,348
Foster Care	N/A		36,995	-	-	-
Total Foster Care and Adoption Cluster (Note 4)			336,103	65,198	-	206,348
Child Support Enforcement	93.563		528,697	-	-	272,359
Refugee and Entrant Assistance - State Administered Program	93.566		120	-	-	-
Total Refugee and Entrant Assistance			120	-	-	-
<u>Low-Income Home Energy Assistance:</u>						
Administration	93.568		53,653	-	-	-
Energy Assistance Payments	93.568		312,700	-	-	-
Crisis Intervention Program	93.568		27,451	-	-	-
Total Low-Income Home Energy Assistance			393,804	-	-	-
<u>Stephanie Tubbs Jones Child Welfare Services Program:</u>						
- Permanency Planning - Families for Kids	93.645		17,529	-	-	5,843
Total Stephanie Tubbs Jones Child Welfare Services Program			17,529	-	-	5,843
Chafee Foster Care Independence Program	93.674		6,552	884	-	-
SSBG - Other Service and Training	93.667		249,010	-	-	83,003
<u>Division of Aging and Adult Services:</u>						
<u>Division of Social Services:</u>						
SSBG - Adult Protective Care	93.667		22,305	-	-	7,435
<u>Passed-through East Carolina Council of Governments:</u>						
Total Social Service Block Grant			271,315	-	-	90,438
<u>Administration for Children and Families</u>						
<u>Passed-through the N.C. Dept. of Health and Human Services</u>						
Subsidized Child Care (Note 4)						
<u>Child Care Development Fund Cluster:</u>						
<u>Division of Social Services:</u>						
Child Care Development Fund-Administration	93.596		100,766	-	-	-
<u>Division of Child Development:</u>						
Child Care and Development Block Grant	93.575		106,144	-	-	-
Child Care Development Mandatory and Match Fund-Mandatory	93.596		13,998	-	-	-
Child Care Development Mandatory and Match Fund-Match	93.596		-	-	-	-
Total Child Care Fund Cluster			220,909	-	-	-

**DUPLIN COUNTY, NORTH CAROLINA**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS**  
**For the Year Ended June 30, 2018**

Grantor/Pass-through Grantor/Program Title	Federal CFDA Number	State/ Pass-through Grantor's Number	Federal (Direct & Pass-through) Expenditures	State Expenditures	Passed-through to Subrecipients	Local Expenditures
1(a)	1(b)		1(c)(d),2	1(d)	1(e)	1(d)
Temporary Assistance for Needy Families	93.558		11,390	-	-	-
State Appropriations			-	1,605	-	-
TANF - MOE			-	5	-	-
Total Subsidized Child Care (Note 4)			232,298	1,610	-	-
Passed-through the N.C. Dept. of Health and Human Services:						
Division of Medical Assistance:						
Division of Social Services:						
Administration:						
Medical Assistance Program	93.778		1,730,730	6,898	-	684,901
Total Medical Assistance Program			1,730,730	6,898	-	684,901
Division of Social Services:						
Administration:						
State Children's Insurance Program - N.C. Health Choice	93.767		63,635	19	-	-
Total State Children's Insurance Program - N.C. Health Choice			63,635	19	-	-
Passed-through the N.C. Dept. of Health and Human Services:						
Division of Public Health:						
Hospital Preparedness Program (HPP) and Public Health						
Emergency Preparedness (PHEP) Aligned Cooperative Agreements	93.074		36,648	-	-	-
Project Grants and Cooperative Agreements for						
Tuberculosis Control Program	93.116		25,723	-	-	-
Family Planning Services	93.217		39,861	-	-	-
PPHF Capacity Building Assistance to Strengthen Public Health Immunization Infrastructure and Performance financed in part by Prevention and Public Health Funds	93.539		17,314	-	-	-
Preventive Health and Health Services Block Grant funded solely with Prevention and Public Health Funds (PPHF)	93.758		39,984	-	-	-
Preventive Health Services Sexually Transmitted Diseases Control Grants	93.977		692	-	-	-
Maternal and Child Health Services Block Grant	93.994		65,192	48,900	-	-
Total U.S. Dept. of Health and Human Services			4,970,305	138,736	-	1,704,677
Total federal awards			6,993,664	259,146	-	2,253,466
<b>State Awards:</b>						
<u>N.C. Dept. of Administration</u>						
Division of Veterans Affairs:						
Veterans Services			-	2,175	-	-
Total N.C. Dept. of Administration			-	2,175	-	-
<u>N.C. Dept. of Commerce</u>						
One North Carolina Fund			-	120,000	-	-
Rural Center Grants			-	327,530	-	-

**DUPLIN COUNTY, NORTH CAROLINA**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS**  
**For the Year Ended June 30, 2018**

Grantor/Pass-through Grantor/Program Title	Federal CFDA Number	State/ Pass-through Grantor's Number	Federal (Direct & Pass-through) Expenditures	State Expenditures	Passed-through to Subrecipients	Local Expenditures
1(a)	1(b)		1(c)(d),2	1(d)	1(e)	1(d)
Total N.C. Dept. of Commerce			-	327,530	-	-
<b><u>N.C. Department of Environmental Quality</u></b>						
<b>Division of Waste Management</b>						
Scrap Tire Fund			-	8,805	-	-
Soil Conservation State Match			-	3,600	-	-
<b>Division of Water</b>						
WIF - Water Infrastructure			-	66,913	-	-
WIF - CW Special Appropriated Projects			-	368,581	-	-
WIF - General Wastewater Revolving			-	448,572	-	-
Total N.C. Dept. Environmental Quality			-	896,471	-	-
<b><u>N.C. Dept. of Health and Human Services</u></b>						
<b>Division of Aging and Adult Services</b>						
State Appropriation - Preventive Health	93.043		4,424	260	-	-
State Appropriation - In-Home Services	93.667		10,180	291	-	-
State Appropriation - State			-	182,182	-	13,732
State Appropriation - Senior Center Development		NC-15	-	3,647	-	-
Total Division of Aging and Adult Services			14,604	186,380	-	13,732
<b>Division of Social Services</b>						
ST Child Welfare/CPS/CS LD			-	51,796	-	-
Energy Assistance			-	14,701	-	-
AFDC Incent/Prog Integrity			-	3,000	-	-
State Foster Home			-	41,958	-	40,316
Non-Allocating Reimbursable			-	-	-	73,231
County Funded Programs			-	-	-	457,906
Total Division of Social Service			-	111,455	-	571,452
<b>Division of Public Health</b>						
Food and Lodging Fees			-	13,971	-	-
Mosquito and Tick Suppression			-	-	-	-
General Aid to Counties			-	80,581	-	-
Public Health Nursing			-	-	-	-
Child Health			-	18,480	-	-
HIV/STD STATE			-	500	-	-
Gonorrhea Partner Services			-	685	-	-
STD Drugs			-	442	-	-
PCM for Women Ineligible for Medicaid			-	9,645	-	-
Family Planning - State			-	6,724	-	-
Maternal Health			-	10,531	-	-
Women's Health Service Fund			-	9,825	-	-
TB Control			-	34,549	-	-
Total Division of Public Health			-	190,372	-	-
Total N. C. Department of Health and Human Services			14,604	488,207	-	585,184

**DUPLIN COUNTY, NORTH CAROLINA**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS**  
**For the Year Ended June 30, 2018**

Grantor/Pass-through Grantor/Program Title	Federal CFDA Number	State/ Pass-through Grantor's Number	Federal (Direct & Pass-through) Expenditures	State Expenditures	Passed-through to Subrecipients	Local Expenditures
1(a)	1(b)		1(c)(d),2	1(d)	1(e)	1(d)
<b><u>N.C. Dept. of Public Instruction</u></b>						
Public School Building Capital Fund - Lottery Proceeds			-	581,975	-	-
Total N.C. Dept. of Public Instruction			-	581,975	-	-
<b><u>N.C. Dept. of Public Safety</u></b>						
Juvenile Crime Prevention Programs				164,942		
Total Juvenile Crime Prevention Programs			-	164,942	-	-
<b><u>N.C. Dept. of Transportation</u></b>						
<b>Rural Operating Assistance Program (ROAP) Cluster</b>						
ROAP Elderly and Disabled Transportation Assistance Program		DOT-16CL	-	70,320	-	-
ROAP Rural General Public Program		DOT-16CL	-	85,980	-	-
ROAP Work First Transitional - Employment		DOT-16CL	-	15,375	-	-
Airport Improvement Program		DOT-8	-	584,578	-	-
Formula Grants for Rural Areas		DOT-11	-	10,570	-	-
Formula Grants for Rural Areas		DOT-14	-	30,061	-	-
Total N.C. Dept. of Transportation			-	796,884	-	-
<b><u>Administrative Office of the Courts</u></b>						
Safe Roads Act			-	4,021	-	-
Total State awards			14,604	3,262,205	-	585,184
Total federal and State awards			\$ 7,008,268	\$ 3,521,351	\$ -	\$ 2,838,650

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

**Note 1: Basis of Presentation**

The accompanying schedule of expenditures of federal and State awards (SEFSA) includes the federal and State grant activity of the Lenoir County under the programs of the federal government and the State of North Carolina for the year ended June 30, 2018. The information in this SEFSA is presented in accordance with the requirements of Title 2 US Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards and the State Single Audit Implementation Act. Because the Schedule presents only a selected portion of the operations of Duplin County, it is not intended to and does not present the financial position, changes in net position or cash flows of Duplin County.

**Note 2: Summary of Significant Accounting Policies**

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

**Note 3: Indirect Cost Rate**

Duplin County has elected not to use the 10-percent de minimis indirect cost rate as allowed under the Uniform Guidance.

**Note 4: Cluster of Programs**

The following are clustered by the NC Department of Health and Human Services and are treated separately for state audit requirement purposes: Subsidized Child Care and Foster Care and Adoption