

Comprehensive Annual Financial Report

For the Year Ended June 30, 2019

Duplin County



North Carolina

**DUPLIN COUNTY  
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June 30, 2019**

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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, 2019, 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 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

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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 and the report of the other auditors, 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, 2019, 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 and other auditors have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.



### *Supplementary and Other Information*

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements of Duplin County, North Carolina. The combining and individual fund statements, budgetary schedules, other schedules as well as the accompanying Schedule of Expenditures of Federal and State Awards, *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 and other auditors. In our opinion, based on our audit, the procedures performed as described above, and the report of the other auditors, 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 25, 2020 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., PA*  
*Wilmington, North Carolina*  
*June 25, 2020*

## 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, 2019. 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.

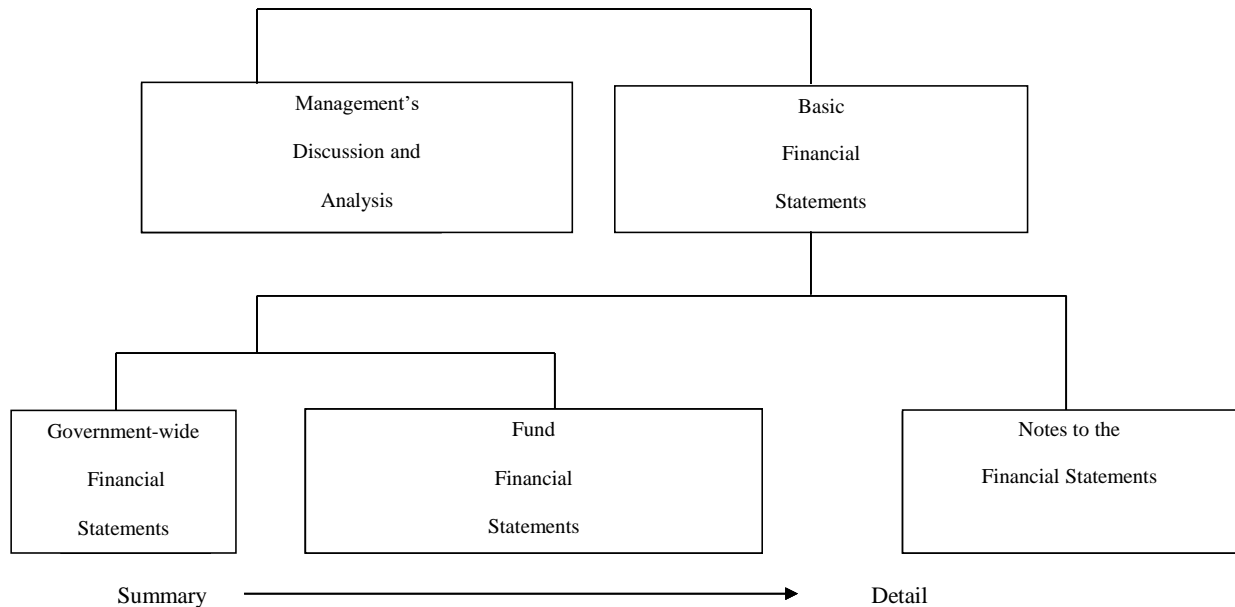
### Financial Highlights

- 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 \$22,355,504 (net position).
- The government's total net position increased by \$6,288,313 due to increases in both the net position in the governmental activities and business-type activities.
- As of the close of the current fiscal year, Duplin County's governmental funds reported combined ending fund balances of \$30,389,757, after a net increase in fund balance of \$3,158,184. Approximately 77% of this total amount, or \$23,332,687 is restricted or non-spendable.
- At the end of the current fiscal year, unassigned fund balance for the consolidated General Fund was \$7,061,327 or 13% of total General Fund expenditures.
- Duplin County's total debt decreased by \$3,228,772 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 \$22,355,504 at the close of the most recent fiscal year.

By far, the largest portion, \$52,859,183 (236%), 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 \$21,800,046 (98%) that represents resources subject to external restrictions on how they may be used. The remaining balance of (\$52,303,725) is unrestricted.

**Duplin County's Net Position**  
**Figure 2**

	Governmental Activities		Business-Type Activities		Total	
	2019	2018	2019	2018	2019	2018
Current and other assets	\$ 43,245,391	\$ 40,683,053	\$ 14,963,902	\$ 13,714,414	\$ 58,209,293	\$ 54,397,467
Capital assets	20,872,060	21,221,263	58,365,263	54,901,763	79,237,323	76,123,026
Total assets	64,117,451	61,904,316	73,329,165	68,616,177	137,446,616	130,520,493
Deferred outflows of resources	4,974,181	3,850,443	682,513	537,905	5,656,694	4,388,348
Long-term liabilities outstanding	91,522,439	93,978,095	18,829,107	19,502,242	110,351,546	113,480,337
Other liabilities	4,591,137	1,295,678	2,514,697	1,609,061	7,105,834	2,904,739
Total liabilities	96,113,576	95,273,773	21,343,804	21,111,303	117,457,380	116,385,076
Deferred inflows of resources	3,032,971	2,271,568	257,455	185,006	3,290,426	2,456,574
Net Position:						
Net investment in capital assets	11,562,302	11,724,958	41,296,881	36,959,869	52,859,183	48,684,827
Restricted	19,983,788	14,578,586	1,816,258	1,553,958	21,800,046	16,132,544
Unrestricted	(61,601,005)	(58,094,126)	9,297,280	9,343,947	(52,303,725)	(48,750,179)
Total net position	\$ (30,054,915)	\$ (31,790,582)	\$ 52,410,419	\$ 47,857,774	\$ 22,355,504	\$ 16,067,192

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

- Continued diligence in the collection of property taxes by maintaining a collection percentage of 97.39%.
- 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	
	2019	2018	2019	2018	2019	2018
<b>Revenues:</b>						
Program Revenues						
Charges for Services	\$ 8,085,539	\$ 8,311,368	\$ 8,374,627	\$ 7,864,668	\$ 16,460,166	\$ 16,176,036
Operating grants and contributions	12,410,678	6,496,102	5,196,016	1,122,273	17,606,694	7,618,375
Capital grants and contributions	503,617	4,746,206	426,575	473,085	930,192	5,219,291
General revenues:						
Property taxes	31,780,326	30,585,513	-	-	31,780,326	30,585,513
Other taxes	13,433,677	11,552,292	137,939	-	13,571,616	11,552,292
Other	637,154	400,295	482,380	524,516	1,119,534	924,811
<b>Total revenues</b>	<b>66,850,991</b>	<b>62,091,776</b>	<b>14,617,537</b>	<b>9,984,542</b>	<b>81,468,528</b>	<b>72,076,318</b>
<b>Expenses:</b>						
General government	7,132,556	7,800,214	-	-	7,132,556	7,800,214
Public Safety	25,331,288	21,030,262	-	-	25,331,288	21,030,262
Economic and physical development	2,770,173	4,835,483	-	-	2,770,173	4,835,483
Human services	14,338,168	14,256,638	-	-	14,338,168	14,256,638
Cultural and recreation	1,517,286	1,296,894	-	-	1,517,286	1,296,894
Environmental protection	409,397	39,471	-	-	409,397	39,471
Non-departmental	-	-	-	-	-	-
Education	11,232,820	24,465,008	-	-	11,232,820	24,465,008
Interest on long-term debt	2,273,890	2,348,721	-	-	2,273,890	2,348,721
Airport	-	-	1,274,624	1,263,303	1,274,624	1,263,303
Water	-	-	3,907,398	3,251,642	3,907,398	3,251,642
Transportation/Solid Waste	-	-	4,992,615	4,679,130	4,992,615	4,679,130
<b>Total expenses</b>	<b>65,005,578</b>	<b>76,072,691</b>	<b>10,174,637</b>	<b>9,194,075</b>	<b>75,180,215</b>	<b>85,266,766</b>
Increase (decrease) in net position before transfers and special items	1,845,413	(13,980,915)	4,442,900	790,467	6,288,313	(13,190,448)
Transfers	(109,746)	(99,006)	109,746	99,006	-	-
Increase (decrease) in net position	1,735,667	(14,079,921)	4,552,646	889,473	6,288,313	(13,190,448)
Net position, beginning, previously reported	(31,790,582)	(9,100,473)	47,857,773	47,773,800	16,067,191	38,673,327
Restatement	-	(8,610,188)	-	(805,499)	-	(9,415,687)
Net position, beginning, restated	(31,790,582)	(17,710,661)	47,857,773	46,968,301	16,067,191	29,257,640
Net position, ending	\$ (30,054,915)	\$ (31,790,582)	\$ 52,410,419	\$ 47,857,774	\$ 22,355,504	\$ 16,067,192

**Governmental activities:** Governmental activities increased the County's net position by \$1,735,667.

**Business-type activities:** Business-type activities increased the County's net position by \$4,552,646.

## 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 \$7,061,327 while total fund balance reached \$19,352,389. The County currently has an unassigned fund balance of 13% GF expenditures while total fund balance represents 34% of the same amount.

At June 30, 2019, the governmental funds of the County reported a combined fund balance of \$30,389,757, a \$3,158,184 increase 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 \$4,552,646.

### 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, 2019, totals \$79,237,323 (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:

- Runway widening/overlay
- 3 2019 Startrans Senator
- 2020 Roll Off Truck



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

	Governmental Activities		Business-Type Activities		Total	
	2019	2018	2019	2018	2019	2018
Land	\$ 2,476,331	\$ 2,476,331	\$ 1,272,297	\$ 1,162,297	\$ 3,748,628	\$ 3,638,628
Buildings	15,286,023	15,732,627	2,105,558	2,169,517	17,391,581	17,902,144
Plant and systems	-	-	41,652,955	42,869,468	41,652,955	42,869,468
Airport terminals and runways	-	-	11,401,588	7,087,164	11,401,588	7,087,164
Equipment	2,025,261	1,835,089	683,468	684,739	2,708,729	2,519,828
Vehicles	1,084,445	1,177,216	1,249,397	928,578	2,333,842	2,105,794
<b>Total</b>	<b>\$ 20,872,060</b>	<b>\$ 21,221,263</b>	<b>\$ 58,365,263</b>	<b>\$ 54,901,763</b>	<b>\$ 79,237,323</b>	<b>\$ 76,123,026</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 \$80,456,252.

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

	Governmental Activities		Business-type Activities		Total	
	2019	2018	2019	2018	2019	2018
Limited obligation bonds	\$ 54,078,112	\$ 56,246,825	\$ 13,027,127	\$ 13,632,219	\$ 67,105,239	\$ 69,879,044
Notes Payable	9,309,758	9,496,305	4,041,255	4,309,675	13,351,013	13,805,980
<b>Total</b>	<b>\$ 63,387,870</b>	<b>\$ 65,743,130</b>	<b>\$ 17,068,382</b>	<b>\$ 17,941,894</b>	<b>\$ 80,456,252</b>	<b>\$ 83,685,024</b>

Duplin County's total governmental debt decreased by \$3,228,772 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 \$297,964,706.

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 \$247,225,323 or 5.79%.

### **Budget Highlights for the Fiscal Year Ending June 30, 2020**

#### **Governmental Activities**

The County approved an original \$58,266,622 million general fund budget. This represents a slight increase over the original budget adopted for FY 2019 and a decrease over the final budget for FY 2019. The property rate for tax year FY 2020 increased to \$0.735 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 2019-2020 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 2018 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 2018 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, 2019**

	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	\$ 23,027,666	\$ 11,730,628	\$ 34,758,294	\$ 601,820
Restricted cash and cash equivalents	3,468,978	1,816,258	5,285,236	-
Accounts receivable, net	16,484,182	1,361,217	17,845,399	28,016
Inventories	201,380	55,799	257,179	-
	43,182,206	14,963,902	58,146,108	629,836
<b>Noncurrent assets:</b>				
Net pension asset	63,185	-	63,185	-
Capital assets:				
Land, non-depreciable improvements, and construction in progress	2,476,331	1,055,949	3,532,280	-
Other capital assets, net of depreciation	18,395,729	57,309,314	75,705,043	-
Total capital assets	20,872,060	58,365,263	79,237,323	-
Total assets	64,117,451	73,329,165	137,446,616	629,836
<b>DEFERRED OUTFLOWS OF RESOURCES</b>	4,974,181	682,513	5,656,694	32,530
<b>LIABILITIES</b>				
Accounts payable and accrued liabilities	2,318,897	1,189,201	3,508,098	10,727
Customer deposits	-	477,105	477,105	-
Compensated absences payable	232,997	26,372	259,369	5,816
Notes payable current	194,243	237,019	431,262	-
Limited obligation bonds - current	1,845,000	585,000	2,430,000	-
Long term liabilities				
Compensated absences payable	931,987	105,489	1,037,476	-
Other post-employment benefit	20,538,721	1,844,366	22,383,087	-
Total pension liability - LEO	1,655,277	-	1,655,277	-
Notes payable	9,115,515	3,804,236	12,919,751	-
Limited obligation bonds	52,233,112	12,442,127	64,675,239	-
Net pension liability - LGERS	7,047,827	632,889	7,680,716	39,618
Total long-term liabilities	91,522,439	18,829,107	110,351,546	39,618
Total liabilities	96,113,576	21,343,804	117,457,380	56,161
<b>DEFERRED INFLOWS OF RESOURCES</b>	3,032,971	257,455	3,290,426	3,567
<b>NET POSITION</b>				
Net investment in capital assets	11,562,302	41,296,881	52,859,183	-
Restricted	19,983,788	1,816,258	21,800,046	28,016
Unrestricted	(61,601,005)	9,297,280	(52,303,725)	574,622
Total net position	\$ (30,054,915)	\$ 52,410,419	\$ 22,355,504	\$ 602,638

**Duplin County, North Carolina  
Statement of Activities  
For the Year Ended June 30, 2019**

Functions/Programs	Program Revenues				Net (Expense) Revenue and Changes in Net Position			Component Unit 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	\$ 7,132,556	\$ 2,438,862	\$ 2,216	\$ -	\$ (4,691,478)	\$ -	\$ (4,691,478)	
Public safety	25,331,288	4,197,491	4,441,450	-	(16,692,347)	-	(16,692,347)	
Environmental protection	409,397	-	90,328	-	(319,069)	-	(319,069)	
Economic and physical development	2,770,173	-	-	503,617	(2,266,556)	-	(2,266,556)	
Human services	14,338,168	1,449,186	7,371,944	-	(5,517,038)	-	(5,517,038)	
Cultural and recreational	1,517,286	-	-	-	(1,517,286)	-	(1,517,286)	
Education	11,232,820	-	504,740	-	(10,728,080)	-	(10,728,080)	
Interest on long-term debt	2,273,890	-	-	-	(2,273,890)	-	(2,273,890)	
Total governmental activities	<u>65,005,578</u>	<u>8,085,539</u>	<u>12,410,678</u>	<u>503,617</u>	<u>(44,005,744)</u>	<u>-</u>	<u>(44,005,744)</u>	
Business-type activities:								
Airport	1,274,624	396,775	4,621,630	-	-	3,743,781	3,743,781	
Water and sewer	3,907,398	3,552,592	570,744	-	-	215,938	215,938	
Solid waste	3,870,898	3,643,378	3,642	-	-	(223,878)	(223,878)	
Transportation	1,121,717	781,882	-	426,575	-	86,740	86,740	
Total business-type activities	<u>10,174,637</u>	<u>8,374,627</u>	<u>5,196,016</u>	<u>426,575</u>	<u>-</u>	<u>3,822,581</u>	<u>3,822,581</u>	
Total primary government	<u>\$ 75,180,215</u>	<u>\$ 16,460,166</u>	<u>\$ 17,606,694</u>	<u>\$ 930,192</u>	<u>\$ (44,005,744)</u>	<u>\$ 3,822,581</u>	<u>\$ (40,183,163)</u>	
Component units:								
Tourism development authority	\$ 232,654	-	-	-	-	-	-	(232,654)
General revenues:								
Taxes:								
Property taxes, levied for general purpose					31,780,326	-	31,780,326	-
Local option sales tax					12,831,212	-	12,831,212	-
Other taxes and licenses					602,465	137,939	740,404	293,466
Grants and contributions not restricted to specific programs					-	-	-	-
Investment earnings, unrestricted					608,608	274,026	882,634	11,429
Miscellaneous, unrestricted					28,546	208,354	236,900	5,635
Transfer to component unit					-	-	-	-
Transfers					(109,746)	109,746	-	-
Total general revenues, special items, and transfers					<u>45,741,411</u>	<u>730,065</u>	<u>46,471,476</u>	<u>310,530</u>
Change in net position					1,735,667	4,552,646	6,288,313	77,876
Net position, beginning					(31,790,582)	47,857,773	16,067,191	524,762
Net position, ending					<u>\$ (30,054,915)</u>	<u>\$ 52,410,419</u>	<u>\$ 22,355,504</u>	<u>\$ 602,638</u>

**Duplin County, North Carolina**  
**Balance Sheet**  
**Governmental Funds**  
**June 30, 2019**

	Major			NonMajor	Total Governmental Funds
	General Fund	Capital Project Fund	Debt Service Fund	Other Governmental Funds	
<b>ASSETS</b>					
Cash and cash equivalents	\$ 2,078,423	\$ -	\$ -	\$ 6,492,214	\$ 8,570,637
Restricted cash	-	-	31,055	3,437,923	3,468,978
Investments	12,298,812	-	602,353	-	12,901,165
Taxes receivable, net	1,131,744	-	-	53,307	1,185,051
Due from other governments	313,248	-	-	1,418	314,666
Inventories	201,380	-	-	-	201,380
Accounts receivable, net	13,034,387	-	-	1,909,861	14,944,248
Total assets	<u>\$ 29,057,994</u>	<u>\$ -</u>	<u>\$ 633,408</u>	<u>\$ 11,894,723</u>	<u>\$ 41,586,125</u>
<b>LIABILITIES AND FUND BALANCES</b>					
Liabilities:					
Accounts payable and accrued liabilities	1,427,658	356,600	-	12,640	1,796,898
Total liabilities	<u>1,427,658</u>	<u>356,600</u>	<u>-</u>	<u>12,640</u>	<u>1,796,898</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>					
Unavailable revenue	6,910,601	-	-	1,067,592	7,978,193
Property taxes receivable	1,131,744	-	-	53,307	1,185,051
Prepaid taxes	235,602	-	-	624	236,226
Total deferred inflows of resources	<u>8,277,947</u>	<u>-</u>	<u>-</u>	<u>1,121,523</u>	<u>9,399,470</u>
Fund balances:					
Nonspendable - inventory	201,380	-	-	-	201,380
Restricted:					
Stabilization by State Statute	6,437,034	-	-	1,911,279	8,348,313
Register of Deeds	-	-	-	11,592	11,592
Federally seized assets	48,416	-	-	-	48,416
Grants and projects	340,665	-	-	-	340,665
Health	593,462	-	-	-	593,462
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	-	(356,600)	-	7,168,493	6,811,893
E-911	-	-	-	457,500	457,500
Tax revaluation	-	-	-	738,065	738,065
Committed:					
Capital improvements	899,048	-	-	3,151	902,199
Debt service	-	-	633,408	-	633,408
Economic development	-	-	-	294,053	294,053
Various programs	-	-	-	180,684	180,684
Assigned:					
Subsequent year's expenditures	2,935,926	-	-	-	2,935,926
Unassigned:	7,061,327	-	-	(4,257)	7,057,070
Total fund balances	<u>19,352,389</u>	<u>(356,600)</u>	<u>633,408</u>	<u>10,760,560</u>	<u>30,389,757</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 29,057,994</u>	<u>\$ -</u>	<u>\$ 633,408</u>	<u>\$ 11,894,723</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.	20,872,060
Net pension asset - Register of Deeds	63,185
Contributions to pension plans in the current fiscal year are deferred outflows of resources on the Statement of Net Position	4,974,181
Internal service fund net assets that primarily support governmental activities	1,299,756
Deferred inflows of resources for taxes and special assessments receivable	9,163,244
OPEB and Pension related deferrals	(2,796,745)
General obligation bonds payable	(54,078,112)
Notes payable	(9,309,758)
Compensated absences	(1,164,984)
Other postemployment benefit obligation	(20,538,721)
Net pension liability - LEO	(1,655,277)
Net pension liability - LGERS	(7,047,827)
Accrued interest	(225,674)
Net position of governmental activities	<u>\$ (30,054,915)</u>

**Duplin County, North Carolina**  
**Statement of Revenues, Expenditures, and Changes in Fund Balance**  
**Governmental Funds**  
**For the Year Ended June 30, 2019**

	Major			NonMajor	Total Governmental Funds
	General Fund	Capital Project Fund	Debt Service Fund	Other Governmental Funds	
<b>REVENUES</b>					
Ad valorem taxes	\$ 31,213,515	\$ -	\$ -	\$ 1,021,689	\$ 32,235,204
Local option sales taxes	9,543,800	-	-	3,287,412	12,831,212
Other taxes and licenses	115,064	-	-	-	115,064
Unrestricted intergovernmental	946,171	-	-	-	946,171
Restricted intergovernmental	10,439,831	280,051	-	728,306	11,448,188
Sales and services	8,592,637	-	-	-	8,592,637
Investment earnings	371,354	-	14,115	223,139	608,608
Miscellaneous	310,921	(15,500)	-	233,364	528,785
Total revenues	<u>61,533,293</u>	<u>264,551</u>	<u>14,115</u>	<u>5,493,910</u>	<u>67,305,869</u>
<b>EXPENDITURES</b>					
Current:					
General government	6,634,332	-	-	246,110	6,880,442
Public safety	21,900,975	-	-	1,321,926	23,222,901
Economic and physical development	1,727,879	-	-	1,029,120	2,756,999
Human services	13,630,895	-	-	22,048	13,652,943
Sanitation	-	-	-	-	-
Cultural and recreational	1,249,277	-	-	-	1,249,277
NCDAS Stream Cleanout	-	442,046	-	-	442,046
NC Found of S&W	-	(7,265)	-	-	(7,265)
BFG Sewer DWI	-	(58,040)	-	-	(58,040)
Capital outlay	-	-	-	-	-
Intergovernmental:					
Education	11,043,347	189,473	-	-	11,232,820
Debt service:					
Principal	-	-	2,029,736	-	2,029,736
Interest	-	-	2,634,830	-	2,634,830
Bond issuance cost	-	-	1,250	-	1,250
Total expenditures	<u>56,186,705</u>	<u>566,214</u>	<u>4,665,816</u>	<u>2,619,204</u>	<u>64,037,939</u>
Excess (deficiency) of revenues over expenditures	<u>5,346,588</u>	<u>(301,663)</u>	<u>(4,651,701)</u>	<u>2,874,706</u>	<u>3,267,930</u>
<b>OTHER FINANCING SOURCES</b>					
Transfers from other funds	-	-	4,666,357	(2,322,097)	2,344,260
Transfers to other funds	(2,454,006)	-	-	-	(2,454,006)
Lease purchase	-	-	-	-	-
Contingency	-	-	-	-	-
Sale of fixed assets	-	-	-	-	-
Total other financing sources and uses	<u>(2,454,006)</u>	<u>-</u>	<u>4,666,357</u>	<u>(2,322,097)</u>	<u>(109,746)</u>
Net change in fund balance	2,892,582	(301,663)	14,656	552,609	3,158,184
Fund balances-beginning	16,398,798	(54,937)	618,752	10,207,951	27,170,564
Increase in inventory	61,009	-	-	-	61,009
Fund balances-ending	<u>\$ 19,352,389</u>	<u>\$ (356,600)</u>	<u>\$ 633,408</u>	<u>\$ 10,760,560</u>	<u>\$ 30,389,757</u>

**Duplin County, North Carolina**  
**Statement of Revenues, Expenditures, and Changes in Fund Balance**  
**Governmental Funds**  
**For the Year Ended June 30, 2019**

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

Net changes in fund balance - total government funds	\$	3,158,184
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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.	1,250,507	
Depreciation expense for governmental assets.	<u>(1,599,710)</u>	(349,203)

Change in inventory	61,009
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Contributions to the pension plan in the current fiscal year are not included on the Statement of Activities.	1,493,724
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Internal service fund operations that primarily support governmental activities.	(30,546)
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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.	1,620,851
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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.	(6,179,899)
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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.	1,961,547
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Total changes in net position of governmental activities	<u>\$ 1,735,667</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, 2019**

	General Fund			Variance With Final Positive (Negative)
	Original Budget	Final Budget	Actual	
<b>Revenues:</b>				
Ad valorem taxes	\$ 30,875,953	\$ 30,875,953	\$ 31,213,515	\$ 337,562
Local option sales tax	7,450,000	7,610,000	9,543,800	1,933,800
Other taxes and licenses	94,000	94,000	115,064	21,064
Unrestricted intergovernmental revenues	53,000	53,000	946,171	893,171
Restricted intergovernmental revenues	7,862,281	12,990,677	10,439,831	(2,550,846)
Restricted grants	-	-	-	-
Permits and fees	493,380	493,380	570,897	77,517
Restricted Revenue	-	-	-	-
Sales and services	5,770,624	7,457,533	8,021,740	564,207
Investment earnings	100,000	100,000	352,560	252,560
Miscellaneous	229,054	251,684	310,921	59,237
Total revenues	<u>52,928,292</u>	<u>59,926,227</u>	<u>61,514,499</u>	<u>1,588,272</u>
<b>Expenditures</b>				
<b>Current:</b>				
General government	5,925,824	7,308,760	6,634,332	674,428
Public safety	17,312,247	22,517,686	21,900,975	616,711
Economic and physical development	2,184,346	2,321,891	1,727,879	594,012
Human Services	14,489,674	15,377,277	13,630,895	1,746,382
Cultural and recreational	1,249,650	1,473,455	1,249,277	224,178
<b>Intergovernmental:</b>				
Education	<u>11,186,124</u>	<u>11,279,176</u>	<u>11,043,347</u>	<u>235,829</u>
Total expenditures	<u>52,347,865</u>	<u>60,278,245</u>	<u>56,186,705</u>	<u>4,091,540</u>
Revenues over (under) expenditures	580,427	(352,018)	5,327,794	5,679,812
<b>Other financing sources (Uses):</b>				
Sale of fixed assets	-	-	-	-
Transfers from (to) other funds	(3,275,693)	(3,275,693)	(2,467,332)	808,361
Contingency	-	-	-	-
Fund Balance Appropriated	<u>2,695,266</u>	<u>3,627,711</u>	<u>-</u>	<u>(3,627,711)</u>
Total other financing sources and uses	<u>(580,427)</u>	<u>352,018</u>	<u>(2,467,332)</u>	<u>(2,819,350)</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ -</u>	2,860,462	<u>\$ 2,860,462</u>
Fund Balances - Beginning			15,518,544	
Increase in inventory			61,009	
Fund Balances - Ending			<u>\$ 18,440,015</u>	
A legally budgeted Capital Reserve Fund is consolidated into the General Fund for reporting purposes:				
Interest Income			18,794	
Transfer-in			13,326	
Transfer out			-	
Expenditures			-	
Fund Balance, Beginning			880,254	
Fund Balance, Ending (Exhibit 4)			<u>\$ 19,352,389</u>	

**Duplin County, North Carolina**  
**Statement of Fund Net Position**  
**Proprietary Funds**  
**June 30, 2019**

	Major Enterprise Funds			Nonmajor		Internal Service Fund
	Airport Commission Fund	Water Fund	Solid Waste Fund	Transportation Development Plan Fund	Total	
<b>Assets</b>						
Current Assets:						
Cash and cash equivalents	\$ 310,327	\$ 8,403,911	\$ 1,955,043	\$ 1,061,347	\$ 11,730,628	\$ 1,555,864
Accounts receivable, net	43,110	441,587	718,301	158,219	1,361,217	40,217
Inventories	19,160	36,639	-	-	55,799	-
Restricted cash	223,856	477,105	1,115,297	-	1,816,258	-
Total Current Assets	596,453	9,359,242	3,788,641	1,219,566	14,963,902	1,596,081
Noncurrent assets:						
Capital assets:						
Land and non-depreciable assets	666,451	389,498	-	-	1,055,949	-
Other capital assets, net of depreciation	11,508,247	41,750,210	3,544,886	505,971	57,309,314	-
Capital assets (net)	12,174,698	42,139,708	3,544,886	505,971	58,365,263	-
Total noncurrent assets	12,174,698	42,139,708	3,544,886	505,971	58,365,263	-
Total Assets	12,771,151	51,498,950	7,333,527	1,725,537	73,329,165	1,596,081
Deferred Outflows of Resources	37,503	333,676	213,707	97,627	682,513	-
<b>Liabilities</b>						
Current Liabilities:						
Accounts payable & accrued liabilities	301,763	144,012	566,772	176,654	1,189,201	296,325
Customer deposits	-	477,105	-	-	477,105	-
Compensated absences	3,306	7,891	10,386	4,789	26,372	-
Notes payable current	-	237,019	-	-	237,019	-
Due to County-GO Bonds-current	-	585,000	-	-	585,000	-
Total Current Liabilities	305,069	1,451,027	577,158	181,443	2,514,697	296,325
Noncurrent liabilities:						
Compensated absences	13,226	31,562	41,545	19,156	105,489	-
Other postemployment benefits	141,013	532,717	803,553	367,083	1,844,366	-
Notes payable - noncurrent	-	3,804,236	-	-	3,804,236	-
Due to County-GO Bonds	-	12,442,127	-	-	12,442,127	-
Net pension liability	48,388	182,801	275,737	125,963	632,889	-
Total noncurrent liabilities	202,627	16,993,443	1,120,835	512,202	18,829,107	-
Total Liabilities	507,696	18,444,470	1,697,993	693,645	21,343,804	296,325
Deferred Inflows of Resources	19,684	74,362	112,168	51,241	257,455	-
<b>Net Position</b>						
Net investment in capital assets	12,174,698	25,071,326	3,544,886	505,971	41,296,881	-
Restricted	223,856	477,105	1,115,297	-	1,816,258	-
Unrestricted	(117,280)	7,765,363	1,076,890	572,307	9,297,280	1,299,756
Total Net Position	\$ 12,281,274	\$ 33,313,794	\$ 5,737,073	\$ 1,078,278	\$ 52,410,419	\$ 1,299,756

**Duplin County, North Carolina**  
**Statement of Revenues and Expenditures and**  
**Changes in Fund Net Position**  
**Proprietary Funds**  
**For The Year Ended June 30, 2019**

	Major Enterprise Funds			Nonmajor	Total	Internal Service Fund
	Airport Commission Fund	Water Fund	Solid Waste Fund	Transportation Development Plan Fund		
Operating revenues:						
Water sales	\$ -	\$ 3,491,914	\$ -	\$ -	\$ 3,491,914	\$ -
Administration fees	-	2,262	-	-	2,262	-
Sales and rentals	394,335	-	-	-	394,335	-
Miscellaneous	-	58,416	-	-	58,416	-
Charges for Services	2,440	-	3,643,378	781,882	4,427,700	5,041,269
Total Operating Revenues	<u>396,775</u>	<u>3,552,592</u>	<u>3,643,378</u>	<u>781,882</u>	<u>8,374,627</u>	<u>5,041,269</u>
Operating expenses:						
Cost of operations	1,274,624	3,390,743	3,870,898	1,121,717	9,657,982	5,105,559
Total operating expenses	<u>1,274,624</u>	<u>3,390,743</u>	<u>3,870,898</u>	<u>1,121,717</u>	<u>9,657,982</u>	<u>5,105,559</u>
Total Operating Income (Loss)	<u>(877,849)</u>	<u>161,849</u>	<u>(227,520)</u>	<u>(339,835)</u>	<u>(1,283,355)</u>	<u>(64,290)</u>
Nonoperating Revenues(Expenses):						
Investment earnings	4,838	176,566	71,857	20,765	274,026	33,744
Federal and state grants	4,621,630	570,744	3,642	426,575	5,622,591	-
Disposal tax revenues	-	-	137,939	-	137,939	-
Interest expense	-	(516,655)	-	-	(516,655)	-
Gain (loss) on disposal of capital assets	-	-	-	5,502	5,502	-
Miscellaneous	110,634	69,440	10,075	12,703	202,852	-
Total Nonoperating Revenues (Expenses)	<u>4,737,102</u>	<u>300,095</u>	<u>223,513</u>	<u>465,545</u>	<u>5,726,255</u>	<u>33,744</u>
Transfers in	198,349	-	-	-	198,349	-
Transfers (out)	-	(88,603)	-	-	(88,603)	-
Total other financing sources and uses	<u>198,349</u>	<u>(88,603)</u>	<u>-</u>	<u>-</u>	<u>109,746</u>	<u>-</u>
Changes in net position	4,057,602	373,341	(4,007)	125,710	4,552,646	(30,546)
Net Position, beginning	8,223,672	32,940,453	5,741,080	952,568	47,857,773	1,330,302
Total net position, Ending	<u>\$ 12,281,274</u>	<u>\$ 33,313,794</u>	<u>\$ 5,737,073</u>	<u>\$ 1,078,278</u>	<u>\$ 52,410,419</u>	<u>\$ 1,299,756</u>

**Duplin County, North Carolina**  
**Statement of Cash Flows**  
**Proprietary Funds**  
**For The Year Ended June 30, 2019**

	Major Enterprise Funds			Nonmajor		Internal Service Fund
	Airport Commission Fund	Water Fund	Solid Waste Fund	Transportation Development Plan Fund	Total	
<b>Cash Flows From Operating Activities:</b>						
Cash Received from Customers/others	\$ 686,550	\$ 3,505,911	\$ 3,658,171	\$ 724,920	\$ 8,575,552	\$ 17,151,104
Cash paid to suppliers for goods and services	(200,403)	(1,324,831)	(2,566,917)	(766,382)	(4,858,533)	(17,231,080)
Cash paid to employees for services	(212,438)	(748,718)	(558,192)	-	(1,519,348)	-
Net cash provided by (used for) operating activities	<u>273,709</u>	<u>1,432,362</u>	<u>533,062</u>	<u>(41,462)</u>	<u>2,197,671</u>	<u>(79,976)</u>
<b>Cash Flows from (use by) capital and related financing activities:</b>						
Capital contributions	4,621,630	570,744	3,642	426,575	5,622,591	-
Proceeds from installment purchases	-	-	-	-	-	-
Proceeds from the sale of capital assets	-	-	-	5,502	5,502	-
Acquisition and construction of capital assets	(4,997,472)	(46,815)	(502,001)	(192,750)	(5,739,038)	-
Principal paid on bond maturities and note payable	-	(853,420)	-	-	(853,420)	-
Interest paid on bond maturities and notes payable	-	(517,881)	-	-	(517,881)	-
Interest income	4,838	176,566	71,857	20,765	274,026	33,744
Net cash flows provided (used) by capital financing activities	<u>(371,004)</u>	<u>(670,806)</u>	<u>(426,502)</u>	<u>260,092</u>	<u>(1,208,220)</u>	<u>33,744</u>
<b>Cash Flows from (used for) noncapital financing activities:</b>						
Miscellaneous	110,634	-	148,014	12,703	271,351	-
Transfers in/out (net)	198,349	-	-	-	198,349	-
Net cash flows provided (used) by noncapital financing activities	<u>308,983</u>	<u>-</u>	<u>148,014</u>	<u>12,703</u>	<u>469,700</u>	<u>-</u>
Net increase (decrease) in cash and cash equivalents	211,688	761,556	254,574	231,333	1,459,151	(46,232)
Cash and cash equivalents, beginning of year	322,495	8,119,460	2,815,766	830,014	12,087,735	1,602,096
Cash and cash equivalents, end of year	<u>\$ 534,183</u>	<u>\$ 8,881,016</u>	<u>\$ 3,070,340</u>	<u>\$ 1,061,347</u>	<u>\$ 13,546,886</u>	<u>\$ 1,555,864</u>
						1,555,864
<b>Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:</b>						
Operating income (loss)	\$ (877,849)	\$ 161,849	\$ (227,520)	\$ (339,835)	\$ (1,283,355)	\$ (64,290)
Adjustments to reconcile operating income to net cash provided (used) by operating activities:						
Gain on sale of capital assets	-	-	-	-	-	-
Depreciation expense	564,103	1,241,967	316,404	158,418	2,280,892	-
Changes in Assets and Liabilities:						
(Increase) decrease in accounts receivable	289,775	(62,851)	14,793	(56,962)	184,755	(40,217)
(Increase) decrease in inventory	(11,521)	(1,600)	-	-	(13,121)	-
Increase (decrease) in accounts payable and accrued liabilities	298,819	35,927	380,222	174,173	889,141	24,531
Increase (decrease) in deposits	-	16,170	-	-	16,170	-
Increase (decrease) in net pension liability	14,549	54,964	82,907	37,873	190,293	-
Increase (decrease) in OPEB liability	547	2,068	3,120	1,426	7,161	-
(Increase) decrease in deferred outflows of resources for pensions	(11,891)	(33,999)	(67,762)	(30,956)	(144,608)	-
Increase (decrease) in deferred inflows of resources for pensions	5,539	20,926	31,565	14,419	72,449	-
Increase (decrease) in accrued vacation pay	1,638	(3,059)	(667)	(18)	(2,106)	-
Net cash provided (used) by operating activities	<u>\$ 273,709</u>	<u>\$ 1,432,362</u>	<u>\$ 533,062</u>	<u>\$ (41,462)</u>	<u>\$ 2,197,671</u>	<u>\$ (79,976)</u>

**Duplin County, North Carolina**  
**Statement of Fiduciary Net Position**  
**June 30, 2019**

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	<u>Agency Funds</u>
<b>Assets</b>	
Cash and cash equivalents	310,396
Miscellaneous receivables	104,018
Due from other governments	39,330
Due from other funds	32
Total assets	\$ <u><u>453,776</u></u>
 <b>Liabilities</b>	
Miscellaneous liabilities	267,137
Due to governmental units	186,638
Total liabilities	\$ <u><u>453,775</u></u>

## NOTES TO THE FINANCIAL STATEMENTS

DUPLIN COUNTY, NORTH CAROLINA  
 NOTES TO THE FINANCIAL STATEMENTS  
 For the Year Ended June 30, 2019

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.

*Solid Waste Fund* - This fund is used to account for the operations of the County solid waste 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 moneys deposited with the Department of Social Services for the benefit of certain individuals; the County Agency Fund which accounts for monies deposited for various cooperative extension programs, sheriff execution monies collected from individuals and businesses, the jail inmate trust funds, and the County attorney's trust fund; the Ad Valorem and 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 Reserve 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 is reported as a non-major enterprise fund.

### 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 North Carolina Capital Management Trust (NCCMT) is a SEC registered money market mutual fund allowable by G.S. 159-30(c)(8). The NCCMT Government Portfolio is a 2a-7 fund maintaining an AAAM rating from S&P. The NCCMT Term Portfolio is a bond fund, has no rating and has a duration of .11 years. Both the NCCMT Government and Term Portfolios are reported at fair 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, 2019:

<b>Governmental Activities:</b>	
Revaluation	\$ 686,332
Debt Service Fund	31,055
School Planning Allocation Fund - Public School Building Capital Fund	<u>2,751,591</u>
Total governmental activities	<u>\$ 3,468,978</u>
<b>Business-Type Activities:</b>	
Water Fund:	
Customer Deposits	\$ 477,105
Airport Commission Fund	223,856
Solid Waste Fund - Environmental Contingencies	<u>1,115,297</u>
Total business-type activities	<u>\$ 1,816,258</u>
 Total restricted cash	 <u>\$ 5,285,236</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 1<sup>st</sup> the beginning of the fiscal year. The taxes are due on September 1<sup>st</sup> (lien date); however, penalties and interest do not accrue until the following January 6<sup>th</sup>. These taxes are based on the assessed values as of January 1, 2018.

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 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 - North Carolina G.S. 159-8 prohibits units of government from budgeting or spending a portion of their fund balance. This is one of several statutes enacted by North Carolina State Legislature in the 1930's that were designed to improve and maintain the fiscal health of local government units. Restricted by State statute (RSS), is calculated at the end of each fiscal year for all annually budgeted funds. The calculation in G.S. 159-8(a) provides a formula for determining what portion of fund balance is available for appropriation. The amount of fund balance not available for appropriation is what is known as "restricted by State statute". *Appropriated fund balance in any fund shall not exceed the sum of cash and investments minus the sum of liabilities, encumbrances, and deferred revenues arising from cash receipts, as those figures stand at the close of the fiscal year next preceding the budget.* Per GASB guidance, RSS is considered a resource upon which a restriction is imposed by law through constitutional provisions or enabling legislation." RSS is reduced by inventories and prepaids as they are classified as nonspendable. Outstanding Encumbrances are included within RSS. RSS is included as a component of Restricted Net Position and Restricted Fund Balance on the face of the balance sheet.

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, 2019 is as follows:

<b>Purpose</b>	<b>General Fund</b>	<b>Other Governmental Funds</b>
<b>Restricted:</b>		
Stabilization by State Statute	\$ 6,437,034	\$ 1,911,279
Register of Deeds	-	11,592
School Capital	-	6,811,893
Human services	594,464	-
Economic development	1,022,145	-
Tax revaluation	-	738,065
Public safety	201,065	457,500
<b>Total</b>	<b>\$ 8,254,708</b>	<b>\$ 9,930,329</b>

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		\$ 180,684
Economic Development	\$ -	294,053
Capital Improvements	899,048	3,151
Debt Service	-	633,408
<b>Total</b>	<b>\$ 899,048</b>	<b>\$ 1,111,296</b>

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 (LERS), 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, 2018. 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, 2019.**

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, 2019.**

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, 2019.**

#### 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 \$(60,444,672) consists of the following elements as follows:

<u>Description</u>	<u>Amount</u>
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)	\$ 43,673,859
Less accumulated depreciation.	<u>(22,801,799)</u>
Net capital assets.	20,872,060
Internal service fund activities to benefit governmental activities	1,299,756
Net pension asset.	63,185
Contributions to the pension plan in the current fiscal year are deferred outflows of resources on the Statement of Net Position.	4,974,181
Deferred inflows of resources reported in the fund statements but not the government-wide. Unavailable taxes and accounts receivable, net.	9,163,244
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:	(2,796,745)
Long-term debts, including bonds and notes payable	(63,387,870)
Accrued interest payable	(225,674)
Net pension liability - LGERS	(1,655,277)
Net pension liability - LEOSSA	(7,047,827)
OPEB payable	(20,538,721)
Compensated absences	(1,164,984)
Total adjustment	<u>\$ (60,444,672)</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 \$(1,422,517) 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	\$ 1,250,507
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	(1,599,710)
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	1,961,547
Change in inventory.	61,009
Internal service fund activities to benefit governmental activities	(30,546)
Contributions to the pension plan in the current fiscal year are not included on the Statement of Activities	1,493,724
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	454,878
Taxes receivable	1,165,973
Unavailable revenues	(6,179,899)
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>(6,179,899)</u>
Total adjustment	<u>\$ (1,422,517)</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. The county has implemented security features to prevent this in the future.

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, 2019 the carrying amount of the County’s deposits was \$6,287,035 and the bank balance was \$7,061,066. 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, 2019 the carrying amount of the Tourism Development Authority’s deposits was \$37,967 and the bank balance was \$37,967. The entire bank balance was covered by federal depository insurance at June 30, 2019.

At June 30, 2019 the carrying amount of the Agency funds deposits was \$310,396 and the bank balance was \$310,396. The entire bank balance was covered by federal depository insurance at June 30, 2019.

2. Investments

At June 30, 2019, the County’s investment balances consisted of \$33,756,495 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, 2019, the Tourism Development Authority’s investments consisted of \$310,396 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
2016	5,089,163	120,868	\$ 5,210,030
2017	4,845,162	71,466	4,916,628
2018	4,984,591	28,661	5,013,252
2019	5,124,020	-	5,124,020
Total	\$ 20,042,936	\$ 220,995	\$ 20,263,931

4. Receivables

Receivables at the government-wide level at June 30, 2019 were as follows:

	Accounts	Taxes & Related Accrued Interest	Due From Other Governments	Total
Governmental Activities:				
General	\$ 13,074,604	\$ 1,835,385	\$ 314,666	\$ 15,224,655
Other Governmental	1,909,861	-	-	1,909,861
Total Receivables	14,984,465	1,835,385	-	16,819,850
Allowance for Doubtful Accounts	-	(650,334)	-	(650,334)
Total Governmental	<u>\$ 14,984,465</u>	<u>\$ 1,185,051</u>	<u>\$ 314,666</u>	<u>\$ 16,484,182</u>
Business-Type Activities:				
Airport	\$ 43,110	-	-	\$ 43,110
County Water Fund	490,652	-	-	490,652
Solid Waste Fund	718,301	-	-	718,301
Transportation	158,219	-	-	158,219
Allowance for Doubtful Accounts	(49,065)	-	-	(49,065)
Total Business-Type	<u>\$ 1,361,217</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,361,217</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, 2019, was as follows:

	Beginning Balances July 1, 2018	Increases	Decreases	Adjustment	Ending Balances June 30, 2019
<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	2,476,331	-	-	-	2,476,331
Capital assets being depreciated:					
Buildings	26,515,937	145,259	-	-	26,661,196
Equipment	8,064,326	390,920	(7,974)	241,636	8,688,908
Vehicles	5,463,168	496,069	(73,437)	(38,376)	5,847,424
Total capital assets being depreciated	40,043,431	1,032,248	(81,411)	203,260	41,197,528
Less accumulated depreciation for:					
Buildings	10,783,310	591,863	-	-	11,375,173
Equipment	6,229,237	442,384	(7,974)	-	6,663,647
Vehicles	4,285,952	565,463	(73,437)	(14,999)	4,762,979
Total accumulated depreciation	21,298,499	\$ 1,599,710	\$ (81,411)	\$ (14,999)	22,801,799
Total capital assets being depreciated, net	18,744,932				18,395,729
<b>Governmental activity capital assets, net</b>	<b>\$ 21,221,263</b>				<b>\$ 20,872,060</b>

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

General government	\$ 217,091
Public Safety	822,437
Human Services	176,092
Economic and physical development	131,369
Environmental protection	9,537
Cultural and Recreational	243,184
Total Depreciation Expense	<u>\$ 1,599,710</u>

	Beginning Balances	Increases	Decreases	Adjustment	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	389,498	-	-	-	389,498
Capital assets being depreciated:					
Plant and systems	61,915,343	-	-	-	61,915,343
Equipment and furniture	130,289	-	-	-	130,289
Vehicles	227,918	46,815	(26,963)	-	247,770
Total capital assets being depreciated	62,273,550	46,815	(26,963)	-	62,293,402
Less accumulated depreciation for:					
Plant and systems	19,045,875	1,216,513	-	-	20,262,388
Equipment and furniture	117,061	1,457	-	-	118,518
Vehicles	165,252	23,997	(26,963)	-	162,286
Total accumulated depreciation	19,328,188	\$ 1,241,967	\$ (26,963)	\$ -	20,543,192
Total capital assets being depreciated, net	42,945,362				41,750,210
<b>Water Fund capital assets, net</b>	<b>\$ 43,334,860</b>				<b>\$ 42,139,708</b>

	Beginning Balances	Increases	Decreases	Adjustment	Ending Balance
Business-type Activities					
<b>Transportation Activities</b>					
Capital assets being depreciated:					
Equipment and furniture	\$ 17,504	\$ 29,466	\$ -	\$ -	\$ 46,970
Vehicles	900,992	163,284	(48,866)	-	1,015,410
Total capital assets being depreciated	918,496	192,750	(48,866)	-	1,062,380
Less accumulated depreciation for:					
Equipment and furniture	17,504	2,456	-	-	19,960
Vehicles	429,353	155,962	(48,866)	-	536,449
Total accumulated depreciation	446,857	\$ 158,418	\$ (48,866)	\$ -	556,409
<b>Transportation activities capital assets, net</b>	<u>\$ 471,639</u>				<u>\$ 505,971</u>

	Beginning Balances	Increases	Decreases	Adjustment	Ending Balances
Business-type Activities					
<b>Airport Activities</b>					
Capital assets not being depreciated:					
Land	\$ 556,451	\$ 110,000	\$ -	\$ -	\$ 666,451
Construction in progress	-	-	-	-	-
Total capital assets not being depreciated	556,451	110,000	-	-	\$ 666,451
Capital assets being depreciated:					
Terminal and runways	15,913,741	5,688,211	-	(826,134)	20,775,818
Equipment and furniture	525,743	25,395	-	-	551,138
Vehicles	6,650	-	-	-	6,650
Total capital assets being depreciated	16,446,134	5,713,606	-	(826,134)	21,333,606
Less accumulated depreciation for:					
Terminal and runways	8,826,577	547,653	-	-	9,374,230
Equipment and furniture	428,029	16,450	-	-	444,479
Vehicles	6,650	-	-	-	6,650
Total accumulated depreciation	9,261,256	\$ 564,103	\$ -	\$ -	9,825,359
Total capital assets being depreciated, net	<u>7,184,878</u>				<u>11,508,247</u>
<b>Airport Fund capital assets, net</b>	<u>\$ 7,741,329</u>				<u>\$ 12,174,698</u>

	Beginning Balances	Increases	Decreases	Adjustment	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	1,612,236	68,769	-	-	1,681,005
Vehicles	1,853,090	433,232	(108,652)	5,355	2,183,025
Total capital assets being depreciated	7,019,749	502,001	(108,652)	5,355	7,418,453
Less accumulated depreciation for:					
Buildings	1,384,906	63,959	-	-	1,448,865
Equipment and furniture	1,038,439	104,538	-	-	1,142,977
Vehicles	1,458,817	147,908	(108,652)	-	1,498,073
Total accumulated depreciation	3,882,162	\$ 316,405	\$ (108,652)	\$ -	4,089,915
Total capital assets being depreciated, net	<u>3,137,587</u>				<u>3,328,538</u>
<b>Solid Waste Fund capital assets, net</b>	<u>\$ 3,353,935</u>				<u>\$ 3,544,886</u>

**Net Investment in Capital Assets**

The total net investment in capital assets at June 30, 2019 is composed of the following elements:

	<b>Governmental Activities</b>	<b>Business-Type Activities</b>
Capital assets	\$ 20,872,060	\$ 58,365,263
Notes payable	(9,309,758)	(4,041,255)
Limited obligation bonds	-	(13,027,127)
Net investment in capital assets	<u>\$ 11,562,302</u>	<u>\$ 41,296,881</u>

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

Payables at the government-wide level at June 30, 2019, were as follows:

	<b>Vendors</b>	<b>Salaries and Benefits</b>	<b>Accrued Interest</b>	<b>Total</b>
<b>Governmental Activities:</b>				
General	\$ 1,246,320	\$ 181,338	\$ 225,674	\$ 1,653,332
Other governmental	665,565	-	-	665,565
Total governmental activities	<u>\$ 1,911,885</u>	<u>\$ 181,338</u>	<u>\$ 225,674</u>	<u>\$ 2,318,897</u>
<b>Business-Type Activities:</b>				
Airport	\$ 296,094	\$ 5,669	\$ -	\$ 301,763
County Water Fund	79,608	15,950	48,454	144,012
Solid Waste Fund	542,977	23,795	-	566,772
Transportation	163,941	12,713	-	176,654
Total business-type activities	<u>\$ 1,082,620</u>	<u>\$ 58,127</u>	<u>\$ 48,454</u>	<u>\$ 1,189,201</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, 2019, was 8.50% of compensation for law enforcement officers and 7.84% 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 \$1,627,860 for the year ended June 30, 2019.

*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, 2019, the County reported a liability of \$7,680,694 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2018. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2017. The total pension liability was then rolled forward to the measurement date of June 30, 2018 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, 2018, the County's proportion was 0.32376%, which was an decrease of 0.02783% from its proportion measured as of June 30, 2017.

For the year ended June 30, 2019, the County recognized pension expense of \$2,139,447. At June 30, 2019, the County reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
Differences between expected and actual experience	\$ 1,184,949	\$ 39,761
Changes of assumptions	1,613,646	-
Net difference between projected and actual earnings on pension plan investments	1,054,330	-
Changes in proportion and differences between County contributions and proportionate share of contributions	36,350	306,148
County contributions subsequent to the measurement date	1,627,860	-
Total	<u>\$ 5,517,135</u>	<u>\$ 345,909</u>

\$1,627,860 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, 2020. 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>	
2020	1,990,296
2021	1,260,551
2022	159,796
2023	132,723
2024	-
Thereafter	-
Total	<u>\$ 3,543,366</u>

At June 30, 2019 the TDA reported a liability of \$39,618 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2018. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2017. The total pension liability was then rolled forward to the measurement date of June 30, 2018 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, 2018, the TDA's proportion was 0.00167% which was a increase of 0.00004% from its proportion measured as of June 30, 2017.

For the year ended June 30, 2019, the TDA recognized pension expense of \$12,593. At June 30, 2019, 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	\$ 6,112	\$ 205
Changes of assumptions	10,513	-
Net difference between projected and actual earnings on pension plan investments	5,439	-
Changes in proportion and differences between County contributions and proportionate share of contributions	4,185	3,362
County contributions subsequent to the measurement date	6,281	-
Total	<u>\$ 32,530</u>	<u>\$ 3,567</u>

\$6,281 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, 2020. 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>	
2020	12,048
2021	7,673
2022	304
2023	2,657
2024	-
Thereafter	-
Total	<u>\$ 22,682</u>

*Actuarial Assumptions.* The total pension liability in the December 31, 2017 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	7.00 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, 2017 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, 2017 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 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 7.00%. 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 7.00 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 (6.00 percent) or 1-percentage-point higher (8.00 percent) than the current rate:

	<b>1% Decrease (6.00%)</b>	<b>Discount Rate (7.00%)</b>	<b>1% Increase (8.00%)</b>
County's proportionate share of the net pension liability (asset)	\$18,449,693	\$7,680,694	(\$1,318,050)
TDA's proportionate share of the net pension liability (asset)	\$95,166	\$39,618	(\$6,799)

*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, 2017, the Separation Allowance's membership consisted of:

Retirees Receiving Benefits	5
Terminated Plan Members Entitled to, But Not Yet Receiving Benefits	-
Active Plan Members	<u>72</u>
Total	<u><u>77</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, 2017 valuation. The total pension liability in the December 31, 2017 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, 2018.

Mortality Rates

Deaths After Retirement (Healthy): Mortality rates are based on the RP-2014 Total Data Set for Healthy Annuitants Mortality Table. The RP-2014 annuitant tables have no rates prior to age 50. The RP-2014 Total Data Set Employee Mortality Table is used for ages less than 50.

Deaths After Retirement (Disabled): Mortality rates are based on the RP-2014 Total Data Set for Disabled Annuitants Mortality Table. Rates for male members are multiplied by 103% for all ages. Rates for female members are multiplied by 99% for all ages.

Deaths Before Retirement: Mortality rates are based on the RP-2014 Total Data Set Employee Mortality Table.

Mortality Projection: All mortality rates are projected from 2014 using generational improvement with Scale MP-2015.

(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 \$90,382 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, 2019, the County reported a total pension liability of \$1,655,277. The total pension liability was measured as of December 31, 2018 based on a December 31, 2017 actuarial valuation. The total pension liability was then rolled forward to the measurement date of December 31, 2018 utilizing update procedures incorporating the actuarial assumptions. For the year ended June 30, 2019, the County recognized pension expense of \$128,139.

	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
Differences between expected and actual experience	\$ 33,951	\$ 70,714
Changes of assumptions and other inputs	71,621	75,992
Benefit payments and administrative expenses subsequent to the measurement date.	-	-
	<u>\$ 105,572</u>	<u>\$ 146,706</u>

\$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, 2020. 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>	
2020	(10,674)
2021	(10,674)
2022	(10,674)
2023	(5,996)
2024	(3,116)
Thereafter	-
	<u>\$ (41,134)</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 3.64 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 (2.64 percent) or 1-percentage-point higher (4.64 percent) than the current rate:

	<b>1% Decrease (</b>	<b>Discount Rate (</b>	<b>1% Increase</b>
	<b>2.64%)</b>	<b>3.64%)</b>	<b>(4.64 %)</b>
Total pension liability	\$ 1,797,335	\$ 1,655,277	\$ 1,526,060

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

	<b>2019</b>
Beginning balance	\$ 1,632,207
Service Cost	88,663
Interest on the total pension liability	50,150
Changes of benefit terms	-
Differences between expected and actual experience in the measurement of the total pension liability	41,175
Changes of assumptions or other inputs	(66,536)
Benefit payments	(90,382)
Other changes	-
Ending balance of the total pension liability	<u>\$ 1,655,277</u>

*Changes of assumptions.* Changes of assumptions and other inputs reflect a change in the discount rate from 3.16 percent at June 30, 2017 to 3.64 percent at June 30, 2018.

*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, 2017 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, 2019 were \$258,887 which includes \$140,857 from the County and \$118,030 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 \$5,094 for the year ended June 30, 2019.

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

At June 30, 2019, the County reported an asset of \$63,185 for its proportionate share of the net pension asset. The net pension liability was measured as of June 30, 2018. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2017. The total pension liability was then rolled forward to the measurement date of June 30, 2018 utilizing update procedures incorporating the actuarial assumptions. The County's proportion of the net pension liability 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, 2018, the County's proportion was 0.37017%, which was a decrease of 0.02157% from its proportion measured as of June 30, 2017.

For the year ended June 30, 2019, the County recognized pension expense of \$16,336. At June 30, 2019, 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	\$ 557	\$ 2,884
Changes of assumptions	2,972	-
Net difference between projected and actual earnings on pension plan investments	10,071	-
Changes in proportion and differences between County contributions and proportionate share of contributions	4,094	246
County contributions subsequent to the measurement date	5,094	
Total	<u>\$ 22,788</u>	<u>\$ 3,130</u>

\$5,094 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:

**Year Ended June 30**

2020	8,533
2021	1,499
2022	2,968
2023	1,564
2024	-
Total	<u>\$ 14,564</u>

*Actuarial Assumptions.* The total pension liability in the December 31, 2017 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, 2017 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, 2018 is 1.4%.

The information above is based on 30 year expectations developed with the consulting actuary for the 2019 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 3.00 %. 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)	\$49,817	\$63,185	\$74,457

*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, 2017, 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, 2018, with an actuarial valuation date of December 31, 2017. 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)	\$	7,680,694	\$	(63,185)	\$	-	\$	7,617,509
Proportion of the Net Pension Liability (Asset)		0.32376%		0.37017%		n/a		
Total Pension Liability	\$	-	\$	-	\$	1,655,277	\$	1,655,277
Pension Expense	\$	2,139,447	\$	16,336	\$	128,139	\$	2,283,922

As June 30, 2019, the County reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<b>LGERS</b>		<b>ROD</b>		<b>LEOSSA</b>		<b>Total</b>
<b><u>Deferred Outflows of Resources</u></b>							
Differences between expected and actual experience	\$ 1,184,949	\$	557	\$	33,951	\$	1,219,457
Changes of assumptions	1,613,646		2,972		71,621		1,688,239
Net difference between projected and actual earnings on pension plan investments	1,054,330		10,071		-		1,064,401
Changes in proportion and differences between County contributions and proportionate share of contributions	36,350		4,094		-		40,444
County contributions (LGERS, ROD)/benefit payments and administration costs (LEOSSA) subsequent to the measurement date	1,627,860		5,094		-		1,632,954
<b><u>Deferred Inflows of Resources</u></b>							
Difference between expected and actual experience	\$ 39,761	\$	2,884	\$	70,714	\$	113,359
Changes of assumptions	-		-		75,992		75,992
Changes in proportion and differences between County contributions and proportionate share of contributions	306,148		246		-		306,394

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, 2018, the date of latest actuarial valuation:

	<u>Employees</u>
Retirees and dependents receiving benefits	110
Terminated plan members entitled to but not yet receiving benefits	-
Active plan members	<u>546</u>
Total	<u><u>656</u></u>

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 \$22,383,088 was measured as of December 31, 2018 and was determined by an actuarial valuation as of that date.

Actuarial assumptions and other inputs. The total OPEB liability in the December 31, 2018 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	3.5-7.75 percent, average, including inflation
Discount rate	3.89 percent
Healthcare cost trend rates	7.50% for 2018 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, 2018</b>	\$ 22,296,173
<b>Changes for the year</b>	
Service cost	1,061,558
Interest	784,397
Changes of benefit terms	-
Differences between expected and actual experience	12,813
Changes in assumptions or other inputs	(1,242,135)
Benefit Payments	(529,718)
<b>Net changes</b>	<b>86,915</b>
<b>Balance at June 30, 2019</b>	<b>\$ 22,383,088</b>

Changes in assumptions and other inputs reflect a change in the discount rate from 3.56% to 3.89%.

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

The actuarial assumptions used in the December 31, 2018 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 (2.89 percent) or 1-percentage-point higher (3.89 percent) than the current discount rate:

	<b>1 % Decrease (2.89%)</b>	<b>Discount Rate (3.89%)</b>	<b>1% Increase (4.89%)</b>
Total OPEB Liability	\$26,476,824	\$22,383,088	\$19,156,788

*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	\$18,167,055	\$22,383,088	\$27,311,884

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

For the year ended June 30, 2019, the County recognized OPEB expense of \$1,414,777. At June 30, 2019, 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	\$ 11,199	\$ 58,571
Net difference between projected and actual earnings on pension plan investments	-	-
Changes in proportion and differences between County contributions and proportionate share of contributions	-	-
Changes of assumptions	-	2,499,884
County contributions subsequent to the measurement date	-	-
Total	<b>\$ 11,199</b>	<b>\$ 2,558,455</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, 2020. 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>	
2020	(439,818)
2021	(439,818)
2022	(439,818)
2023	(439,818)
2024	(439,818)
Thereafter	(348,166)
Total	<b>\$ (2,547,256)</b>

**Deferred Outflows and Inflows of Resources**

	Deferred Outflows of Resources	Deferred Inflows of Resources
(Pensions, OPEB) - difference between expected and actual experience	\$ 1,230,656	\$ 171,930
(Pensions, OPEB) - Net difference between projected and actual investment earnings	1,064,401	-
(Pensions) - change in proportion and difference between employer contributions and proportionate share of contributions	40,444	306,394
(Pensions, OPEB) - change in assumptions	1,688,239	2,575,876
Contributions to pension plan subsequent to measurement date (LGERS, ROD)	1,632,954	-
Benefit payments for the OPEB plan paid subsequent to measurement date	-	-
Benefit payments and admin costs paid subsequent to the measurement date (LEOSSA)	-	-
Prepaid taxes not yet earned (General)	-	235,602
Prepaid taxes not yet earned (Special Revenue)	-	624
Taxes receivable, net, less penalties (General)	-	1,131,744
Taxes receivable, net, less penalties (Special Revenue)	-	53,307
Total	<u>\$ 5,656,694</u>	<u>\$ 4,475,477</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, 2019, 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, 2019 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.	\$ 47,385,000
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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.	\$ 1,375,000
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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.	2,935,000
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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.	2,840,000
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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.	3,325,000
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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.	2,215,000
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Total general obligation bonds	<table border="0"> <tr> <td style="border-top: 1px solid black; border-bottom: 3px double black;">\$ 12,690,000</td> </tr> </table>	\$ 12,690,000
\$ 12,690,000		

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

Fiscal Year Ending June 30,	Governmental-type Activities		Business-type Activities	
	Principal	Interest	Principal	Interest
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	2,245,000	1,754,194	675,000	423,688
2025-2029	13,010,000	6,971,720	3,640,000	1,776,755
2030-2034	16,540,000	3,447,070	3,875,000	1,007,950
2035-2039	7,640,000	355,138	2,050,000	242,750
	<u>47,385,000</u>	<u>\$ 20,562,898</u>	<u>12,690,000</u>	<u>\$ 5,367,388</u>

Unamortized premiums on general obligation bonds	6,693,112	337,127
	<u>\$ 54,078,112</u>	<u>\$ 13,027,127</u>

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, 2019 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. \$ 9,309,758

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. 24,510

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. 73,624

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. 254,870

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. 117,390

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. 1,761,322

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. 133,485

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. 618,572

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. The principle forgiveness was given for this loan in 2019 in the amount of \$629,494. 486,756

Total business-type activities notes payable \$ 3,470,529

For Duplin County, the following summarizes the annual requirements for notes payable, including interest of \$6,297,106 for governmental activities and \$882,963 for business-type activities:

Fiscal Year Ending June 30,	Governmental-type Activities		Business-type Activities	
	Principal	Interest	Principal	Interest
2020	194,243	384,027	237,019	58,260
2021	202,255	376,015	212,825	54,418
2022	210,598	367,672	213,152	51,202
2023	219,285	358,985	213,490	47,976
2024	228,330	349,940	195,433	162,748
2025-2029	1,290,945	1,600,403	982,804	232,220
2030-2034	1,580,098	1,311,252	900,707	113,072
2035-2039	1,934,011	957,339	165,132	65,254
2040-2044	2,367,196	524,154	98,574	50,686
2045-2049	1,082,797	67,319	115,667	33,593
2050-2054	-	-	135,726	13,534
2055-5059	-	-	-	-
	<u>\$ 9,309,758</u>	<u>\$ 6,297,106</u>	<u>\$ 3,470,529</u>	<u>\$ 882,963</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 deceased 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 \$ 9,309,758 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, 2019:

	Balance 6/30/2018	Increases	Decreases	Balance 6/30/2019	Current Portion
<b>Governmental Activities</b>					
Limited obligation bonds	\$ 56,246,825	\$ -	\$ (2,168,713)	\$ 54,078,112	\$ 1,845,000
Notes payable	9,496,305	-	(186,547)	9,309,758	194,243
Net pension liability (LGERS)	4,928,746	2,119,081	-	7,047,827	-
Other post-employment benefit	20,458,968	79,753	-	20,538,721	-
Compensated absences	1,215,044	-	(50,060)	1,164,984	232,997
LEO Special Separation Allowance	1,632,207	23,070	-	1,655,277	-
Total governmental activities	<u>\$ 93,978,095</u>	<u>\$ 2,221,904</u>	<u>\$ (2,405,320)</u>	<u>\$ 93,794,679</u>	<u>\$ 2,272,240</u>
<b>Business-like Activities</b>					
<b>Water Activities</b>					
Limited obligation bonds	\$ 13,632,219	\$ -	\$ (605,092)	\$ 13,027,127	\$ 585,000
Notes payable	4,309,675	-	(268,420)	4,041,255	237,019
Net pension liability (LGERS)	127,837	54,964	-	182,801	-
Other post-employment benefit	530,649	2,068	-	532,717	-
Compensated absences	42,512	-	(3,059)	39,453	7,891
Total water activities	<u>\$ 18,642,892</u>	<u>\$ 57,032</u>	<u>\$ (876,571)</u>	<u>\$ 17,823,353</u>	<u>\$ 829,910</u>

	Balance 6/30/2018	Increases	Decreases	Balance 6/30/2019	Current Portion
<b>Airport Activities</b>					
Net pension liability (LGERS)	33,839	14,549	-	48,388	-
Other post-employment benefit	140,466	547	-	141,013	-
Compensated absences	14,894	1,638	-	16,532	3,306
Total airport activities	\$ 189,199	\$ 16,734	\$ -	\$ 205,933	\$ 3,306
<b>Solid Waste Activities</b>					
Net pension liability (LGERS)	192,830	82,907	-	275,737	-
Other post-employment benefit	800,433	3,120	-	803,553	-
Compensated absences	52,598	-	(667)	51,931	10,386
Total solid waste activities	\$ 1,045,861	\$ 86,027	\$ (667)	\$ 1,131,221	\$ 10,386
<b>Transportation Waste Activities</b>					
Net pension liability (LGERS)	88,090	37,873	-	125,963	-
Other post-employment benefit	365,657	1,426	-	367,083	-
Compensated absences	23,963	-	(18)	23,945	4,789
Total transportation activities	\$ 477,710	\$ 39,299	\$ (18)	\$ 516,991	\$ 4,789
Total business-type activities	\$ 20,355,662	\$ 199,092	\$ (877,256)	\$ 19,677,498	\$ 848,391

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.

At June 30, 2019, Duplin County had no bonds authorized, but unissued, and a legal debt margin of approximately \$297,964,706.

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, 2019, 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, 2019 are summarized below:

<u>Fund</u>	<u>To</u>	<u>From</u>
From General Fund	\$ 13,326	
To Capital Reserve Fund		\$ 13,326
From School Reserve Fund	\$ 2,341,760	
To Debt Service Fund		2,341,760
From General Fund	\$ 19,663	
To Automation Preservation Fund		19,663
From General Fund	\$ 198,349	
To Airport Commission Fund		198,349
To General Fund	\$ 2,235,934	
To Debt Service Fund		\$ 2,235,934
From Water Fund	\$ 88,603	
To Debt Service Fund		\$ 88,603
Total	\$ 4,897,635	\$ 4,897,635

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>\$ 19,352,389</b>
<b>Less:</b>	
<b>Stabilization by State Statute</b>	6,437,034
<b>Nonspendable - inventory</b>	201,380
<b>Appropriated Fund Balance</b>	2,935,926
<b>Public Safety</b>	201,065
<b>Economic development</b>	1,921,193
<b>Human services</b>	594,464
<b>Remaining Fund Balance</b>	<b>\$ 7,061,327</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.

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, 2019. 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, 2019. 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, 2019. 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, 2019. 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. 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.

VIII. 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.

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 Six Fiscal Years**

**Local Government Employees' Retirement System**

	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Board's proportion of the net pension liability (asset) (%)	0.32376%	0.35159%	0.35800%	0.33000%	0.3220%	0.3120%
Board's proportion of the net pension liability (asset) (\$)	\$ 7,680,694	\$ 5,371,321	\$ 7,591,805	\$ 1,479,764	\$ (1,899,277)	\$ 3,762,003
Board's covered-employee payroll	\$ 20,548,575	\$ 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	37.38%	25.76%	38.00%	7.69%	( 11.58%)	24.61%
Plan fiduciary net position as a percentage of the total pension liability**	91.63%	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 Six Fiscal Years

Local Government Employees' Retirement System

	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Contractually required contribution	\$ 1,627,860	\$ 1,580,375	\$ 1,545,389	\$ 1,373,736	\$ 1,370,791	\$ 1,339,314
Contributions in relation to the contractually required contribution	1,627,860	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>	<u>\$ -</u>
Board's covered-employee payroll	\$ 20,514,022	\$ 20,548,575	\$ 20,849,942	\$ 19,977,306	\$ 19,241,121	\$ 16,399,727
Contributions as a percentage of covered-employee payroll	7.94%	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 Six Fiscal Years**

**Registers of Deeds' Supplemental Pension Fund**

	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
County's proportion of the net pension liability (asset) (%)	0.37017%	0.39174%	0.42500%	0.41600%	0.4150%	-0.3870%
County's proportion of the net pension liability (asset) (\$)	\$ (63,185)	\$ (66,866)	\$ (78,482)	\$ (96,367)	\$ (93,996)	\$ (82,685)
County's covered-employee payroll	\$ 66,097	\$ 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	( 95.59%)	( 94.33%)	-113.77%	-166.95%	-162.85%	-143.25%
Plan fiduciary net position as a percentage of the total pension liability**	153.31%	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 Six Fiscal Years

Registers of Deeds' Supplemental Pension Fund

	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Contractually required contribution	\$ 5,094	\$ 5,017	\$ 5,283	\$ 4,877	\$ 3,386	\$ 3,386
Contributions in relation to the contractually required contribution	5,094	5,017	5,283	4,877	3,386	3,386
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
County's covered-employee payroll	\$ 64,969	\$ 66,097	\$ 70,882	\$ 68,983	\$ 57,721	\$ 57,721
Contributions as a percentage of covered-employee payroll	7.84%	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**  
**June 30, 2019**

	<b>2019</b>	<b>2018</b>	<b>2017</b>
Beginning balance	1,632,207	1,535,414	1,481,357
Service Cost	88,663	81,883	91,536
Interest on the total pension liability	50,150	58,401	52,010
Changes of benefit terms	-	-	-
Differences between expected and actual experience	41,175	(107,544)	-
Changes of assumptions or other inputs	(66,536)	108,923	(40,512)
Benefit payments	(90,382)	(44,870)	(48,977)
Other changes	-	-	-
Ending balance of the total pension liability	<u>\$ 1,655,277</u>	<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**  
**june 30 2019**

	<u>2019</u>		<u>2018</u>		<u>2017</u>
Total pension liability	\$ 1,655,277	\$	1,632,207	\$	1,535,414
Covered payroll	3,201,689		3,384,695		3,399,215
Total pension liability as a percentage of covered payroll	51.70%		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, 2019\*

	2019	2018
<b>Total OPEB Liability</b>		
Service cost	\$ 1,061,558	1,196,036
Interest	784,397	688,654
Changes of benefit terms	-	-
Differences between expected and actual experience	12,813	(78,293)
Changes of assumptions	(1,242,135)	(2,184,539)
Benefit payments	(529,718)	(406,111)
<b>Net change in total OPEB liability</b>	86,915	(784,253)
<b>Total OPEB liability - beginning</b>	22,296,173	23,080,426
<b>Total OPEB liability - ending</b>	\$ 22,383,088	22,296,173
 County's covered-employee payroll	 \$ 18,737,085	 18,737,085
 County's OPEB liability as a percentage of its covered-employee payroll	 119.46%	 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%
2019	3.89%

## 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, 2019**

	Final Budget	Actual	Variance Positive (Negative)
<b>Revenues:</b>			
Ad Valorem Taxes:			
Taxes	\$	\$ 30,914,633	\$
Penalties and Interest		298,882	
Total	<u>30,875,953</u>	<u>31,213,515</u>	<u>337,562</u>
Other Taxes and Licenses:			
Local option sales tax		9,543,800	
Other taxes and licenses		115,064	
Total	<u>7,704,000</u>	<u>9,658,864</u>	<u>1,954,864</u>
Unrestricted Intergovernmental:			
ABC profit distribution		45,907	
Video franchise tax		20,464	
Medicaid hold harmless distribution		879,800	
Total	<u>53,000</u>	<u>946,171</u>	<u>893,171</u>
Restricted Intergovernmental:			
State and Federal Grants		9,963,303	
Other grants		321,799	
Court facilities fees		96,975	
Social services fraud collections		44,688	
Law Enforcement Reserve		13,066	
Total	<u>12,990,677</u>	<u>10,439,831</u>	<u>(2,550,846)</u>
Permits and Fees:			
Register of Deeds		190,388	
Permits and Inspection fees		380,509	
Total	<u>493,380</u>	<u>570,897</u>	<u>77,517</u>
Sales and Services:			
Rents and parking		123,027	
Sheriff and jail fees		405,442	
Event center revenue		100,449	
Other fees and services		1,758,123	
School resource officer		874,651	
Social services fees		54,051	
Health department fees		1,404,498	
Emergency medical service fees		3,301,499	
Total	<u>7,457,533</u>	<u>8,021,740</u>	<u>564,207</u>
Investment Earnings: Interest	<u>100,000</u>	<u>352,560</u>	<u>252,560</u>
Miscellaneous:			
Various contributions		47,832	
In-kind contributions		26,024	
Sale of fixed assets		44,046	
Other revenues		193,019	
Total	<u>251,684</u>	<u>310,921</u>	<u>59,237</u>
<b>TOTAL REVENUES</b>	<u>59,926,227</u>	<u>61,514,499</u>	<u>1,588,272</u>
<b>Expenditures:</b>			
General Government:			
Governing body		232,096	
Finance		591,092	
Tax administration		1,161,486	
Management information systems		449,529	
County Manager		201,051	
Personnel		257,870	

**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, 2019**

	Final Budget	Actual	Variance Positive (Negative)
Legal		489,293	
Register of deeds		287,730	
Elections		226,939	
Public buildings		556,852	
Non-departmental		378,002	
Central Supply		1,249,311	
Housekeeping		258,417	
Garage		294,664	
Total general government	<u>7,308,760</u>	<u>6,634,332</u>	<u>674,428</u>
Public Safety:			
Sheriff		3,983,252	
Court facilities		241,676	
Jury Commission		3,816	
Adult probation		3,598	
Mental health transportation		3,163	
Special separation allowance		21,046	
Fingerprinting		6,932	
Communications		1,713,129	
Special response team		16,200	
School resource officer		770,758	
Federally seized assets		11,470	
Jail		3,026,494	
Emergency management		4,396,755	
NC Communities Foundation Grant		6,000	
Jail annex - State prison facility		123,022	
SCAPP - 2016 H1734-NC-AP		4,745	
Emergency medical services		4,804,494	
Fire marshal		1,849,268	
Faison Substation		100,882	
Building inspections		278,419	
Medical examiner		26,250	
Animal control		317,266	
Third courtroom renovation		27,500	
JCPC		164,840	
Total	<u>22,517,686</u>	<u>21,900,975</u>	<u>616,711</u>
Economic and physical development:			
Economic Development		545,375	
Soil/water conservation		758,443	
Agricultural extension		18,985	
Cooperative extension prevention block grant		405,076	
Total	<u>2,321,891</u>	<u>1,727,879</u>	<u>594,012</u>
Human services:			
Health:			
Nutrition programs		436,779	
Environmental Health		425,629	
Administration		331,815	
Immunizations		191,839	
Other health programs		2,534,610	
Total human services	<u>4,178,010</u>	<u>3,920,672</u>	<u>257,338</u>
Mental Health:			
Regional mental health		224,474	
Total	<u>224,474</u>	<u>224,474</u>	<u>-</u>
Social services:			
Administration		6,525,287	
Temporary Assistance for Needy Families		5,332	



**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, 2019**

	Final Budget	Actual	Variance Positive (Negative)
Medical assistance		94,463	
Child support enforcement		92,523	
Adult daycare		452,235	
Aging services		670,201	
Food assistance		355,251	
County wellness program		276,166	
Adoption assistance		125,476	
Human Services Grant		20,757	
Foster care		217,102	
Services to the blind		5,896	
Crisis intervention		323,873	
Other assistance		77,361	
Total social services	<u>10,730,138</u>	<u>9,241,923</u>	<u>1,488,215</u>
Bioterrorism	<u>44,701</u>	<u>44,521</u>	<u>180</u>
Veteran's Services	<u>199,954</u>	<u>199,305</u>	<u>649</u>
Total Human Services	<u>15,377,277</u>	<u>13,630,895</u>	<u>1,746,382</u>
Cultural and Recreational:			
Museum		131,939	
Recreation		489,460	
Library		627,878	
Total Cultural and Recreational	<u>1,473,455</u>	<u>1,249,277</u>	<u>224,178</u>
Education:			
Public Schools:			
Current Expense		8,802,624	
Capital outlay		107,223	
Community college		2,133,500	
Total Education	<u>11,279,176</u>	<u>11,043,347</u>	<u>235,829</u>
TOTAL EXPENDITURES	<u>60,278,245</u>	<u>56,186,705</u>	<u>4,091,540</u>
Revenues over Expenditures	<u>(352,018)</u>	<u>5,327,794</u>	<u>5,679,812</u>
Other financing sources (uses):			
Fund Balance Appropriated	3,627,711	-	(3,627,711)
Transfers (to)/from Other Funds:	<u>(3,275,693)</u>	<u>(2,467,332)</u>	<u>808,361</u>
Total Other Financing Sources (Uses)	<u>352,018</u>	<u>(2,467,332)</u>	<u>(2,819,350)</u>
Net change in fund balance	<u>\$ -</u>	2,860,462	<u>\$ 2,860,462</u>
Fund balances:			
Beginning of year, July 1		15,518,544	
Increase in inventory		<u>61,009</u>	
End of year, June 30		<u>\$ 18,440,015</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, 2019**

	Project Author - ization	Prior Years	Actual Current Year	Total to Date	Variance Favorable (Unfavorable)
Revenues:					
Investment earnings	\$ 30,842	\$ 179,031	\$ 18,794	\$ 197,825	\$ 166,983
Total revenues	<u>30,842</u>	<u>179,031</u>	<u>18,794</u>	<u>197,825</u>	<u>166,983</u>
Expenditures:					
Capital Reserve	751,178	20,175	-	20,175	731,003
Total expenditures	<u>751,178</u>	<u>20,175</u>	<u>-</u>	<u>20,175</u>	<u>731,003</u>
Revenues over expenditures	<u>(720,336)</u>	<u>158,856</u>	<u>18,794</u>	<u>177,650</u>	<u>897,986</u>
Other Financing Sources (Uses):					
Transfers from other funds	755,633	751,178	13,326	764,504	8,871
Transfers to other funds	(35,297)	(29,780)	-	(29,780)	5,517
Total other financing sources	<u>720,336</u>	<u>721,398</u>	<u>13,326</u>	<u>734,724</u>	<u>14,388</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ 880,254</u>	32,120	<u>\$ 912,374</u>	<u>\$ 912,374</u>
Fund Balance:					
Beginning of Year, July 1			<u>880,254</u>		
End of Year, June 30			<u>\$ 912,374</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, 2019**

	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	\$ 2,144,288	\$ 280,051	\$ 2,424,339	\$ (1,439,810)
Sales tax refund	-	1,121,043	-	1,121,043	1,121,043
Contributions	57,700	15,500	(15,500)	-	(57,700)
Total revenues	<u>3,921,849</u>	<u>3,280,831</u>	<u>264,551</u>	<u>3,545,382</u>	<u>(376,467)</u>
<b>Expenditures:</b>					
Education	62,261,411	61,969,206	189,473	62,158,679	102,732
NCDAS Stream Cleanout	1,249,426	526,807	442,046	968,853	280,573
NC Found of S&W	-	11,383	(7,265)	4,118	(4,118)
BFG Sewer DWI	2,707,770	1,704,461	(58,040)	1,646,421	1,061,349
Total expenditures	<u>66,218,607</u>	<u>64,211,857</u>	<u>566,214</u>	<u>64,778,071</u>	<u>1,440,536</u>
Revenues over expenditures	<u>(62,296,758)</u>	<u>(60,931,026)</u>	<u>(301,663)</u>	<u>(61,232,689)</u>	<u>1,064,069</u>
<b>Other Financing Sources (Uses):</b>					
Proceeds from debt issuance	60,514,251	60,514,251	-	60,514,251	-
Interest	-	190,511	-	190,511	190,511
Transfers from other funds	1,782,507	171,327	-	171,327	(1,611,180)
Total other financing sources	<u>62,296,758</u>	<u>60,876,089</u>	<u>-</u>	<u>60,876,089</u>	<u>(1,420,669)</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ (54,937)</u>	<u>\$ (301,663)</u>	<u>\$ (356,600)</u>	<u>\$ (356,600)</u>
<b>Fund Balance:</b>					
Beginning of Year, July 1			<u>(54,937)</u>		
End of Year, June 30			<u>\$ (356,600)</u>		

**Duplin County, North Carolina**  
**Nonmajor Governmental Funds**  
**Combining Balance Sheet**  
**June 30, 2019**

	Special Revenue Funds	Total Nonmajor Capital Project Funds	Total Nonmajor Governmental Funds
<b>Assets:</b>			
Cash and cash equivalents	\$ 2,072,161	\$ 4,420,053	\$ 6,492,214
Restricted cash	3,437,923	-	3,437,923
Accounts receivable, net	1,086,255	823,606	1,909,861
Taxes receivable (net)	53,307	-	53,307
Due from other governments	1,418	-	1,418
	<u>6,651,064</u>	<u>5,243,659</u>	<u>11,894,723</u>
Total Assets	\$ <u>6,651,064</u>	\$ <u>5,243,659</u>	\$ <u>11,894,723</u>
<b>Liabilities and Fund Balances:</b>			
<b>Current liabilities:</b>			
Accounts payable	\$ 12,293	\$ -	\$ 12,293
Due to other funds	347	-	347
Total liabilities	<u>12,640</u>	<u>-</u>	<u>12,640</u>
<b>Deferred Inflows of Resources</b>			
Total deferred inflows of resources	<u>1,121,523</u>	<u>-</u>	<u>1,121,523</u>
<b>Fund Balances:</b>			
Restricted			
Stabilization by State Statute	1,087,673	823,606	1,911,279
Register of Deeds	11,592	-	11,592
Sheriff	-	-	-
Tax revaluation and mapping	738,065	-	738,065
Emergency services	457,500	-	457,500
School Capital	2,751,591	4,416,902	7,168,493
Committed			
Capital improvements	-	3,151	3,151
Economic Development	294,053	-	294,053
Various Programs	180,684	-	180,684
Unassigned	<u>(4,257)</u>	<u>-</u>	<u>(4,257)</u>
Total fund balances	<u>5,516,901</u>	<u>5,243,659</u>	<u>10,760,560</u>
<b>Total liabilities, deferred inflows of resources, and fund balances</b>	<b>\$ <u>6,651,064</u></b>	<b>\$ <u>5,243,659</u></b>	<b>\$ <u>11,894,723</u></b>

**Duplin County, North Carolina**  
**Nonmajor Governmental Funds**  
**Combining Statement of Revenues, Expenditures, and**  
**Changes in Fund Balances**  
**For the Fiscal Year Ended June 30, 2019**

	Special Revenue Funds	Capital Project Funds	Total Nonmajor Governmental Funds
<b>Revenues:</b>			
Ad Valorem Taxes	\$ 1,021,689	\$ -	\$ 1,021,689
Local option sales tax	-	3,287,412	3,287,412
Restricted intergovernmental	728,306	-	728,306
Charges for services	-	-	-
Investment earnings	135,885	87,254	223,139
Other	233,364	-	233,364
Total revenues	<u>2,119,244</u>	<u>3,374,666</u>	<u>5,493,910</u>
<b>Expenditures:</b>			
General government	246,110	-	246,110
Public safety	1,321,926	-	1,321,926
Human services	22,048	-	22,048
Economic and physical development	110,000	919,120	1,029,120
Sanitation	-	-	-
Education	-	-	-
Capital Outlay	-	-	-
Debt service:			
Principal retirement	-	-	-
Interest and fees	-	-	-
Total Expenditures	<u>1,700,084</u>	<u>919,120</u>	<u>2,619,204</u>
Revenues Over (Under) Expenditures	<u>419,160</u>	<u>2,455,546</u>	<u>2,874,706</u>
<b>Other Financing Sources (Uses):</b>			
Proceeds of long-term debt	-	-	-
Transfers from (to) other sources	19,663	(2,341,760)	(2,322,097)
Transfers from (to) CU	-	-	-
Transfers from (to) other sources	-	-	-
Total other financing sources (uses)	<u>19,663</u>	<u>(2,341,760)</u>	<u>(2,322,097)</u>
Net change in Fund Balance	438,823	113,786	552,609
<b>Fund balances:</b>			
Beginning of Year, July 1	<u>5,078,078</u>	<u>5,129,873</u>	<u>10,207,951</u>
End of year, June 30	<u>\$ 5,516,901</u>	<u>\$ 5,243,659</u>	<u>\$ 10,760,560</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, 2019**

	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	\$ -	\$ 1,361,645	\$ 55,098	\$ 3,803	\$ -	\$ 459,246	\$ 11,685	\$ 180,684	\$ 2,072,161
Restricted cash	2,751,591	-	686,332	-	-	-	-	-	3,437,923
Accounts receivable, net	-	1,067,592	-	5,789	-	12,874	-	-	1,086,255
Taxes receivable (net)	-	-	-	53,307	-	-	-	-	53,307
Due from other funds	-	-	-	-	-	-	1,418	-	1,418
<b>Total Assets</b>	<b>\$ 2,751,591</b>	<b>\$ 2,429,237</b>	<b>\$ 741,430</b>	<b>\$ 62,899</b>	<b>\$ -</b>	<b>\$ 472,120</b>	<b>\$ 13,103</b>	<b>\$ 180,684</b>	<b>\$ 6,651,064</b>
<b>Liabilities and Fund Balances:</b>									
<b>Current liabilities:</b>									
Accounts payable	\$ -	\$ -	\$ 3,365	\$ 7,089	\$ -	1,746	\$ 93	\$ -	\$ 12,293
Due to other funds	-	-	-	347	-	-	-	-	347
<b>Total liabilities</b>	<b>-</b>	<b>-</b>	<b>3,365</b>	<b>7,436</b>	<b>-</b>	<b>1,746</b>	<b>93</b>	<b>-</b>	<b>12,640</b>
<b>Deferred Inflows of Resources</b>									
Prepaid Taxes	-	-	-	624	\$ -	-	-	-	624
Property taxes receivable	-	1,067,592	-	53,307	-	-	-	-	1,120,899
<b>Total deferred inflows of resources</b>	<b>-</b>	<b>1,067,592</b>	<b>-</b>	<b>53,931</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,121,523</b>
<b>Fund Balances:</b>									
<b>Restricted</b>									
Stabilization by State Statute	-	1,067,592	-	5,789	-	12,874	1,418	-	1,087,673
Register of Deeds	-	-	-	-	-	-	11,592	-	11,592
Sheriff	-	-	-	-	-	-	-	-	-
Tax revaluation and mapping	-	-	738,065	-	-	-	-	-	738,065
Emergency services	-	-	-	-	-	457,500	-	-	457,500
School Capital	2,751,591	-	-	-	-	-	-	-	2,751,591
<b>Committed</b>									
Economic Development	-	294,053	-	-	-	-	-	-	294,053
Various Programs	-	-	-	-	-	-	-	180,684	180,684
<b>Unassigned</b>									
	-	-	-	(4,257)	-	-	-	-	(4,257)
<b>Total fund balances</b>	<b>2,751,591</b>	<b>1,361,645</b>	<b>738,065</b>	<b>1,532</b>	<b>-</b>	<b>470,374</b>	<b>13,010</b>	<b>180,684</b>	<b>5,516,901</b>
<b>Total liabilities, deferred inflows of resources, and fund balances</b>	<b>\$ 2,751,591</b>	<b>\$ 2,429,237</b>	<b>\$ 741,430</b>	<b>\$ 62,899</b>	<b>\$ -</b>	<b>\$ 472,120</b>	<b>\$ 13,103</b>	<b>\$ 180,684</b>	<b>\$ 6,651,064</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, 2019**

	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	\$ 843,883	\$ -	\$ -	\$ -	\$ -	\$ 1,021,689
Local option sales tax	-	-	-	-	-	-	-	-	-
Restricted intergovernmental	504,740	-	-	-	-	154,485	-	69,081	728,306
Charges for services	-	-	-	-	-	-	-	-	-
Investment earnings	44,182	59,358	15,068	-	-	13,937	240	3,100	135,885
Other	-	220,542	-	-	-	-	-	12,822	233,364
<b>Total revenues</b>	<b>548,922</b>	<b>279,900</b>	<b>192,874</b>	<b>843,883</b>	<b>-</b>	<b>168,422</b>	<b>240</b>	<b>85,003</b>	<b>2,119,244</b>
<b>Expenditures:</b>									
General government	-	-	229,921	-	-	-	16,189	-	246,110
Public safety	-	-	-	842,567	-	472,639	-	6,720	1,321,926
Human Services	-	-	-	-	-	-	-	22,048	22,048
Economic and community development	-	110,000	-	-	-	-	-	-	110,000
Education	-	-	-	-	-	-	-	-	-
Capital Outlay	-	-	-	-	-	-	-	-	-
Debt service:									
Principal retirement	-	-	-	-	-	-	-	-	-
Interest and fees	-	-	-	-	-	-	-	-	-
<b>Total Expenditures</b>	<b>-</b>	<b>110,000</b>	<b>229,921</b>	<b>842,567</b>	<b>-</b>	<b>472,639</b>	<b>16,189</b>	<b>28,768</b>	<b>1,700,084</b>
<b>Revenues Over (Under) Expenditures</b>	<b>548,922</b>	<b>169,900</b>	<b>(37,047)</b>	<b>1,316</b>	<b>-</b>	<b>(304,217)</b>	<b>(15,949)</b>	<b>56,235</b>	<b>419,160</b>
<b>Other Financing Sources (Uses):</b>									
Proceeds of long-term debt	-	-	-	-	-	-	-	-	-
Transfers from (to) other sources	-	-	-	-	-	-	19,663	-	19,663
Transfers from (to) CU	-	-	-	-	-	-	-	-	-
Transfers from (to) other sources	-	-	-	-	-	-	-	-	-
<b>Total other financing sources (uses)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>19,663</b>	<b>-</b>	<b>19,663</b>
<b>Net change in Fund Balance</b>	<b>548,922</b>	<b>169,900</b>	<b>(37,047)</b>	<b>1,316</b>	<b>-</b>	<b>(304,217)</b>	<b>3,714</b>	<b>56,235</b>	<b>438,823</b>
<b>Fund balances:</b>									
Beginning of Year, July 1	2,202,669	1,191,745	775,112	216	-	774,591	9,296	124,449	5,078,078
End of year, June 30	\$ 2,751,591	\$ 1,361,645	\$ 738,065	\$ 1,532	\$ -	\$ 470,374	\$ 13,010	\$ 180,684	\$ 5,516,901

**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, 2019**

	2019		Variance Favorable (Unfavorable)
	Final Budget	Actual	
Revenues:			
Restricted intergovernmental	\$	\$ 504,740	\$
Investment earnings		44,182	
Total Revenues	<u>-</u>	<u>548,922</u>	<u>548,922</u>
Expenditures:			
Public school building projects		-	
Total Expenditures	<u>592,659</u>	<u>-</u>	<u>592,659</u>
Revenues Over (Under) Expenditures	<u>(592,659)</u>	<u>548,922</u>	<u>1,141,581</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>(592,659)</u>	<u>548,922</u>	<u>1,141,581</u>
Fund Balance Appropriated	<u>592,659</u>	<u>-</u>	<u>(592,659)</u>
Net change in fund balance	\$ <u><u>-</u></u>	548,922	\$ <u><u>548,922</u></u>
Fund Balance:			
Beginning of Year, July 1		<u>2,202,669</u>	
End of Year, June 30		<u>\$ 2,751,591</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, 2019**

	2019		Variance Favorable (Unfavorable)
	Budget	Actual	
Revenues			
Loan/lease payments	\$	\$ 220,542	\$
Investment earnings		59,358	
Total Revenue	-	279,900	279,900
Expenditures			
Community development loans		110,000	
Total Expenditures	571,178	110,000	461,178
Revenues Over (Under) Expenditures	(571,178)	169,900	741,078
Other Financing Sources (Uses):			
Transfers in		-	
Transfer in (out)		-	
Total Other Financing Sources (Uses)	-	-	-
Revenues and Other Financing Sources Over (Under) Expenditures and Other Uses	(571,178)	169,900	741,078
Fund Balance Appropriated	571,178	-	(571,178)
Net change in fund balance	\$ -	169,900	\$ 169,900
Fund Balance:			
Beginning of Year, July 1		1,191,745	
End of Year, June 30		\$ 1,361,645	

**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, 2019**

	2019		Variance Favorable (Unfavorable)
	Budget	Actual	
Revenues			
Ad valorem taxes	\$	\$ 177,806	\$
Investment Earnings		15,068	
Total Revenue	<u>183,806</u>	<u>192,874</u>	<u>9,068</u>
Expenditures			
General government:			
Salaries and benefits		145,444	
Operating expenditures		14,367	
Capital outlay		70,110	
Total Expenditures	<u>358,033</u>	<u>229,921</u>	<u>128,112</u>
Revenues Over (Under) Expenditures	<u>(174,227)</u>	<u>(37,047)</u>	<u>137,180</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	(174,227)	(37,047)	137,180
Fund Balance Appropriated	<u>174,227</u>	<u>-</u>	<u>(174,227)</u>
Net change in fund balance	\$ <u>-</u>	(37,047)	\$ <u>(37,047)</u>
Fund Balance:			
Beginning of Year, July 1		<u>775,112</u>	
End of Year, June 30		<u>\$ 738,065</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, 2019**

	2019		Variance Favorable (Unfavorable)
	Budget	Actual	
<b>Revenues</b>			
Ad valorem taxes	\$	\$ 843,883	\$
Local option sales taxes		-	-
Investment earnings		-	-
Total Revenue	<u>947,825</u>	<u>843,883</u>	<u>(103,942)</u>
<b>Expenditures</b>			
Commission to General Fund		23,303	
Payment to State - motor vehicle collections		14,765	
Contracted services		804,499	
Total Expenditures	<u>947,825</u>	<u>842,567</u>	<u>105,258</u>
Revenues Over (Under) Expenditures	<u>-</u>	<u>1,316</u>	<u>1,316</u>
<b>Other Financing Sources (Uses):</b>			
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>1,316</u>	<u>1,316</u>
Fund Balance Appropriated	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balance	\$ <u>-</u>	\$ 1,316	\$ <u>1,316</u>
<b>Fund Balance:</b>			
Beginning of Year, July 1		<u>216</u>	
End of Year, June 30		<u>\$ 1,532</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, 2019**

	2019		Variance Favorable (Unfavorable)
	Budget	Actual	
Revenues			
Restricted intergovernmental	\$	\$ 154,485	\$
Investment earnings		13,937	
Total Revenue	<u>159,485</u>	<u>168,422</u>	<u>8,937</u>
Expenditures			
Public Safety:			
Operating expenditures		439,421	
Miscellaneous expenditures		33,218	
Capital outlay		-	
Total Expenditures	<u>550,115</u>	<u>472,639</u>	<u>77,476</u>
Revenues Over (Under) Expenditures	<u>(390,630)</u>	<u>(304,217)</u>	<u>86,413</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	(390,630)	(304,217)	86,413
Fund Balance Appropriated	<u>390,630</u>	<u>-</u>	<u>(390,630)</u>
Net change in fund balance	\$ <u>-</u>	(304,217)	\$ <u>(304,217)</u>
Fund Balance:			
Beginning of Year, July 1		<u>774,591</u>	
End of Year, June 30		<u>\$ 470,374</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, 2019**

	2019		Variance Favorable (Unfavorable)
	Budget	Actual	
Revenues			
Restricted intergovernmental	\$	\$	\$
Investment earnings		240	
Total Revenue	<u>-</u>	<u>240</u>	<u>240</u>
Expenditures			
General government			
Operating expenditures		16,189	
Total Expenditures	<u>29,434</u>	<u>16,189</u>	<u>13,245</u>
Revenues Over (Under) Expenditures	<u>(29,434)</u>	<u>(15,949)</u>	<u>13,485</u>
Other Financing Sources (Uses):			
Transfers in		19,663	
Transfer in (out)		-	
Total Other Financing Sources (Uses)	<u>20,000</u>	<u>19,663</u>	<u>(337)</u>
Revenues and Other Financing Sources Over (Under) Expenditures and Other Uses	<u>(9,434)</u>	<u>3,714</u>	<u>13,148</u>
Fund Balance Appropriated	<u>9,434</u>	<u>-</u>	<u>(9,434)</u>
Net change in fund balance	\$ <u>-</u>	3,714	\$ <u>3,714</u>
Fund Balance:			
Beginning of Year, July 1		<u>9,296</u>	
End of Year, June 30		\$ <u><u>13,010</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, 2019**

	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	331,012	-	331,012	(48,329)
Other Grants					
12-C-2494	397,851	370,616	-	370,616	27,235
Sales Taxes					
12-C-2494	-	2,032	-	2,032	(2,032)
Total Revenues	<u>1,655,534</u>	<u>1,555,431</u>	<u>-</u>	<u>1,555,431</u>	<u>(100,103)</u>
<b>Expenditures</b>					
Economic & community development					
Community Development Block Grant					
12-C-2494	1,179,031	1,127,829	-	1,127,829	(51,202)
12-C-2414	425,000	101,771	-	101,771	(323,229)
2015-I Project	282,683	662,725	-	662,725	380,042
Total Expenditures	<u>1,886,714</u>	<u>1,892,325</u>	<u>-</u>	<u>1,892,325</u>	<u>(5,611)</u>
Revenues Over (Under) Expenditures	<u>(231,180)</u>	<u>(336,894)</u>	<u>-</u>	<u>(336,894)</u>	<u>(105,714)</u>
Other Financing Sources (Uses):					
Transfers in	231,180	336,894	-	336,894	105,714
Transfer in (out)	-	-	-	-	-
Total Other Financing Sources (Uses)	<u>231,180</u>	<u>336,894</u>	<u>-</u>	<u>336,894</u>	<u>105,714</u>
Revenues and Other Financing Sources	\$ <u>-</u>	\$ <u>-</u>	-	\$ <u>-</u>	\$ <u>-</u>
<b>Fund Balance:</b>					
Beginning of Year, July 1			-		
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, 2019**

	2019		Variance Favorable (Unfavorable)
	Budget	Actual	
Revenues			
Restricted intergovernmental	\$	\$ 69,081	\$
Investment earnings		3,100	
Other income		12,822	
Total Revenue	<u>32,681</u>	<u>85,003</u>	<u>52,322</u>
Expenditures			
Public safety		6,720	
Human services		22,048	
Animal control		-	
Library programs		-	
Capital outlay		-	
Total Expenditures	<u>175,701</u>	<u>28,768</u>	<u>146,933</u>
Revenues Over (Under) Expenditures	<u>(143,020)</u>	<u>56,235</u>	<u>199,255</u>
Fund Balance Appropriated	<u>143,020</u>	<u>-</u>	<u>(143,020)</u>
Net change in fund balance	\$ <u><u>-</u></u>	56,235	\$ <u><u>56,235</u></u>
Fund Balance:			
Beginning of Year, July 1		<u>124,449</u>	
End of Year, June 30		\$ <u><u>180,684</u></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, 2019**

	Capital Project Fund - School Fund	Industrial Expansion Capital Project Fund	Total
<b>Assets:</b>			
Cash and cash equivalents	\$ 4,416,902	\$ 3,151	\$ 4,420,053
Accounts receivable, net	823,606	-	823,606
Total Assets	<u>\$ 5,240,508</u>	<u>\$ 3,151</u>	<u>\$ 5,243,659</u>
<b>Liabilities and Fund Balances:</b>			
<b>Current liabilities:</b>			
Accounts payable	\$ -	\$ -	\$ -
Due from other funds	-	-	-
Total liabilities	<u>-</u>	<u>-</u>	<u>-</u>
<b>Deferred Inflows of Resources</b>			
Property taxes receivable	-	-	-
Total deferred inflows of resources	<u>-</u>	<u>-</u>	<u>-</u>
<b>Fund Balances:</b>			
Restricted			
Stabilization by State Statute	823,606	-	823,606
Restricted for schools	4,416,902	-	4,416,902
Committed			
Capital improvements	-	3,151	3,151
Total fund balances	<u>5,240,508</u>	<u>3,151</u>	<u>5,243,659</u>
<b>Total liabilities, deferred inflows of resources, and fund balances</b>	<u>\$ 5,240,508</u>	<u>\$ 3,151</u>	<u>\$ 5,243,659</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, 2019**

	Capital Projects Fund - School Fund	Industrial Expansion Capital Project Fund	Total
<b>Revenues:</b>			
Local option sales taxes	\$ 3,287,412	\$ -	\$ 3,287,412
Restricted intergovernmental	-	-	-
Investment earnings	87,188	66	87,254
Total revenues	<u>3,374,600</u>	<u>66</u>	<u>3,374,666</u>
<b>Expenditures:</b>			
Economic and community development	-	-	-
Education	919,120	-	919,120
Total Expenditures	<u>919,120</u>	<u>-</u>	<u>919,120</u>
Revenues Over (Under) Expenditures	<u>2,455,480</u>	<u>66</u>	<u>2,455,546</u>
<b>Other Financing Sources (Uses):</b>			
Transfers to/from other funds	(2,341,760)	-	(2,341,760)
Total other financing sources (uses)	<u>(2,341,760)</u>	<u>-</u>	<u>(2,341,760)</u>
Net change in Fund Balance	113,720	66	113,786
<b>Fund balances:</b>			
Beginning of Year, July 1	<u>5,126,788</u>	<u>3,085</u>	<u>5,129,873</u>
End of year, June 30	<u>\$ 5,240,508</u>	<u>\$ 3,151</u>	<u>\$ 5,243,659</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, 2019**

	2019		Variance Favorable (Unfavorable)
	Final Budget	Actual	
Revenues:			
Local Option Sales Tax	\$	\$ 3,287,412	\$
Investment earnings		87,188	
Total Revenues	<u>2,194,000</u>	<u>3,374,600</u>	<u>1,180,600</u>
Expenditures:			
Education			
Capital outlay		919,120	
Total Expenditures	<u>958,385</u>	<u>919,120</u>	<u>39,265</u>
Revenues Over (Under) Expenditures	<u>1,235,615</u>	<u>2,455,480</u>	<u>1,219,865</u>
Other Financing Sources (Uses):			
Transfers in (out)		(2,341,760)	
Total Other Financing Sources (Uses)	<u>(3,938,873)</u>	<u>(2,341,760)</u>	<u>(1,597,113)</u>
Revenues and Other Financing Sources Over (Under) Uses	(2,703,258)	113,720	2,816,978
Fund Balance Appropriated	<u>2,703,258</u>	<u>-</u>	<u>(2,703,258)</u>
Net change in fund balance	\$ <u><u>-</u></u>	113,720	\$ <u><u>113,720</u></u>
Fund Balance:			
Beginning of Year, July 1		<u>5,126,788</u>	
End of Year, June 30		\$ <u><u>5,240,508</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, 2019**

	Project Author - ization	Prior Years	Actual Current Year	Total to Date	Variance Favorable (Unfavorable)
<b>Revenues:</b>					
Restricted intergovernmental	\$ 450,000	\$ 447,530	\$ -	\$ 447,530	\$ (2,470)
Investment Earnings	-	1,108	66	1,174	1,174
Total revenues	<u>450,000</u>	<u>448,638</u>	<u>66</u>	<u>448,704</u>	<u>(1,296)</u>
<b>Expenditures:</b>					
Economic and Physical Development	460,477	456,030	-	456,030	4,447
Total expenditures	<u>460,477</u>	<u>456,030</u>	<u>-</u>	<u>456,030</u>	<u>4,447</u>
Revenues over expenditures	<u>(10,477)</u>	<u>(7,392)</u>	<u>66</u>	<u>(7,326)</u>	<u>3,151</u>
<b>Other Financing Sources (Uses):</b>					
Transfers from other funds	10,477	10,477	-	10,477	-
Total other financing sources	<u>10,477</u>	<u>10,477</u>	<u>-</u>	<u>10,477</u>	<u>-</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ 3,085</u>	66	<u>\$ 3,151</u>	<u>\$ 3,151</u>
<b>Fund Balance:</b>					
Beginning of Year, July 1			<u>3,085</u>		
End of Year, June 30			<u>\$ 3,151</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, 2019**

	2019		Variance Positive (Negative)
	Final Budget	Actual	
Revenues:			
Charges for services			
Water Sales	\$	\$ 3,225,568	\$
Water taps		189,609	
Administration fees		2,262	
Other operating revenues		76,737	
Total operating revenues	<u>3,524,105</u>	<u>3,494,176</u>	<u>(29,929)</u>
Nonoperating Revenues			
Federal and state grants		-	
Investment earnings		176,565	
Miscellaneous		69,440	
Total nonoperating revenues	<u>334,567</u>	<u>246,005</u>	<u>(88,562)</u>
Total Revenues	<u>3,858,672</u>	<u>3,740,181</u>	<u>(118,491)</u>
Expenditures:			
Administration expenditures:			
Salaries and employee benefits		748,718	
Other administration expenditures		1,220,071	
Capital Outlay		46,815	
Total administration expenditures	<u>2,038,532</u>	<u>2,015,604</u>	<u>22,928</u>
Operating expenditures:			
Repairs		283,334	
Other operating expenditures		-	
Total operating expenditures	<u>346,509</u>	<u>283,334</u>	<u>63,175</u>
Debt service:			
Principal retirements		1,424,164	
Interest and fees		517,881	
Total debt service	<u>2,102,883</u>	<u>1,942,045</u>	<u>160,838</u>
Total Expenditures	<u>4,487,924</u>	<u>4,240,983</u>	<u>246,941</u>
Revenues Over (Under) Expenditures	<u>(629,252)</u>	<u>(500,802)</u>	<u>128,450</u>
Other Financing Sources and (Uses):			
Transfers in/out	-	-	-
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>
Revenues and Other Sources Over (Under) Expenses and Other Uses	<u>(629,252)</u>	<u>(500,802)</u>	<u>128,450</u>
Appropriated Fund Balance	<u>629,252</u>	<u>-</u>	<u>(629,252)</u>
Revenues, Other Sources and Appropriated Fund Balance Over (Under) Expenditures and Other Uses	<u>\$ -</u>	<u>\$ (500,802)</u>	<u>\$ (500,802)</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, 2019**

	2019		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		\$ (500,802)	
Reconciling items:			
Depreciation		(564,103)	
Capital outlay		46,815	
Debt payments		1,424,164	
Amortization of premium on refunding bonds		19,092	
Amortization of deferred loss on refunding bonds		(10,925)	
(Increase) decrease in accrued vacation pay		3,059	
Increase in other postemployment benefits		(2,068)	
Decrease in net pension liability		(54,964)	
Decrease in deferred outflows of resources - pension		33,999	
Increase in deferred inflows of resources - pension		(20,926)	
Total reconciling items		874,143	
Change in net position		\$ 373,341	

**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, 2019**

	2019		Variance Positive (Negative)
	Final Budget	Actual	
Non-operating Revenues:			
Investment earnings	\$ 517,883	\$ 517,881	\$ (2)
Expenditures:			
Debt service:			
Principal retirements		585,000	
Interest and fees		517,881	
Total Expenditures	<u>1,102,883</u>	<u>1,102,881</u>	<u>2</u>
Revenues Over (Under) Expenditures	<u>(585,000)</u>	<u>(585,000)</u>	<u>-</u>
Other Financing Sources and (Uses):			
Principal received from water district GO bonds		585,000	
Total Other Financing Sources (Uses)	<u>585,000</u>	<u>585,000</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		(585,000)	
Debt principal payment		585,000	
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, 2019**

	2019		Variance Positive (Negative)
	Final Budget	Actual	
Revenues:			
Charges for services	\$ 591,748	\$ 781,882	\$ 190,134
Nonoperating Revenues			
Investment earnings		20,765	
State Grants		426,575	
Miscellaneous		12,703	
Total nonoperating revenues	<u>578,817</u>	<u>460,043</u>	<u>(118,774)</u>
Total Revenues	<u>1,170,565</u>	<u>1,241,925</u>	<u>71,360</u>
Expenditures:			
Salaries and employee benefits		558,192	
Operating expenditures		306,910	
Capital outlay		192,750	
DOT Rural General Public Grant		70,254	
Workfirst transportation assistance		-	
Elderly/Disabled transportation assistance		-	
Total Expenditures	<u>1,201,908</u>	<u>1,128,106</u>	<u>73,802</u>
Revenues Over (Under) Expenditures	<u>(31,343)</u>	<u>113,819</u>	<u>145,162</u>
Other Financing Sources and (Uses):			
Proceeds from sale of capital assets		5,502	
Total Other Financing Sources (Uses)	<u>-</u>	<u>5,502</u>	<u>5,502</u>
Revenues and Other Sources Over (Under) Expenses and Other Uses	<u>(31,343)</u>	<u>119,321</u>	<u>150,664</u>
Appropriated Fund Balance	<u>31,343</u>	<u>-</u>	<u>(31,343)</u>
Revenues, Other Sources and Appropriated Fund Balance Over (Under) Expenditures and Other Uses	<u>\$ -</u>	<u>\$ 119,321</u>	<u>\$ 119,321</u>

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

Revenues, Other Sources and Appropriated Fund Balance Over (Under)	
Expenditures and Other Uses	\$ <u>119,321</u>
Reconciling items:	
Depreciation	(158,418)
Capital outlay	192,750
(Increase) decrease in accrued vacation pay	(5,181)
(Increase) Decrease in other postemployment benefits	(1,426)
(Increase) Decrease in net pension liability	(37,873)
Increase (Decrease) in deferred outflows of resources - pension	30,956
(Increase) Decrease in deferred inflows of resources - pension	<u>(14,419)</u>
Total reconciling items	6,389
Change in net position	\$ <u><u>125,710</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, 2019**

	2019		Variance Positive (Negative)
	Final Budget	Actual	
Revenues:			
Operating revenues			
Sales and rentals	\$	\$ 394,246	\$
User fees		2,440	
Total operating revenues	<u>429,888</u>	<u>396,686</u>	<u>(33,202)</u>
Nonoperating Revenues			
Rental income		110,634	
Investment earnings		4,807	
Miscellaneous		-	
Total nonoperating revenues	<u>117,864</u>	<u>115,441</u>	<u>(2,423)</u>
Total Revenues	<u>547,752</u>	<u>512,127</u>	<u>(35,625)</u>
Expenditures:			
Operating expenditures			
Salaries and employee benefits		214,076	
Purchases		322,760	
Other operating expenditures		214,077	
Total operating expenditures	<u>751,317</u>	<u>750,913</u>	<u>404</u>
Revenues Over (Under) Expenditures	<u>(203,565)</u>	<u>(238,786)</u>	<u>(35,221)</u>
Other Financing Sources and (Uses):			
Sale of capital assets		-	
Transfer from other funds		198,409	
Federal and state grants		-	
Total Other Financing Sources (Uses)	<u>198,409</u>	<u>198,409</u>	<u>-</u>
Revenues and Other Sources Over (Under) Expenses and Other Uses	<u>(5,156)</u>	<u>(40,377)</u>	<u>(35,221)</u>
Appropriated Fund Balance	<u>5,156</u>	<u>-</u>	<u>(5,156)</u>
Revenues, Other Sources and Appropriated Fund Balance Over (Under) Expenditures and Other Uses	<u>\$ -</u>	<u>\$ (40,377)</u>	<u>\$ (40,377)</u>

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

Revenues, Other Sources and Appropriated	
Fund Balance Over (Under)	
Expenditures and Other Uses	\$ <u>(40,377)</u>
Reconciling items:	
Depreciation	(564,103)
(Increase) decrease in accrued vacation pay	(1,638)
Increase in other postemployment benefits	(547)
Grants revenue from capital project	4,672,464
Decrease in net pension liability	(14,549)
Decrease in deferred outflows of resources - pension	11,891
Increase in deferred inflows of resources - pension	<u>(5,539)</u>
Total reconciling items	<u>4,097,979</u>
Change in net position	\$ <u><u>4,057,602</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, 2019**

	2019		Variance Positive (Negative)
	Final Budget	Actual	
Revenues:			
Operating revenues			
Disposal fees	\$	\$ 1,525,035	\$
User fees		1,883,374	
Landfill fees		152,840	
Sale of recyclables		82,129	
Total operating revenues	<u>3,409,947</u>	<u>3,643,378</u>	<u>233,431</u>
Nonoperating Revenues			
Investment earnings		71,857	
Federal grants		3,642	
Disposal tax revenue		137,939	
Miscellaneous		10,075	
Total nonoperating revenues	<u>169,273</u>	<u>223,513</u>	<u>54,240</u>
Total Revenues	<u>3,579,220</u>	<u>3,866,891</u>	<u>287,671</u>
Expenditures:			
Collections		1,603,871	
Disposals		1,646,875	
Recycling		115,333	
Tire Collection		102,521	
Capital outlay		502,001	
White goods		36,731	
Total expenditures	<u>4,425,105</u>	<u>4,007,332</u>	<u>417,773</u>
Revenues Over (Under) Expenditures	<u>(845,885)</u>	<u>(140,441)</u>	<u>705,444</u>
Appropriated Fund Balance	<u>845,885</u>	<u>-</u>	<u>(845,885)</u>
Revenues, Other Sources and Appropriated Fund Balance Over (Under)			
Expenditures and Other Uses	\$ <u>-</u>	\$ <u>(140,441)</u>	\$ <u>(140,441)</u>

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

Revenues, Other Sources and Appropriated Fund Balance Over (Under)	
Expenditures and Other Uses	\$ <u>(140,441)</u>
Reconciling items:	
Depreciation	(316,404)
Capital outlay	502,001
(Increase) decrease in accrued vacation pay	667
(Increase) Decrease in other postemployment benefits	(3,120)
(Increase) Decrease in net pension liability	(82,907)
Increase (Decrease) in deferred outflows of resources - pension	67,762
(Increase) Decrease in deferred inflows of resources - pension	<u>(31,565)</u>
Total reconciling items	136,434
Change in net position	\$ <u><u>(4,007)</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, 2019**

	Project Author - ization	Prior Years	Actual Current Year	Total to Date	Variance Favorable (Unfavorable)
<b>Revenues:</b>					
State grants	\$ 7,744,703	\$ 1,254,184	\$ 4,621,630	\$ 5,875,814	\$ (1,868,889)
Contributions	152,425	101,591	50,834	152,425	-
Investment earnings	-	271	31	302	302
Total revenues	<u>7,897,128</u>	<u>1,356,046</u>	<u>4,672,495</u>	<u>6,028,541</u>	<u>(1,868,587)</u>
<b>Expenditures:</b>					
Parking lot #36	382,920	354,924	18,190	373,114	9,806
State RW Wide/Overlay	5,496,409	535,689	4,779,408	5,315,097	181,312
State Grant Obstruction/Clearing	2,017,799	123,880	496,716	620,596	1,397,203
Total expenditures	<u>7,897,128</u>	<u>1,014,493</u>	<u>5,294,314</u>	<u>6,308,807</u>	<u>1,588,321</u>
Revenues over expenditures	<u>-</u>	<u>341,553</u>	<u>(621,819)</u>	<u>(280,266)</u>	<u>(280,266)</u>
<b>Other Financing Sources (Uses):</b>					
Transfers from other funds	<u>-</u>	<u>29</u>	<u>(29)</u>	<u>-</u>	<u>-</u>
Total other financing sources	<u>-</u>	<u>29</u>	<u>(29)</u>	<u>-</u>	<u>-</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ 341,582</u>	<u>(621,848)</u>	<u>\$ (280,266)</u>	<u>\$ (280,266)</u>
<b>Fund Balance:</b>					
Beginning of Year, July 1			<u>341,582</u>		
End of Year, June 30			<u>\$ (280,266)</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, 2019**

	2019		Variance Favorable (Unfavorable)
	Final Budget	Actual	
Revenues			
Investment earnings	\$	\$ 14,115	\$ 14,115
Total revenues	-	14,115	14,115
Expenditures:			
Debt service			
Principal retirement		2,029,736	
Interest and fees		2,634,830	
Bond Issuance Costs		1,250	
Total expenditures	4,664,568	4,665,816	1,248
Revenues over (under) expenditures	(4,664,568)	(4,651,701)	12,867
Other Financing Sources and (Uses):			
Transfers from other funds		4,666,357	
Total Other Financing Sources (Uses)	4,664,568	4,666,357	(1,789)
Net change in fund balance	\$ -	14,656	\$ 14,656
Fund Balance:			
Beginning of Year, July 1		618,752	
End of Year, June 30		\$ 633,408	

## 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, 2019**

	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	\$ 43,718	\$ 143,582	\$ 49,139	\$ 10,790	\$ 63,167	\$ 310,396
Miscellaneous receivables	104,018	-	-	-	-	104,018
Due from other governments	38,903	-	-	427	-	39,330
Due from other funds	-	-	-	32	-	32
Total Assets	<u>\$ 186,639</u>	<u>\$ 143,582</u>	<u>\$ 49,139</u>	<u>\$ 11,249</u>	<u>\$ 63,167</u>	<u>\$ 453,776</u>
<b>Liabilities</b>						
Miscellaneous liabilities	-	\$ 143,582	\$ 49,139	\$ 11,249	\$ 63,167	\$ 267,137
Due to other governments	186,638	-	-	-	-	186,638
Total liabilities	<u>\$ 186,638</u>	<u>\$ 143,582</u>	<u>\$ 49,139</u>	<u>\$ 11,249</u>	<u>\$ 63,167</u>	<u>\$ 453,775</u>

**Duplin County, North Carolina**  
**Agency Funds**  
**Combining Statement of Changes in Assets and Liabilities**  
**For the Fiscal Year Ended June 30, 2019**

	Balance July 1, 2018	Additions	Deductions	Balance June 30, 2019
<b>Ad Valorem and Motor Vehicle Tax Fund</b>				
Assets				
Cash and cash equivalents	19,602	1,957,330	1,933,214	43,718
Miscellaneous receivables	95,383	86,640	58,354	104,018
Due from other governments	37,458	2,056,463	2,055,018	38,903
Total Assets	<u>\$ 152,443</u>	<u>\$ 4,100,433</u>	<u>\$ 4,046,586</u>	<u>\$ 186,639</u>
Liabilities				
Due to other governments	152,443	334,780	388,627	186,638
Total Liabilities	<u>\$ 152,443</u>	<u>\$ 334,780</u>	<u>\$ 388,627</u>	<u>\$ 186,638</u>
<b>County Agency Fund</b>				
Assets				
Cash and cash equivalents	110,166	1,226,752	1,193,336	143,582
Miscellaneous receivables	-	30	30	-
Total Assets	<u>\$ 110,166</u>	<u>\$ 1,226,782</u>	<u>\$ 1,193,366</u>	<u>\$ 143,582</u>
Liabilities				
Miscellaneous liabilities	110,166	1,653,322	1,686,738	143,582
Due to other fund	-	4,200	4,200	-
Total Liabilities	<u>\$ 110,166</u>	<u>\$ 1,657,522</u>	<u>\$ 1,690,938</u>	<u>\$ 143,582</u>
<b>Social Services Fund</b>				
Assets				
Cash and cash equivalents	86,995	56,827	94,683	49,139
Miscellaneous receivables				
Due from other governments				
Total Assets	<u>\$ 86,995</u>	<u>\$ 56,827</u>	<u>\$ 94,683</u>	<u>\$ 49,139</u>
Liabilities				
Miscellaneous liabilities	86,995	133,373	95,517	49,139
Total Liabilities	<u>\$ 86,995</u>	<u>\$ 133,373</u>	<u>\$ 95,517</u>	<u>\$ 49,139</u>
<b>Register of Deeds Trust Fund</b>				
Assets				
Cash and cash equivalents	19,396	124,655	133,261	10,790
Due from other funds	28	32	28	32
Due from other governments	-	113,528	113,101	427
Total Assets	<u>\$ 19,424</u>	<u>\$ 238,215</u>	<u>\$ 246,390</u>	<u>\$ 11,249</u>
Liabilities				
Miscellaneous liabilities	19,424	86,582	78,407	11,249
Total Liabilities	<u>\$ 19,424</u>	<u>\$ 86,582</u>	<u>\$ 78,407</u>	<u>\$ 11,249</u>
<b>Board of Education Fines and Forfeitures Fund</b>				
Assets				
Cash and cash equivalents	-	64,566	1,399	63,167
Due from other funds	-	182	182	-
Total Assets	<u>\$ -</u>	<u>\$ 64,748</u>	<u>\$ 1,581</u>	<u>\$ 63,167</u>
Liabilities				
Miscellaneous liabilities	-	2,225	65,392	63,167
Due to other fund	-	17	17	-
Total Liabilities	<u>\$ -</u>	<u>\$ 17</u>	<u>\$ 17</u>	<u>\$ 63,167</u>
<b>Totals - All Agency Funds</b>				
Assets				
Cash and cash equivalents	236,159	3,430,130	3,355,893	310,396
Miscellaneous receivables	95,383	86,670	58,384	104,018
Due from other governments	37,458	2,169,991	2,168,119	39,330
Due from other funds	28	4,414	4,410	32
Total Assets	<u>\$ 369,028</u>	<u>\$ 5,686,791</u>	<u>\$ 5,582,396</u>	<u>\$ 453,776</u>
Liabilities				
Miscellaneous liabilities	216,585	1,875,502	1,926,054	267,137
Due to other funds	-	4,217	4,217	-
Due to other governments	152,443	334,780	388,627	186,638
Total Liabilities	<u>\$ 369,028</u>	<u>\$ 2,214,499</u>	<u>\$ 2,318,898</u>	<u>\$ 453,775</u>

**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, 2019**

	2019		<b>Variance</b> Positive (Negative)
	Final Budget	Actual	
Revenues:			
Operating Revenues			
Charges for services	\$	\$ 5,041,268	\$
Total operating revenues	<u>5,376,000</u>	<u>5,041,268</u>	<u>(334,732)</u>
Nonoperating Revenues			
Interest on Investments		33,744	
Total nonoperating revenues	<u>-</u>	<u>33,744</u>	<u>33,744</u>
Total Revenues	<u>5,376,000</u>	<u>5,075,012</u>	<u>(300,988)</u>
Expenditures:			
Operating expenditures		5,105,860	
Total	<u>5,376,000</u>	<u>5,105,860</u>	<u>270,140</u>
Revenues Over (Under) Expenditures	<u>-</u>	<u>(30,848)</u>	<u>(30,848)</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	<u>-</u>	<u>(30,848)</u>	<u>(30,848)</u>
Fund Balance Appropriated	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balance	<u>\$ -</u>	<u>(30,848)</u>	<u>\$ (30,848)</u>
Fund Balance:			
Beginning of Year, July 1		<u>1,330,302</u>	
End of Year, June 30		<u>\$ 1,299,454</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, 2019

Fiscal Year	Uncollected Balance June 30, 2018	Additions	Collections And Credits	Uncollected Balance June 30, 2019
2018-2019	\$ -	\$ 31,392,505	\$ 30,574,258	\$ 818,247
2017-2018	891,453	-	579,659	311,794
2016-2017	473,380	-	300,381	172,999
2015-2016	172,919	-	84,014	88,905
2014-2015	97,671	-	41,699	55,972
2013-2014	106,624	-	25,804	80,820
2012-2013	89,954	-	14,740	75,214
2011-2012	68,492	-	3,609	64,883
2010-2011	68,798	-	10,580	58,218
2009-2010	62,723	-	10,359	52,364
2008-2009	71,941	-	69,279	2,662
<b>TOTALS</b>	<b>\$ 2,103,955</b>	<b>\$ 31,392,505</b>	<b>\$ 31,714,382</b>	<b>\$ 1,782,078</b>
Less: Allowance for uncollectable taxes				<u>(650,334)</u>
Ad valorem taxes, net - General Fund				<u>\$ 1,131,744</u>
<u>Reconciliation with revenues:</u>				
Ad valorem taxes - General Fund				\$ 31,213,515
Reconciling items:				
Penalties and Interest				(298,882)
Discounts Allowed				285,132
Property Tax Allocated to the Revaluation Fund				155,000
Releases and Refunds				359,617
Total Reconciling Items				<u>500,867</u>
Total Collections and Credits				<u>\$ 31,714,382</u>



Duplin County, North Carolina  
**Analysis of Current Tax Levy**  
**County - Wide Levy**  
For the Fiscal Year Ended June 30, 2019

	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	\$ 4,508,749,353	0.6950%	\$ 31,335,808	\$ 28,019,467	\$ 3,316,341
Total Original Levy	<u>4,508,749,353</u>		<u>31,335,808</u>	<u>28,019,467</u>	<u>3,316,341</u>
Discoveries:					
Current year taxes	<u>30,255,683</u>	0.6950%	<u>210,277</u>	<u>210,277</u>	<u>-</u>
Total Discoveries	<u>30,255,683</u>		<u>210,277</u>	<u>210,277</u>	<u>-</u>
Abatements					
Current Year Taxes	<u>(22,097,842)</u>	0.6950%	<u>(153,580)</u>	<u>(153,580)</u>	<u>-</u>
Total Abatements	<u>(22,097,842)</u>		<u>(153,580)</u>	<u>(153,580)</u>	<u>-</u>
Total for Year	<u>\$ 4,516,907,194</u>		31,392,505	28,076,164	3,316,341
Uncollected taxes at June 30, 2019			<u>818,247</u>	<u>818,247</u>	<u>-</u>
Current year's taxes collected			<u>\$ 30,574,258</u>	<u>\$ 27,257,917</u>	<u>\$ 3,316,341</u>
Current levy collection percentage			<u>97.39%</u>	<u>97.09%</u>	<u>100.00%</u>

Duplin County, North Carolina  
**Analysis of Current Tax Levy**  
**County - wide Levy**  
For the Fiscal Year Ended June 30, 2019

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**Secondary Market Disclosures:**

Assessed Valuation:

Assessment Ratio <sup>1</sup>	100 %
Real Property	\$ 3,325,332,975
Personal Property <sup>3</sup>	1,040,628,255
Public Service Companies <sup>2</sup>	<u>150,945,964</u>
Total Assessed Valuation	<u>4,516,907,194</u>
Tax Rate per \$100	0.00695
Levy (includes discoveries, releases and abatements) <sup>3</sup>	<u><u>\$ 31,392,505</u></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	64,322
Glisson	153,999
Sarecta	93,202
East Duplin	99,196
Albertson	91,602
Stacy Britt	141,612
Franklin	25,180
Northeast	<u>179,796</u>
	<u><u>\$ 848,908</u></u>

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
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
2019	3,325,332,975	1,040,628,255	150,945,964	4,516,907,194	0.715

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>	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
<b>Duplin County</b>	0.6900	0.6900	0.7100	0.7100	0.7200	0.7300	0.7300	0.730	0.695	0.715
<b>Municipality Rates:</b>										
Beulaville	0.4400	0.4400	0.4400	0.4400	0.4400	0.4400	0.4400	0.440	0.44	0.44
Calypso	0.4700	0.4700	0.4700	0.4700	0.4700	0.4700	0.4700	0.470	0.47	0.47
Faison	0.5300	0.5300	0.5300	0.5300	0.5300	0.5300	0.5300	0.530	0.53	0.53
Greenevers	0.2500	0.3000	0.3000	0.3000	0.3000	0.3000	0.3000	0.300	0.30	0.3
Kenansville	0.3950	0.3950	0.3900	0.4200	0.4500	0.4500	0.4500	0.470	0.47	0.47
Magnolia	0.6500	0.6500	0.6500	0.6600	0.6600	0.6600	0.6600	0.660	0.66	0.66
Rose Hill	0.6400	0.6400	0.6400	0.6400	0.6900	0.6900	0.6900	0.750	0.75	0.75
Teachey	0.4500	0.4500	0.4500	0.4500	0.4500	0.4500	0.4500	0.450	0.45	0.45
Wallace	0.5600	0.5600	0.5600	0.5600	0.5600	0.5600	0.5900	0.590	0.59	0.62
Warsaw	0.5500	0.5500	0.5500	0.5500	0.5500	0.5500	0.5500	0.550	0.55	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	0.05	0.05
Glisson	0.0650	0.0650	0.0650	0.0650	0.0650	0.0650	0.0650	0.0650	0.065	0.065
Sarecta	0.0550	0.0550	0.0550	0.0550	0.0550	0.0550	0.0550	0.0550	0.055	0.055
East Duplin	0.0525	0.0458	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	0.075	0.075
Stacy Britt	0.0650	0.0630	0.0630	0.0630	0.0630	0.0630	0.0630	0.0630	0.063	0.063
Franklin	0.0800	0.0800	0.0800	0.0750	0.0750	0.0750	0.0800	0.0800	0.08	0.08
Northeast	0.0400	0.0400	0.0400	0.0400	0.0400	0.0400	0.0400	0.0400	0.06	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, 2019			Year Ended June 30, 2010		
		Assessed Value	Rank	Percentage of Total Taxable Assessed Value	Assessed Value	Rank	Percentage of Total Taxable Assessed Value
Butterball LLC	Poultry Processing	\$ 171,784,024	1	3.80%	91,890,704	2	17.04%
Smithfield	Livestock	145,351,857	2	3.22%	96,190,524	1	17.84%
House of Raeford	Livestock	142,223,906	3	3.15%	42,393,605	6	7.86%
Duke Energy Progress	Utility	62,817,359	4	1.39%	38,492,909	7	7.14%
Guilford Mills	Textiles	50,044,647	5	1.11%	27,802,536	9	5.16%
Duplin Land Development	Real Estate	45,680,452	6	1.01%	81,183,974	3	15.05%
United State Cold Storage	Distribution	37,930,567	7	0.84%			
Murphy Family Ventures	Livestock	40,952,224	8	0.91%	42,938,954	5	7.96%
Nash Johnson & Sons	Livestock	46,037,575	9	1.02%	46,739,959	4	8.67%
Four County EMC	Utility	27,452,120	10	0.61%			
Coastal Carolina Green Power	Utility	-		0.00%	34,090,555	8	6.32%
Case Farms, LLC	Livestock	-		-	24,332,148	10	4.51%
		<u>\$ 770,274,731</u>		<u>17.05%</u>	<u>\$ 501,723,720</u>		<u>93.04%</u>

Source: Duplin County Tax Office

Duplin County, North Carolina  
Ratios of Outstanding Debt by Type  
Last Ten Years  
Table 9

<i>June 30,</i>	Governmental Activities				Business-type Activities				Total Primary Government
	Certificates of Participation	General Obligation Bonds	Limited Obligation Bonds	Notes Payable	General Obligation Water Bonds	Notes Payable	Capital Leases	Limited Obligation Bonds	
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
2019	-	-	47,385,000	9,309,757	-	3,470,513	-	12,690,000	72,855,270
	Total Debt as a Percentage of Personal Income								
<i>June 30,</i>		Per Capita							
2010	2.22%	643							
2011	2.41%	664							
2012	2.22%	614							
2013	1.92%	559							
2014	2.72%	781							
2015	1.55%	479							
2016	1.58%	486							
2017	4.59%	1,512							
2018	4.48%	1,448							
2019	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

June 30,	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
General Bonded Debt Outstanding:										
General Obligation Bonds	\$ 19,500,200	\$ 18,686,000	\$ 17,868,500	\$ 17,043,300	\$ 15,915,000	\$ -	\$ -	\$ -	\$ -	\$ -
Percentage of Estimated Actual Property Value	0.62%	0.50%	0.48%	0.45%	0.41%	0.00%	0.00%	0.00%	0.00%	0.00%
Per Capita	\$ 343.25	\$ 325.35	\$ 304.53	\$ 285.98	\$ 265.10	\$ -	\$ -	\$ -	\$ -	\$ -
Assessed Value of Taxable Property	\$ 3,161,675,064	\$ 3,727,688,840	\$ 3,744,879,855	\$ 3,798,087,324	\$ 3,920,815,776	\$ 4,089,376,111	\$ 4,052,372,329	\$ 4,206,724,579	\$ 4,516,907,194	\$ 4,516,907,194
	X 8%	X 8%	X 8%	X 8%	X 8%	X 8%	X 8%	X 8%	X 8%	X 8%
Debt Limit - 8 Percent of Assessed Value (Statutory Limitation G.S. 159-55)	252,934,005	298,215,107	299,590,388	303,846,986	313,665,262	327,150,089	324,189,786	336,537,966	361,352,576	361,352,576
Gross Debt:										
General Obligation Bonds	18,686,000	17,868,500	17,043,300	15,915,000	-	-	-	-	-	-
Limited Obligation Bonds	-	-	-	15,915,000	15,843,587	15,314,495	75,289,654	72,566,849	62,435,000	60,075,000
Certificates of Participation	6,754,147	5,451,317	4,083,487	2,655,657	1,357,827	-	-	-	-	-
Notes Payable	12,310,020	11,928,304	11,651,469	12,035,001	11,530,441	13,895,945	13,474,404	13,085,759	13,805,981	12,780,270
Capital Leases	-	-	-	-	-	-	-	-	-	-
Total gross debt	37,750,167	35,248,121	32,778,256	46,520,658	28,731,855	29,210,440	88,764,058	85,652,608	76,240,981	72,855,270
Less: Debt Incurred for Water Activities	18,712,457	18,253,021	17,774,524	33,541,577	17,203,014	19,198,124	18,402,285	17,631,608	17,584,676	16,160,513
Total Debt Applicable to Debt Limit (Net Debt)	19,037,710	16,995,100	15,003,732	12,979,081	11,528,841	10,012,316	70,361,773	68,021,000	58,656,305	56,694,757
Legal Debt Margin	\$ 233,896,295	\$ 281,220,007	\$ 284,586,656	\$ 290,867,905	\$ 302,136,421	\$ 317,137,773	\$ 253,828,013	\$ 268,516,966	\$ 302,696,271	\$ 304,657,819
Total Debt Applicable to the Limit as a Percentage of the Debt Limit	7.53%	5.70%	5.01%	4.27%	3.68%	3.06%	21.70%	20.21%	16.23%	15.69%

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
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%
2019	58,741	1,978,665,000	19,455	9,877	611	4.0%

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

2019				2010			
Employer	(1) Approximate Employees	Rank	Percentage of Total Employment	Employer	(1) Approximate Employees	Rank	Percentage of Total Employment
Butterball LLC	1000+	1	5.00%	Butterball, Inc.	1000+	1	5%
Smithfield Foods, Inc.	1000+	2	5.00%	Smithfield Foods, Inc.	1000+	2	5%
House of Raeford Inc.	1000+	3	5.00%	House of Raeford Inc.	1000+	3	N/A
Duplin County Schools	1000+	4	5.00%	Duplin County Schools	1000+	4	
Murphy Family Ventures LLC	500-999	5	3.00%	Murphy Family Ventures LLC	500-999	5	3%
Duplin County Government	500-999	6	3.00%	Duplin County Government	500-999	6	5%
Guilford Mills, Inc.	500-999	7	3.00%	Guilford Mills, Inc.	500-999	7	5%
Vidant Medical Center	250-499	8	2.00%	Bay Valley Foods LLC	250-499	8	N/A
Johnson Breeders, Inc.	250-499	9	2.00%	Johnson Breeders Inc.	250-499	9	3%
Bay Valley Foods LLC	250-499	10	2.00%	Duplin General Hospital	250-499	10	N/A
	-		35.00%		-		26.00%
<b>Total employment (2)</b>	<b>23,911</b>				<b>23,312</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 1 of 2

Function/Program	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
<b>General Government:</b>										
Governing Board	6	6	6	6	6	5	5	5	5	5
Attorney	2	2	2	3	3	3	3	3	3	3
Finance	7	7	7	7	7	7	8	8	8	8
Tax Administration	16	16	15	15	16	16	16	16	16	16
Elections	4	4	4	4	3	3	3	3	3	3
Register of Deeds	6	6	6	6	6	5	5	5	5	5
County Manager	3	3	3	3	3	3	2	2	2	2
Personnel	2	2	2	3	3	3	3	3	3	3
Information Technology	5	7	7	7	6	8	9	9	9	9
Garage	3	3	3	3	3	3	4	4	4	4
Building Maintenance	8	9	9	9	9	9	9	9	9	9
Housekeeping	8	8	8	7	8	8	8	8	8	8
<b>Public Safety:</b>										
Sheriff	51	51	49	49	51	51	51	51	51	51
Court Facilities	2	2	2	2	2	2	2	2	2	2
Communications	22	22	23	22	23	24	28	28	28	28
Faison Substation	3	3	3	2	2	2	2	2	2	2
School Resource Officers	9	9	9	9	16	16	16	16	16	16
Department of Justice Alien Grant	0	0	0	0	0	0	0	0	0	0
Calypso Substation	1	0	0	0	0	0	0	0	0	0
Federally Seized Assets	0	0	0	0	0	0	0	0	0	0
Jail	27	28	28	32	32	35	35	35	35	35
Jail Annex	0	0	0	0	0	0	9	9	9	9
JSCC-School Resource Officer	1	1	0	0	0	0	0	0	0	0
Emergency Management	2	2	2	2	2	2	2	2	2	2
Fire Marshall	2	2	2	1	1	1	1	1	1	1
Building Inspections	4	3	4	4	4	4	4	4	4	4
Emergency Medical Services	69	70	74	74	74	74	73	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	4	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	0	0	0	0
Tourism Development	2	2	2	2	2	2	2	2	2	2
JCPC-Duplin Parenting	1	1	1	1	1	0	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
<b>Human Services:</b>										
Health	35	34	32	32	34	35	37	37	37	37

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

Table 13  
 Page 2 of 2

Function/Program	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Environmental Health	7	7	6	6	6	6	6	6	6	6
Healthy Beginnings	0	0	1	1	1	0	0	0	0	0
Smart Start Child Care	1	1	0	0	0	0	0	0	0	0
Dental Program	2	3	4	4	5	2	2	2	2	2
Bioterrorism	0	0	0	0	0	0	0	0	0	0
County Wellness	1	0	1	2	0	2	1	1	1	1
Health and Wellness Grant	2	2	2	0	2	0	0	0	0	0
Cap Fear Chronic Disease Grant	1	1	0	0	0	0	0	0	0	0
Community Health	1	1	1	0	0	0	0	0	0	0
Pregnancy Care Management	0	0	0	1	1	1	0	0	0	0
Maternal Care Coordination	0	0	1	0	0	0	0	0	0	0
Maternal Health	1	1	1	1	1	1	1	1	1	1
Family Planning	1	1	0	0	0	0	0	0	0	0
WIC	0	10	10	10	10	10	8	8	8	8
Child Health	2	2	2	2	2	2	2	2	2	2
Interpretor Grant	1	1	0	0	0	0	0	0	0	0
CCHC	0	0	0	0	0	0	1	1	1	1
Social Services Administration	115	115	110	110	110	110	118	118	118	118
Social Services Security	1	1	0	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	0	0	0	0	0	0
Social Services Building	2	1	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	6	6	6	8	8	8	8
Senoir Center	1	1	0	0	0	0	0	0	0	0
Family Caregiver	1	1	1	1	1	1	0	0	0	0
Veteran's Service Officer	1	1	1	2	3	3	3	3	3	3
Nutrition Homebound Meals	1	1	1	1	1	1	1	1	1	1
Nutrition	5	5	5	5	5	5	5	5	5	5
<b>Cultural and Recreational:</b>										
Library	11	11	11	11	13	13	12	12	12	12
Parkes and Recreation	3	3	3	2	3	3	3	3	3	3
Events Center	0	3	3	3	3	2	2	2	2	2
Museum	1	1	1	0	1	1	1	1	1	1
<b>Water:</b>										
County Water	13	13	13	13	13	13	13	13	13	13
<b>Transportation</b>	14	23	20	15	19	16	17	17	17	17
<b>Airport</b>	3	3	3	3	3	3	3	3	3	3
<b>Solid Waste:</b>										
Solid Waste Collections	26	27	27	27	29	29	29	29	29	29
Solid Waste Disposal	3	3	4	4	5	5	5	5	5	5
Solid Waste Recycling	2	2	2	2	3	3	3	3	3	3
<b>Totals</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>	<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	2019
<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	17,017.96
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	93,426.42
<b>EMS:</b>										
Transports	5274	5510	5702	6097	9056	6875	7938	6279	5973	5437
<b>Environmental Health:</b>										
Well Permits Issued	27	31	N/A	44	83	37	89	116	69	75
Food & Lodging Inspections	218	202	N/A	146	731	472	771	801	721	732
On Site Evaluations	109	70	N/A	117	316	210	293	358	309	414
Other Permits/Inspections	246	203	N/A	407	423	740	956	1086	990	1080
<b>Inspections:</b>										
Building Inspections	4311	6618	7589	7019	6511	6624	6279	9256	7848	14400
Mobile/Modular Homes	279	231	303	269	232	248	227	259	248	332
New Dwellings (Residential)	67	59	42	64	43	42	44	50	46	51
Multi-Family Dwellings	0	0	15	27	24	13	30	41	51	44
Commercial	32	33	N/A	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	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	2019
<b>Health Department:</b>										
Primary Care Physicals	122	71	N/A	95	474	6702	5653	462	686	577
Primary Care Treatments	1335	1021	N/A	1279	5212	8299	7207	6347	5420	5371
Family Planning Physicals	325	184	N/A	255	686	1703	1258	1167	1189	1100
Maternal Health Patients	656	382	N/A	679	313	1189	1449	1491	1312	1392
Maternal Health Patients (non-english speaking)	513	281	N/A	479	219	N/A	N/A	N/A	0	0
Maternal Health Visits	875	486	N/A	700	1733	2166	2637	1697	1486	1599
Child Health Physicals	451	293	N/A	408	1035	1050	1108	942	1166	1083
Medications Dispensed	1340	1046	N/A	1262	2999	421	1688	N/A	0	0
Immunizations Provided	2986	1310	N/A	1965	3117	3211	3149	7028	6334	6144
Dental Services Provided	N/A	339	N/A	599	1258	572	190	114	0	0
WIC number seen	N/A	927	N/A	3913	20346	7987	12249	20689	21072	20179
TB Cases/Suspects	12	15	N/A	6	7	312	19	10	11	7
TB Skin Test	412	324	N/A	267	342	83	0	N/A	0	0
STD/CD	88	76	N/A	107	661	842	704	523	655	823
HIV/AIDS	14	2	N/A	10	N/A	0	0	N/A	0	0
<b>Register of Deeds:</b>										
Marriage License Issued	331	356	298	336	322	324	309	325	305	275
Death Certificates Issued	2418	2404	2560	2306	2349	2200	2039	1840	2202	1689
Birth Certificates Issued	2245	1980	2304	2183	2220	2097	2073	2237	2222	2513
<b>Sheriff:</b>										
Number of Vehicles	71	76	73	73	83	95	90	95	95	95
Number of Officers/Jailers	80	80	75	83	92	96	109	100	100	100
Civil papers processed	6497	6525	6332	6137	6220	5795	6545	6096	5874	5558
<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	\$6,326,791	\$6,125,683

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	2019
<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	26,215.83	27,212.29
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	4,837.41	5,276.93
Tires	766.17	738.58	595.00	579.23	613.27	746.50	588.15	601.22	664.75	733.17
Oil	6,582.00	9,088.00	10,489.00	8,531.00	16,913.00	6,046.00	2,664.00	-	0	0
Mixed Recycle	114.14	112.82	107.68	112.47	115.50	100.43	108.25	103.53	58.8	0.93
Glass	144.61	137.50	161.14	140.98	150.40	121.73	136.69	131.16	152.63	116.34
Cardboard	468.35	441.72	474.23	254.26	227.94	339.86	328.22	140.47	121.24	144.23
Plastics	165.53	87.89	73.04	60.95	55.52	51.57	54.13	50.77	50.47	51.66
Mixed Paper	222.88	202.70	184.85	174.97	173.11	157.12	153.01	180.83	183.48	167.1
Cans	35.96	34.48	29.06	26.14	25.50	22.56	25.29	24.51	25.41	18.68
<b>Water:</b>										
Residential Customers	6,279	6,363	6,460	6,541	6,667	6,850	6,840	6,961	7,045	7,092
Commerical Customers	100	110	115	115	115	113	131	135	144	140
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	653,840,000	709,149,000
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	367,573,000	360,562,000
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	168,996,000	194,447,000

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	2019
<b>General Government:</b>										
Number of Buildings	9	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	\$ 8,905,194
<b>Public Safety:</b>										
Number of patrol vehicles	68	73	69	69	74	77	90	90	89	89
Volunteer Fire Depts	24	24	24	24	24	24	24	24	24	24
Number of EMS stations	8	8	8	8	8	8	8	8	8	8
Number of ambulances	13	13	13	13	14	14	14	14	14	14
Number of jail beds	98	98	98	98	98	98	98	118	118	118
<b>Cultural &amp; Recreational:</b>										
Number of Parks	1	1	1	1	1	1	1	1	1	1
Number of libraries	6	6	6	6	6	6	6	6	6	6
<b>Enterprise Funds:</b>										
Solid Waste convenience sites	15	15	15	15	15	15	15	15	15	15
Number of Water Tanks	12	12	12	12	12	12	12	12	12	12
Number of Water pumping sites	15	15	15	15	15	15	15	15	15	15
Number of Transportation vehicles	14	15	14	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 unit, each major fund, and the aggregate remaining fund information of Duplin County, as of and for the year ended June 30, 2019, 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 25, 2020. 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 Duplin County's internal control. Accordingly, we do not express an opinion on the effectiveness of the County's internal control.

Our consideration of internal control was for limited purpose described in the preceding paragraph 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. However, as described in the accompanying schedule of findings and questioned costs, we did identify certain deficiencies in internal control that we consider to be material weaknesses and significant deficiencies.

*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 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. We consider the deficiencies described in the accompanying schedule of findings and questioned costs to be a material weakness, listed as 2019-002.

*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. We consider the deficiencies described in the accompanying schedule of findings and questioned costs to be a significant deficiency, listed as 2019-001.

### **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 as items, listed as 2019-002.

### **Duplin County's Response to Findings**

Duplin County's responses to the findings identified in our audit are 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 the financial statements and, accordingly, we express no opinion on it.

### **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*  
Wilmington, North Carolina  
June 25, 2020



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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's 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, 2019. Duplin County's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

#### **Management's Responsibility**

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

#### **Auditors' Responsibility**

Our responsibility is to express an opinion on compliance for each of 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 OMB 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.

### **Basis for Qualified Opinion on Medical Assistance Program**

As described in the accompanying schedule of findings and questioned costs, Duplin County did not comply with requirements regarding the CFDA 93.778 Medical Assistance Program as described in finding number 2019-002 for Eligibility. Compliance with such requirements is necessary, in our opinion, for Duplin County to comply with the requirements applicable to that program.

### **Qualified Opinion on Medical Assistance Program**

In our opinion, except for the noncompliance described in the Basis for Qualified Opinion paragraph, 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 the Medical Assistance Program for the year ended June 30, 2019.

### **Unmodified Opinion the Other 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 its other major federal programs identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs for the year ended June 30, 2019.

### **Other Matters**

The results of our auditing procedures disclosed instances of noncompliance, which are required to be reported in accordance with OMB Uniform Guidance and which are described in the accompanying schedule of findings and questioned costs as items 2019-002. 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.

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

*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. We consider the deficiencies in internal control over compliance described in the accompanying schedule of findings and questioned costs as item 2019 – 002 to be a material weakness.

*A significant deficiency in internal control over compliance* is a deficiency, or a 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.

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

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

*Thompson, Price, Scott, Adams & Co., PA*  
Wilmington, North Carolina  
June 25, 2020



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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, 2019. 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 the requirements of laws, regulations, contracts, and grants applicable to its state programs.

**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, 2019.

## **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*

*Wilmington, North Carolina*

*June 25, 2020*





DUPLIN COUNTY, NORTH CAROLINA  
Schedule of Findings and Questioned Costs  
For the Year Ended June 30, 2019

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**Section II – Financial Statement Findings**

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SIGNIFICANT DEFICIENCY

Finding: 2019 – 001 Timeliness of Audit Report Submission

Criteria: The June 30, 2019 audit was submitted passed the required due date. This is a violation of G.S. 159-34.

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

Context: The County had a cyber-attack that delayed the assembly of financial information. This delayed the completion of the County's audit.

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

Identification of a repeat finding: This is a repeat finding from the immediate previous audit, 2018-001.

Cause: A cyber-attack delayed the assembly of financial information.

Recommendation: The county has implemented security features to prevent this in the future.

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

MATERIAL WEAKNESS

Finding: 2019 – 002 See Federal  
Findings

DUPLIN COUNTY, NORTH CAROLINA  
Schedule of Findings and Questioned Costs  
For the Year Ended June 30, 2019

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

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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: 2019 – 002

**MATERIAL WEAKNESS  
MATERIAL NONCOMPLIANCE**

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 twenty four 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. The errors were as follows: Two (2) did not have child support referrals completed, Eight (8) did not have accurate budget calculations in NC FAST, Eight (8) lacked sufficient required documentation, Four (4) did not have accurate resource calculations, Two (2) contained inaccurate family size calculations

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

Context: We examined 60 Medicaid applicants to re-determine eligibility. These findings were disclosed in a separately issued report to the North Carolina Department of Health and Human Services 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.

Identification of a repeat finding: This is a repeat finding from the immediate previous audit, 2018-002. Although, the finding is different than that in 2018, but still involves the Medicaid intake process.

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.

**SIGNIFICANT DEFICIENCY**

Finding: 2019 – 001 See Financial Statement Findings

DUPLIN COUNTY, NORTH CAROLINA  
Schedule of Findings and Questioned Costs  
For the Year Ended June 30, 2019

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

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None.

# County of Duplin

## Board of Commissioners

Kennedy L Thompson, Chairman  
Jesse L. Dowe III., Vice Chairman  
Dexter Edwards  
Doug Grady  
Jesse H Ladson



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Davis H. Brinson, County Manager

Corrective Action Plan  
June 30, 2019

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### Section II – Financial Statement Findings

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Finding 2019 – 001      Name of contact person: Tracy Chestnutt, Finance Officer  
  
Corrective Action: The county will ensure timeliness of required filings.  
  
Proposed Completion Date: Immediately.

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

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Finding 2019 – 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, 2019

Finding: 2018-002  
Status: Still occurring in different versions of issues related to the Medicaid intake process.

Finding: 2018-001  
Status: Still occurring.

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, 2019**

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
<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		585,012	29,618	-	555,394
Passed-through the N.C. Dept. of Health and Human Services: Division of Public Health: Administration:						
Special Supplemental Nutrition Program for Women, Infants, & Children (Note 5) Total U.S. Department of Agriculture	10.557		421,113	-	-	-
			1,006,125	29,618	-	555,394
<u>U.S. Dept. of Transportation</u>						
Passed-through the N.C. Department of Transportation:						
Formula Grants for Rural Areas	20.509	36233.35.19.1	181,741	-	-	-
Airport Improvement Program	20.106	36237.13.14.1	16,758	-	-	-
Total U.S. Dept. of Transportation			198,499	-	-	-
<u>U. S. Department of Homeland Security</u>						
Passed-through N.C. Dept. of Public Safety:						
Crime Victim Compensation	16.576		167	-	-	-
Emergency Service Performance Grant	97.042		19,262	19,262	-	-
USDOT Hazardous Material Emergency Preparation	20.703		7,880	1,970	-	-
Disaster Grants - Public Assistance (Presidentially Declared Disasters)	97.036		1,864,159	621,386	-	-
Total U. S. Department of Homeland Security			1,891,468	642,619	-	-
<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 C Nutrition Services						
Congregate Meals	93.045		81,615	107,571	-	42,981
Home Delivered Meals	93.045		36,798	48,502	-	21,622
Total Aging Cluster			118,413	156,073	-	-
Division of Social Services:						
Temporary Assistance for Needy Families Cluster						
TANF - TEA Child Welfare Services	93.558		-	-	-	-
TANF - Work First	93.558		784,861	-	-	488,429
Division of Public Health						
TANF - Work First	93.558		11,897	-	-	-
Total TANF Cluster			796,758	-	-	488,429

**DUPLIN COUNTY, NORTH CAROLINA**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS**  
**For the Year Ended June 30, 2019**

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
AFDC Payments & Penalties	93.560		(122)	(34)	-	(33)
<u>Foster Care and Adoption Cluster (Note 4&amp;5)</u>						
Foster Care - Title IV-E	93.658		359,804	69,276	-	247,887
Foster Care	N/A		44,943	-	-	-
Adoption Assistance	93.659		-	-	-	-
Total Foster Care and Adoption Cluster (Note 4&5)			404,747	69,276	-	247,887
Child Support Enforcement	93.563		529,588	-	-	272,818
Low-Income Home Energy Assistance:						
Administration	93.568		58,437	-	-	-
Energy Assistance Payments	93.568		268,000	-	-	-
Crisis Intervention Program	93.568		49,077	-	-	-
Total Low-Income Home Energy Assistance			375,514	-	-	-
Stephanie Tubbs Jones Child Welfare Services Program:						
- Permanency Planning - Families for Kids	93.645		13,725	-	-	4,575
Total Stephanie Tubbs Jones Child Welfare Services Program			13,725	-	-	4,575
Chafee Foster Care Independence Program	93.674		7,019	1,755	-	-
SSBG - Other Service and Training	93.667		229,799	-	-	76,599
Division of Aging and Adult Services:						
Division of Social Services:						
SSBG - State In Home Service Fund	93.667		1,345	-	-	192
SSBG - Adult Protective Care	93.667		19,643	-	-	6,548
Total Social Service Block Grant			250,786	-	-	83,339
<u>Administration for Children and Families</u>						
Division of Child Development and Early Education (Note 5)						
Subsidized Child Care (Note 4)						
<u>Child Care Development Fund Cluster:</u>						
Division of Social Services:						
Child Care Development Mandatory and Match Fund-Administration	93.596		95,799	-	-	-
Total Child Care Fund Cluster			95,799	-	-	-
Total Subsidized Child Care (Note 4)			95,799	-	-	-
Passed-through the N.C. Dept. of Health and Human Services:						
Division of Health Benefits :						
Division of Social Services:						
Administration:						
Medical Assistance Program	93.778		1,736,062	7,819	-	691,531
(Note 5) Total Medical Assistance Program			1,736,062	7,819	-	691,531
Division of Social Services:						
Administration:						

**DUPLIN COUNTY, NORTH CAROLINA**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS**  
**For the Year Ended June 30, 2019**

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
Children's Health Insurance Program - N.C. Health Choice (Note 5)	93.767		75,147	-	-	-
Total Children's Health Insurance Program - N.C. Health Choice			<u>75,147</u>	<u>-</u>	<u>-</u>	<u>-</u>
Passed-through the N.C. Dept. of Health and Human Services:						
Division of Public Health:						
Emergency Preparedness (PHEP) Aligned Cooperative Agreements	93.074		33,594	-	-	-
Project Grants and Cooperative Agreements for Tuberculosis Control Program	93.116		28,383	-	-	-
Family Planning Services	93.217		38,880	-	-	-
Immunization Grants	93.268		17,314	-	-	-
Preventive Health and Health Services Block Grant funded solely with Prevention and Public Health Funds (PPHF)	93.758		39,946	-	-	-
Preventive Health Services Sexually Transmitted Diseases Control Grants	93.977		100	-	-	-
Maternal and Child Health Services Block Grant	93.994		55,701	3,428	-	-
Total U.S. Dept. of Health and Human Services			<u>4,617,355</u>	<u>238,317</u>	<u>-</u>	<u>1,788,546</u>
Total federal awards			<u>7,713,447</u>	<u>910,554</u>	<u>-</u>	<u>2,343,940</u>
<b>State Awards:</b>						
<u>N.C. Dept. of Administration</u>						
Division of Veterans Affairs:						
Veterans Services			-	2,216	-	-
Total N.C. Dept. of Administration			<u>-</u>	<u>2,216</u>	<u>-</u>	<u>-</u>
<u>N.C. Dept. of Cultural and Natural Resources</u>						
Division of State Library						
State Aid to Public Libraries			-	122,454	-	-
			<u>-</u>	<u>122,454</u>	<u>-</u>	<u>-</u>
<u>N.C. Department of Environmental Quality</u>						
Division of Waste Management						
Soil Conservation State Match			-	3,600	-	-
Electronic Management Program			-	104	-	-
Scrap Tire Program			-	3,642	-	-
NC Agriculture Cost Share - Technical Assistance			-	48,129	-	-
Total Division of Waste Management			<u>-</u>	<u>55,475</u>	<u>-</u>	<u>-</u>
Division of Water						
WIF - CW Special Appropriated Projects			-	371,779	-	-
WIF - General Wastewater Revolving			-	132,646	-	-
Total Division of Water			<u>-</u>	<u>504,425</u>	<u>-</u>	<u>-</u>
Total N.C. Dept. Environmental Quality			<u>-</u>	<u>559,900</u>	<u>-</u>	<u>-</u>
<u>N.C. Dept. of Health and Human Services</u>						
Division of Aging and Adult Services						
State Appropriation - Access			34,128	44,981	-	8,790
State Appropriation - In-Home Services			59,991	79,071	-	14,263



**DUPLIN COUNTY, NORTH CAROLINA**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS**  
**For the Year Ended June 30, 2019**

<u>Grantor/Pass-through</u> <u>Grantor/Program Title</u>	<u>Federal</u> <u>CFDA</u> <u>Number</u>	<u>State/</u> <u>Pass-through</u> <u>Grantor's</u> <u>Number</u>	<u>Federal</u> <u>(Direct &amp;</u> <u>Pass-through)</u> <u>Expenditures</u>	<u>State</u> <u>Expenditures</u>	<u>Passed-through</u> <u>to</u> <u>Subrecipients</u>	<u>Local</u> <u>Expenditures</u>
State Appropriation - Senior Center Development			3,184	4,197	-	1,612
Total Division of Aging and Adult Services			<u>97,303</u>	<u>128,249</u>	<u>-</u>	<u>24,665</u>
Division of Social Services						
ST Child Welfare/CPS/CS LD			-	44,110	-	-
Energy Assistance			-	3,411	-	-
AFDC Incent/Prog Integrit			-	1,000	-	-
State Foster Home			-	33,230	-	23,086
Non-Allocating Reimbursable			-	-	-	89,624
Work First Non Reimbursable			-	-	-	471
County Funded Programs			-	-	-	702,573
Total Division of Social Services			<u>-</u>	<u>81,752</u>	<u>-</u>	<u>815,754</u>
Division of Public Health						
Other Receipts / State Supported Expenditures						
Food and Lodging Fees			-	11,579	-	-
Mosquito and Tick Suppression			-	142,110	-	-
CHA/CHIP Peer Review			-	80,581	-	-
General Communicable Disease Control			-	4,440	-	-
Child Health			-	18,480	-	-
HIV/STD State			-	500	-	-
STD Drugs			-	553	-	-
PCM for Women Ineligible for Medicaid			-	50,000	-	-
Family Planning - State			-	39,224	-	-
Maternal Health			-	55,618	-	-
Women Health Service Fund			-	9,825	-	-
TB Control			-	34,549	-	-
Total Division of Public Health			<u>-</u>	<u>447,459</u>	<u>-</u>	<u>-</u>
Total N. C. Department of Health and Human Services			<u>97,303</u>	<u>657,459</u>	<u>-</u>	<u>840,419</u>
<u>N.C. Dept. of Public Instruction</u>						
Public School Building Capital Fund - Lottery Proceeds			-	682,956	-	-
Total N.C. Dept. of Public Instruction			<u>-</u>	<u>682,956</u>	<u>-</u>	<u>-</u>
<u>N.C. Dept. of Public Safety</u>						
Juvenile Crime Prevention Programs			-	162,682	-	-
Governor's Crime Commission			-	-	-	-
Sheriff's Office Technology Improvements Project			-	-	-	-
Total Juvenile Crime Prevention Programs			<u>-</u>	<u>162,682</u>	<u>-</u>	<u>-</u>
Division of Emergency Management						
EMPG Supplemental			-	-	-	-
Total N. C. Department of Public Safety			<u>-</u>	<u>162,682</u>	<u>-</u>	<u>-</u>
<u>N.C. Dept. of Transportation</u>						
Rural Operating Assistance Program (ROAP) Cluster			-	-	-	-
ROAP Elderly and Disabled Transportation Assistance Program		36220.10.8.1	-	70,254	-	-
ROAP Rural General Public Program		36228.22.8.1	-	89,148	-	-

**DUPLIN COUNTY, NORTH CAROLINA**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS**  
**For the Year Ended June 30, 2019**

<u>Grantor/Pass-through</u> <u>Grantor/Program Title</u>	<u>Federal</u> <u>CFDA</u> <u>Number</u>	<u>State/</u> <u>Pass-through</u> <u>Grantor's</u> <u>Number</u>	<u>Federal</u> <u>(Direct &amp;</u> <u>Pass-through)</u> <u>Expenditures</u>	<u>State</u> <u>Expenditures</u>	<u>Passed-through</u> <u>to</u> <u>Subrecipients</u>	<u>Local</u> <u>Expenditures</u>
ROAP Work First Transitional - Employment		36236.11.7.1	-	15,377	-	-
Total ROAP Cluster			-	174,779	-	-
Airport Improvement Program		DOT-8	-	5,140,191	-	-
Formula Grants for Rural Areas		DOT-11	-	9,710	-	-
Formula Grants for Rural Areas		DOT-14	-	3,297	-	-
Total N.C. Dept. of Transportation			-	5,327,976	-	-
<u>Administrative Office of the Courts</u>						
Safe Roads Act			-	3,624	-	-
Total State awards			97,303	7,519,268	-	840,419
Total federal and State awards			\$ 7,810,750	\$ 8,429,822	\$ -	\$ 3,184,359

**DUPLIN COUNTY, NORTH CAROLINA**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS**  
**For the Year Ended June 30, 2019**

<u>Grantor/Pass-through</u> <u>Grantor/Program Title</u>	<u>Federal</u> <u>CFDA</u> <u>Number</u>	<u>State/</u> <u>Pass-through</u> <u>Grantor's</u> <u>Number</u>	<u>Federal</u> <u>(Direct &amp;</u> <u>Pass-through)</u> <u>Expenditures</u>	<u>State</u> <u>Expenditures</u>	<u>Passed-through</u> <u>to</u> <u>Subrecipients</u>	<u>Local</u> <u>Expenditures</u>
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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 Duplin County under the programs of the federal government and the State of North Carolina for the year ended June 30, 2019. 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

**Note 5: 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 personnel are involved with certain functions, primarily eligibility determinations that cause benefit payments to be issued by the State. These amounts disclose this additional aid to County recipients that do not appear in the basic financial statements because they are not revenues and expenditures

<u>Program Title</u>	<u>CFDA No.</u>	<u>Federal</u>	<u>State</u>
Special Supplemental Nutrition Program for Women Infant and Children	10.557	1,092,550	-
Supplemental Nutrition Assistance Program	10.551	15,252,596	-
Temporary Assistance for Needy Families	93.558	190,403	-
Adoption Assistance	93.659	155,792	39,987
Family Preservation	93.556	21,179	-
Special Children Adoption	93.558	44,560	-
Medical Assistance Program	93.778	58,333,898	30,055,737
Children's Health Insurance Program	93.767	1,514,896	-
Child Welfare Services Adoption	N/A	-	137,306
SAA/SAD HB 1030	N/A	-	40,301
SC/SA Domiciliary Care	N/A	-	383,063